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# Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

COMMISSION  
CLERK

**-M-E-M-O-R-A-N-D-U-M-**

**DATE:** August 11, 2011

**TO:** Office of Commission Clerk (Cole)

**FROM:** Division of Economic Regulation (Brady, Marsh, Walden)  
Office of the General Counsel (Klancke)

*pb amr JW PD JS CRB ALM*

**RE:** Docket No. 100114-WS – Application for approval of transfer of Horizon Homes of Central Florida, Inc. and Five Land Group, LLC’s water and wastewater systems to Aqua Utilities Florida, Inc., and for amendment of Certificate Nos. 507-W and 441-S, in Sumter County.  
County: Sumter

**AGENDA:** 08/23/11 – Regular Agenda – Proposed Agency Action for Issues 2, 3, 5, and 6 -- Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Brisé

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** None

**FILE NAME AND LOCATION:** S:\PSC\ECR\WP\100114.RCM.DOC

### Case Background

On March 10, 2010, an application was filed seeking approval of the transfer of Horizon Homes of Central Florida, Inc. and Five Land Group, LLC’s (Sellers) Jumper Creek water and wastewater systems to Aqua Utilities Florida, Inc. (AUF or Utility) and for amendment of AUF’s water and wastewater certificates in Sumter County. Jumper Creek currently provides water and wastewater service to approximately 45 single-family homes in the Jumper Creek Manor development. AUF anticipates that Jumper Creek will serve approximately 115 residential

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connections when it reaches build out. The development is in the Southwest Florida Water Management District and is not in a water use caution area.

Prior to the transfer of Jumper Creek, the systems were owned by the Jumper Creek Manor Homeowners' Association, Inc. (HOA). The HOA, as a nonprofit entity, was exempt from Commission regulation, pursuant to Section 367.022(7), Florida Statutes (F.S.). On December 14, 2007, the HOA transferred its interests in the Jumper Creek systems to Jumper Creek Joint Venture, which then transferred its interest in the Jumper Creek systems to AUF. On December 31, 2007, AUF began operating and maintaining the systems and on July 29, 2008, AUF filed an application for the transfer in Docket No. 080517-WS.

At the request of the Commissioners, a recommendation in Docket No. 080517-WS was deferred from the April 7, 2009 Agenda Conference. On April 10, 2009, staff met with representatives of AUF to discuss the application of Rule 25-30.0371, Florida Administrative Code (F.A.C.), regarding acquisition adjustments. By letter dated April 27, 2009, AUF confirmed that it relied on the rule in place, both prior to and at the time of the closing, and requested that it be applied to the Jumper Creek transfer. On July 8, 2009, AUF made several proposals to address the concerns of the Commission related to its acquisition of the Jumper Creek systems. A revised recommendation on the matter was filed on August 6, 2009. By letter dated August 12, 2009, AUF withdrew its application for transfer prior to the Agenda Conference and Docket No. 080517-WS was closed on August 14, 2009.

On March 10, 2010, a new application for the transfer was filed and the instant docket was opened. In its application, AUF indicates that it made repeated and concerted attempts to unwind its conditional acquisition of the Jumper Creek systems, but received no response from the Sellers confirming the agreement to unwind. Instead, AUF states that the Sellers repeatedly signaled that they would not assume the responsibility of owning and maintaining the systems. Therefore, AUF has continued to operate and maintain the Jumper Creek systems pending the Commission's decision on this application.

In its March 10, 2010 filing, AUF expressed a willingness for the Commission to process the application under a number of different acquisition adjustment scenarios. Effective November 22, 2010, the Commission adopted changes to Rule 25-30.0371, F.A.C., related to acquisition adjustments resulting from the sale of a system at a premium or discount.<sup>1</sup> By letter dated March 31, 2011, AUF clarified that it does not object to the Commission applying the revised acquisition adjustment rule and further waives any rights it has for the application to be processed under the acquisition adjustment rule in existence at the time of the original filing.

This recommendation addresses the transfer, net book value, acquisition adjustment, and rates and charges for the Jumper Creek systems. The Commission has jurisdiction pursuant to Sections 367.031, 367.045, 367.071, 367.091, and 367.101, F.S.

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<sup>1</sup> Order No. PSC-10-0668-FOF-WS, issued November 3, 2010, in Docket No. 100338-WS, In re: Initiation of rulemaking to amend Rule 25-30.0371, F.A.C., pertaining to Acquisition Adjustments for water and wastewater utilities.

### **Discussion of Issues**

**Issue 1:** Should the transfer of Horizon Homes of Central Florida, Inc. and Five Land Group, LLC's Jumper Creek water and wastewater systems to Aqua Utilities Florida, Inc. and amendment of Certificate Nos. 507-W and 441-S in Sumter County be approved?

**Recommendation:** Yes, the transfer is in the public interest and should be approved effective December 31, 2007. The territory being transferred is described in Attachment A. The resultant order should serve as AUF's water and wastewater certificates and should be retained by AUF. AUF should continue to be responsible for submitting all future annual reports and remitting regulatory assessment fees for the Jumper Creek systems. Within 30 days of the date of the order approving the transfer, AUF should be required to file a recorded copy of the warranty deed for the land on which the water and wastewater treatment facilities are located. (Brady, Walden, Marsh, Klancke)

**Staff Analysis:** As stated in the case background, AUF filed an application on March 10, 2010, for approval of the transfer of the Jumper Creek water and wastewater systems to AUF and for amendment of AUF's water and wastewater certificates in Sumter County. The application is in compliance with the governing statutes, Sections 367.045 and 367.071, F.S., and other pertinent statutes and administrative rules concerning applications for transfer and amendment of certificates. Pursuant to Section 367.071(1), F.S., the transfer was effective December 31, 2007, contingent upon Commission approval. Prior to the transfer, the systems were exempt from Commission regulation.

The application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, F.A.C. No objections to the notice have been filed with the Commission and the time for filing objections has expired. In addition, there have been no complaints filed with the Commission related to AUF's provision of service to Jumper Creek. The application contains a description of the transferred territory, a detailed system map, and an adequate territory map. A description of the territory being transferred is appended to this recommendation as Attachment A. The application contains an unrecorded copy of a warranty deed executed on December 14, 2007, as evidence that AUF owns the land upon which the treatment facilities are located. Within 30 days of the date of the order approving the transfer, AUF should be required to file a recorded copy of the warranty deed.

The application contains a copy of the purchase agreement which includes the purchase price, terms of payment, and a list of the assets purchased. Jumper Creek's assets were purchased by AUF for \$100,000, which was financed through the use of short-term funds provided by AUF's parent, Aqua America, Inc. There are no customer deposits, guaranteed revenue contracts, developer agreements, customer advances, or leases that must be disposed of in relation to the transfer. As noted, the transfer took place on December 31, 2007, subject to Commission approval. As described in the case background, AUF withdrew its previous transfer application on August 12, 2009, prior to Commission vote. However, AUF states it was not successful in unwinding the purchase agreement and has, therefore, continued to operate and maintain the Jumper Creek's systems until the Commission can rule on this application.

The Jumper Creek water system consists of two wells with a combined capacity of 110,000 gallons per day (gpd). Liquid chlorine is used for disinfection. The wastewater treatment plant is rated at 35,000 gpd, permitted on an annual average daily flow. Effluent is disposed of in a rapid infiltration basin. The application contains a statement that the Utility's systems are in satisfactory condition and in compliance with all applicable standards set by the Florida Department of Environmental Protection (DEP). Staff has confirmed with the DEP that the Utility's systems are currently in compliance with all applicable DEP standards.

Since the Jumper Creek systems were exempt from Commission regulation when previously owned by the HOA, the HOA was not required to submit annual reports nor remit regulatory assessment fees (RAFs). Staff has verified that AUF is current on annual reports for its Sumter County certificates and there are no outstanding RAFs, fines, or refunds due. Staff also verified that AUF included the Jumper Creek systems in its 2008, 2009, and 2010 annual reports and RAFs. AUF should continue to be responsible for submitting all future annual reports and remitting all future RAFs for the Jumper Creek systems.

Pursuant to Section 367.071(1), F.S., the Commission must make a determination that the proposed transfer is in the public interest. Since the Sellers were unable to unwind the purchase agreement, AUF appears to be the only viable alternative for continued water and wastewater service for the Jumper Creek customers. In this respect it should be noted that AUF has been providing water and wastewater services to Jumper Creek customers since December 31, 2007, in compliance with DEP standards. As previously mentioned, no complaints have been filed with the Commission related to AUF's provision of service to Jumper Creek. Therefore, it appears that AUF has adequately demonstrated its technical and financial ability to continue to provide effective service to the amended territory, pursuant to Rule 25-30.037(2)(j), F.A.C. Also, as will be discussed in more detail in Issue 3, AUF has agreed to the use in this docket of the Commission's recently revised Rule 25-30.0371, F.A.C., on acquisition adjustments.

Staff, therefore, recommends that the transfer of Horizon Homes of Central Florida, Inc. and Five Land Group, LLC's Jumper Creek water and wastewater facilities to AUF is in the public interest and should be approved, effective December 31, 2007. The territory being transferred is described in Attachment A. The resultant order should serve as AUF's water and wastewater certificates and should be retained by AUF. AUF should continue to be responsible for submitting all future annual reports and remitting regulatory assessment fees for the Jumper Creek systems. Within 30 days of the date of the order approving the transfer, AUF should be required to file a recorded copy of the warranty deed for the land on which the water and wastewater treatment facilities are located.

**Issue 2:** What is the net book value for the Jumper Creek water and wastewater systems as of December 31, 2007?

**Recommendation:** The net book value for transfer purposes as of December 31, 2007, is \$327,494 for Jumper Creek's water system and \$176,581 for the wastewater system, as shown on Schedule No. 1. AUF should be required to record the balances as of December 31, 2007, as shown on Schedule No. 1, for Jumper Creek's water and wastewater plant and accumulated depreciation accounts, pursuant to the National Association of Regulatory Utility Commissioners' Uniform System of Accounts. Within 30 days of the date of the final order, AUF should be required to provide a statement that its books have been updated to reflect the Commission-approved net book values and balances and that these numbers will also be reflected in the Utility's 2011 annual report. (Brady, Walden, Klancke)

**Staff Analysis:** As discussed in the case background, the Jumper Creek water and wastewater systems were originally owned by the HOA. AUF provided original costs for the systems based upon the books and records of the prior owner and the original source documents that were available. Staff reviewed the original cost study, the methodology used, and the proposed original cost for the water and wastewater systems. The Utility's proposed, and staff's recommended, net book values of \$327,494 for water and \$176,581 for wastewater are shown on Schedule No. 1. Net book values are for informational purposes, and are not intended to formally establish rate base nor do they include normal rate making adjustments for used and useful plant or working capital.

#### Utility Plant in Service (UPIS)

The Jumper Creek net book value balance as of December 31, 2007, included total depreciable UPIS of \$495,547 for water and \$387,551 for wastewater. The water system costs include structures and improvements, water treatment equipment, services, meters, and fire hydrants. The wastewater system costs include the facilities for structures and improvements, force and collection mains, manholes, pumping equipment, and treatment and disposal equipment. The proposed costs appear reasonable. Therefore, staff recommends that UPIS balances of \$495,547 for water and \$387,551 for wastewater, as of December 31, 2007, should be approved.

#### Land & Land Rights

Jumper Creek recorded \$2,271 for the .33 acre of land on which the water treatment plant is located and \$18,722 for the 2.72 acres of land on which the wastewater plant is located. The National Association of Regulatory Utility Commissioners' Uniform System of Accounts (NARUC's USOA) states that the cost of land should be recorded at its original cost when first dedicated to utility service. Based on the original cost of the land, staff recommends that the land balances of \$2,271 for the water system and \$18,722 for the wastewater treatment plant and lift stations appear reasonable and should be approved.

### Accumulated Depreciation

Jumper Creek recorded accumulated depreciation balances of \$22,855 for water and \$18,401 for wastewater, as of December 31, 2007. The accumulated depreciation balances were based upon the guideline rates for average service lives, as set forth in Rule 25-30.140, F.A.C. As a result, staff is in agreement with the Utility and recommends that the accumulated depreciation balances for Jumper Creek's water and wastewater systems are \$22,855 and \$18,401, respectively, as of December 31, 2007.

### Contributions-in-Aid-of-Construction (CIAC) and Amortization of CIAC

Staff requested evidence to support that the cost of the water transmission and distribution system and the wastewater collection system were not written off to cost of goods sold on the developer's tax returns. AUF was unable to obtain the original developer's tax returns and is in agreement with staff that, without such documentation, the plant costs attributable to the water transmission and distribution system and the wastewater collection system should be imputed as CIAC, pursuant to Rule 25-30.570, F.A.C. Therefore, staff recommends that the cost of the water transmission and distribution lines of \$154,596 and the wastewater collection system of \$221,828 be imputed as CIAC, pursuant to Rule 25-30.570, F.A.C.

Using a composite net book value based on the guidelines for average service lives as set forth in Rule 25-30.140, F.A.C., the appropriate amount of water and wastewater amortization of CIAC, as of December 31, 2007, is \$7,127 and \$10,537 respectively.

### Conclusion

Based on the above discussion, staff recommends that the net book value for transfer purposes as of December 31, 2007, is \$327,494 for Jumper Creek's water system and \$176,581 for the wastewater system, as shown on Schedule No. 1. AUF should be required to record the balances as of December 31, 2007, as shown on Schedule No. 1, for Jumper Creek's water and wastewater plant and accumulated depreciation accounts, pursuant to the NARUC's USOA. Within 30 days of the date of the final order, AUF should be required to provide a statement that its books have been updated to reflect the Commission-approved net book values and balances and that these numbers will also be reflected in the Utility's 2011 annual report.

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

**Recommendation:** Yes. Pursuant to revised Rule 25-30.0371, F.A.C., a negative acquisition adjustment of \$197,095 for the Jumper Creek water system and \$106,165 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 \$98,548 for the water system and \$53,082 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. (Brady, Klancke)

**Staff Analysis:** An acquisition adjustment results when the purchase price differs from the original cost of the assets (net book value) adjusted to the time of the acquisition. Effective November 11, 2010, and subsequent to the filing of this application, a revision to Rule 25-30.0371, F.A.C., on acquisition adjustments, was implemented by the Commission. As noted, supra, AUF has agreed to the use in this docket of revised Rule 25-20.0371, F.A.C.

Prior to the adoption of the changes to Rule 25-30.0371, F.A.C., a negative acquisition adjustment was amortized over five years. The revised rule extends the amortization period for negative acquisition adjustments. Specifically, pursuant to Rule 25-30.0371(3), F.A.C., if 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. Pursuant to Rule 25-30.0371(4)(b)2., F.A.C., if the purchase price is equal to or less than 50 percent of net book value, then 50 percent of the negative acquisition adjustment is amortized over a seven-year period and 50 percent amortized over the remaining life of the assets, beginning with the date of the issuance of the order approving the transfer of assets. As a result, if the transfer of the Jumper Creek water and wastewater systems to AUF is approved, the application of the revised acquisition adjustment rule would extend the time frame over which the full amount of AUF's investment in Jumper Creek would be included in AUF's rate base.

The calculation of AUF's Jumper Creek acquisition adjustment is shown below. Staff allocated the purchase price of \$100,000 based on the amount of water and wastewater rate base.

	<u>Water System</u>	<u>Wastewater System</u>
Net book value as of December 31, 2007	\$327,494	\$176,581
80 percent of net book value	\$261,995	\$141,265
Purchase Price	\$ 64,900	\$ 35,100
Negative acquisition adjustment	\$197,095	\$106,165

Pursuant to revised Rule 25-30.0371, F.A.C., a negative acquisition adjustment of \$197,095 for the Jumper Creek water system and \$106,165 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 \$98,548 for the water system and \$53,082 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.

**Issue 4:** Should the Utility's existing rates and charges be approved?

**Recommendation:** Yes. The existing water and wastewater rates shown on Schedule No. 2 should be approved for the Jumper Creek water and wastewater systems. AUF should be required to charge the approved rates and charges until authorized to change them by this Commission in a subsequent proceeding. The rates should be effective for services rendered on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C. (Brady, Walden)

**Staff Analysis:** Rule 25-9.044(1), F.A.C., provides that, in the case of a change of ownership or control of a utility, the rates, classifications, and regulations of the former owner must continue unless authorized to change by the Commission. Since the Jumper Creek water and wastewater systems were previously exempt from Commission regulation, pursuant to Section 367.022(7), F.S., as a non-profit HOA providing service solely to members, the current rates have never been approved by the Commission.

According to the application, Jumper Creek's water and wastewater rates were established by the HOA in 2006. The water rate is \$25.00 per month for usage of up to 10,000 gallons. Usage over 10,000 gallons per month is \$2.50 per 1,000 gallons. The wastewater rate is a flat rate of \$40.00 per month. According to the 2010 Annual Reports filed by AUF for the Jumper Creek water and wastewater systems, the existing rates generated annual revenues of \$27,447 with a total net loss of \$43,748. While Jumper Creek's existing rates do not appear to be fully compensatory, AUF has not requested that they be changed. In future AUF rate cases, the Jumper Creek systems will be combined with AUF's existing water and wastewater systems for rate making purposes.

Staff, therefore, recommends that Jumper Creek's existing water and wastewater rates shown on Schedule No. 2 be approved. AUF should be required to charge the approved rates until authorized to change them by this Commission in a subsequent proceeding. The rates should be effective for services rendered on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C.



**Issue 5:** Should AUF's request for meter installation charges be approved?

**Recommendation:** Yes. AUF's request for meter installation charges shown on Schedule No. 2 should be approved. AUF should be required to charge the approved charges until authorized to change them by this Commission in a subsequent proceeding. The charges should be effective for connections made on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. (Brady, Walden)

**Staff Analysis:** Pursuant to Section 367.101, F.S., the Commission shall set just and reasonable charges and conditions for service availability. AUF has proposed a meter installation charge of \$220.00 for a 5/8" x 3/4" Electronic Radio Transmitter (ERT) meter. ERT meters emit radio signals which can be read by a repeater-transmitter. As a result, the meters can be read remotely from the street without requiring access to a customer's property and the data can be downloaded directly to a computer for billing. In addition, the automated readings make it possible to read customer meters on the same day each month.

AUF's proposed meter installation charge is consistent with AUF's approved tariff for meter installation for other AUF systems. All meter sizes other than 5/8" x 3/4" are proposed at actual cost. Existing customers are not required to pay meter installation charges.

Staff recommends that AUF's proposed meter installation charges shown on Schedule No. 2 be approved. AUF should be required to charge the approved charges until authorized to change them by this Commission in a subsequent proceeding. The approved charges should be effective for connections made on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C.

**Issue 6:** Should AUF's request for initial customer deposits, miscellaneous service charges, and late payment charge be approved?

**Recommendation:** Yes. AUF's request for initial customer deposits, miscellaneous service charges, and late payment charge shown on Schedule No. 2 are consistent with Commission rules and should be approved. AUF should be required to charge the approved charges until authorized to change them by this Commission in a subsequent proceeding. The Utility should be required to file a proposed customer notice to reflect the Commission-approved charges for the water and wastewater systems. The approved charges should be effective for services rendered on or after the stamped approval date of the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charges should not be implemented until staff has approved the proposed customer notice. The Utility should provide proof of the date notice was given within ten days after the date of the notice. (Brady, Walden)

**Staff Analysis:** AUF requested initial customer deposits, miscellaneous service charges, and a late payment charge, pursuant to Section 367.091, F.S. This statute authorizes the Commission to establish, increase, or change a rate or charge other than monthly rates or service availability charges.

#### Initial Customer Deposits

AUF requests initial customer deposits for the Jumper Creek water and wastewater systems of \$50.00 and \$80.00, respectively. The proposed deposits are based on two times an average monthly bill for water and wastewater service. Jumper Creek's customers all use residential 5/8" x 3/4" meters. Deposits in the amount of two times an average monthly bill are consistent with Rule 25-30.311, F.A.C., which contains the criteria for collecting, administering, and refunding customer deposits.

As justification for its proposed initial customer deposits, AUF indicates that, if utilities do not collect adequate deposits to recover the cost of providing service, the result would be an increase in its bad debt expense. Ultimately, bad debt expense is included in the Utility's revenue requirement and, therefore, included in the cost of service charged to the general body of ratepayers. AUF also notes that collecting initial customer deposits is consistent with one of the fundamental principles of rate making, ensuring that the cost of providing service is recovered from the cost-causer. Staff recommends that the Utility's proposed initial customer deposits shown on Schedule No. 2 of \$50.00 for water service and \$80.00 for wastewater service are consistent with Commission rules and should be approved.

#### Miscellaneous Service Charges and Late Charge

Pursuant to Rule 25-30.460, F.A.C., utilities may apply for miscellaneous service charges, including initial connection, normal reconnection, violation reconnection, and premises visit charges. In addition, AUF is requesting a late payment charge. AUF's requested charges shown on Schedule No. 2 are consistent with the standard miscellaneous service charges and late payment charge currently approved for AUF in Order No. PSC-09-0385-FOF-WS ("Final

Order”).<sup>2</sup> For ease of administration and fairness, AUF requests that these same charges be approved for the Jumper Creek systems. Staff agrees that this request is reasonable and recommends that AUF’s proposed miscellaneous charges and late payment charge shown on Schedule No. 2 be approved.

### Conclusion

Based on the above, staff recommends that AUF’s request for initial customer deposits, miscellaneous service charges, and late payment charge shown on Schedule No. 2 are consistent with Commission rules and be approved. AUF should be required to charge the approved charges until authorized to change them by this Commission in a subsequent proceeding. The Utility should be required to file a proposed customer notice to reflect the Commission-approved charges for the water and wastewater systems. The approved charges should be effective for services rendered on or after the stamped approval date of the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charges should not be implemented until staff has approved the proposed customer notice. The Utility should provide proof of the date notice was given within ten days after the date of the notice.

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<sup>2</sup> Issued May 29, 2009, in Docket No. 080121-WS, In re: Application for increase in water and wastewater rates in Alachua, Brevard, DeSoto, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc.

Docket No. 100114-WS  
Date: August 11, 2011

**Issue 7:** Should this docket be closed?

**Recommendation:** Yes. If no protest to the proposed agency action issues 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 closed administratively upon receipt of a recorded warranty deed and a statement that AUF's books have been updated to reflect the Commission-approved net book values and account balances for the Jumper Creek systems and that these numbers will also be reflected in the Utility's 2011 annual report. (Klancke)

**Staff Analysis:** If no protest to the proposed agency action issues 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 closed administratively upon receipt of a recorded warranty deed and a statement that AUF's books have been updated to reflect the Commission-approved net book values and account balances for the Jumper Creek's systems and that these numbers will also be reflected in the Utility's 2011 annual report.

**Aqua Utilities of Florida, Inc.  
Description of Water and Wastewater Territory Added  
Sumter County**

**Township 21 South, Range 22 East  
Section 24**

**Jumper Creek Subdivision**

All of Tracts or Parcels 4, 5, And 6 of Plat Book 9, Page 5, Sumter County, Florida Records, being a portion of the following described property:

Begin at the Northeast corner of the South 1/2 of the Southwest 1/4 of the Northeast 1/4 of Section 24; thence S.89°54'27"W. along the north line of the South 1/2 of the Southwest 1/4 of the Northeast 1/4 of said Section 24 a distance of 660.60 feet to a point being on the East line of the Northwest 1/4 of the Southwest 1/4 of the Northeast 1/4 of said Section 24; thence N.0°02'51"W. along said East line a distance of 362.66 feet; thence S.89°55'28"W. a distance of 320.00 feet; thence N.0°02'51"W. a distance of 250.00 feet to a point being on the south right-of-way line of County Road 48, having a 100.00 foot wide public right-of-way; thence S.89°55'28"W. along said south right-of-way line a distance of 365.39 feet to a point being 25.00 feet westerly of, when measured perpendicularly to, the West line of the East 1/2 of said Section 24; thence S.0°01'42"E. parallel to said West line a distance of 2,297.15 feet; thence N.89°57'30"E. parallel to the South line of the Northeast 1/4 of the Southwest 1/4 of said Section 24 a distance of 927.35 feet to a point being on the West line of the south 600.00 feet of the east 420.00 feet of the Northwest 1/4 of said Section 24; thence N.0°04'05"W. along said West line a distance of 293.06 feet to a point being on the North line of the south 600.00 feet of the east 420.00 feet of the Northwest 1/4 of the Southeast 1/4 of said Section 24; thence N.89°57'42"E. along said North line a distance of 420.00 feet to a point being on the East line of the Northwest 1/4 of the Southeast 1/4 of said Section 24; thence N.0°04'05"W. along said East line a distance of 728.13 feet to the southeast corner of the Southwest 1/4 of the Northeast 1/4 of said Section 24; thence N.0°04'01"W. along the East line of the Southwest 1/4 of the Northeast 1/4 of said Section 24 a distance of 664.33 feet to the Point of Beginning.

**FLORIDA PUBLIC SERVICE COMMISSION**  
**authorizes**  
**Aqua Utilities Florida, Inc.**  
**pursuant to**  
**Certificate Number 507-W**

to provide water service in Sumter County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
19848	08/22/88	880013-WS	Grandfather Certificate
25012	09/04/91	910586-WU	Amendment
PSC-92-1113-FOF-WS	10/05/92	920176-WS	Transfer of Certificate
PSC-93-1418-FOF-WS	09/29/93	930614-WS	Name Change
PSC-96-0666-FOF-WS	05/14/96	951330-WS	Transfer of Majority Control
PSC-97-0312-FOF-WS	03/24/97	960643-WS	Transfer of Certificate
PSC-99-0483-FOF-WS	03/08/99	981508-WS	Transfer of Majority Control
PSC-04-0715-FOF-WS	07/21/04	040359-WS	Name Change
PSC-06-0973-FOF-WS	11/22/06	060643-WS	Reorganization/Name Change
*	*	100114-WS	Transfer/Amendment

**\*Order Numbers and dates to be provided at time of issuance.**

**FLORIDA PUBLIC SERVICE COMMISSION**  
**authorizes**  
**Aqua Utilities Florida, Inc.**  
**pursuant to**  
**Certificate Number 441-S**

to provide wastewater service in Sumter County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
19848	08/22/88	880013-WS	Grandfather Certificate
20518	12/23/88	880485-SU	Transfer of Certificate
PSC-92-1113-FOF-WS	10/05/92	920176-WS	Transfer of Certificate
PSC-93-1418-FOF-WS	09/29/93	930614-WS	Name Change
PSC-96-0666-FOF-WS	05/14/96	951330-WS	Transfer of Majority Control
PSC-97-0312-FOF-WS	03/24/97	960643-WS	Transfer of Certificate
PSC-99-0483-FOF-WS	03/08/99	981508-WS	Transfer of Majority Control
PSC-04-0715-FOF-WS	07/21/04	040359-WS	Name Change
PSC-06-0973-FOF-WS	11/22/06	060643-WS	Reorganization/Name Change
*	*	100114-WS	Transfer/Amendment

**\*Order Numbers and dates to be provided at time of issuance.**

**Jumper Creek Water and Wastewater Systems**

**Schedule of Net Book Value, as of December 31, 2007  
Utility Proposed and Staff Recommended Balances**

<b>Description</b>	<b><u>Water System</u></b>	<b><u>Wastewater System</u></b>
Utility Plant in Service	\$495,547	\$ 387,551
Land	2,271	18,722
Accumulated Depreciation	(22,855)	(18,401)
Contributions in Aid of Construction (CIAC)	(154,596)	(221,828)
Accumulated Amortization of CIAC	<u>7,127</u>	<u>10,537</u>
<b>Water Net Book Value</b>	<b><u>\$327,494</u></b>	<b><u>\$ 176,581</u></b>

**Schedule of Account Balances, as of December 31, 2007  
Water System**

<b>Acct. No.</b>	<b>Account Name</b>	<b>Plant</b>	<b>Accumulated Depreciation</b>
303	Land and Land Rights	\$ 2,271	\$ 0
304	Structures and Improvements	6,486	232
307	Wells	58,951	2,183
320	Water Treatment Equipment	275,513	16,207
331	Transmission & Distribution	85,223	2,243
333	Service	38,840	1,110
334	Meters	3,481	205
335	Fire Hydrants	<u>27,042</u>	<u>2,814</u>
	<b>Total Water Plant</b>	<b>\$497,818</b>	<b>\$22,855</b>

**Schedule of Account Balances, as of December 31, 2007  
Wastewater System**

<b>Acct. No.</b>	<b>Account Name</b>	<b>Plant</b>	<b>Accumulated Depreciation</b>
353	Land and Land Rights	\$ 18,722	\$ 0
354	Structures and Improvements	8,231	305
360	Collection Sewers-Force	32,796	1,215
361	Collection Sewers-Gravity	83,951	2,099
362	Manholes	54,508	1,473
371	Pumping Equipment	50,573	2,810
380	Treatment & Disposal	<u>157,492</u>	<u>10,499</u>
	<b>Total Wastewater Plant</b>	<b>\$406,273</b>	<b>\$18,401</b>



**Jumper Creek**

**Monthly Water Rates  
 Residential and General Service**

All Meter Sizes	
Up to 10,000 gallons	\$ 25.00
Over 10,000 gallons	\$ 2.50 per 1,000 gallons

**Monthly Wastewater Rates  
 Residential and General Service**

All Meter Sizes	
Flat Rate	\$ 40.00

**Service Availability Charges**

<b>Meter Installation Charge</b>	
5/8" x 3/4"	\$220.00
All Others	Actual Cost

**Initial Customer Deposits**

	<u>Water</u>	<u>Wastewater</u>
All Meter Sizes	\$50.00	\$ 80.00

**Miscellaneous Service Charges**

	<u>Water</u>		<u>Wastewater</u> *	
	Normal Hours	After Hours	Normal Hours	After Hours
Initial Connection	\$22.00	\$33.00	\$22.00	\$33.00
Normal Reconnection	\$22.00	\$33.00	\$22.00	\$33.00
Violation Reconnection	\$35.00	\$55.00	Actual Cost	Actual Cost
Premises Visit	\$22.00	\$33.00	\$22.00	\$33.00
Late Payment Fee	\$ 5.00	N/A	\$ 5.00	N/A

\* For customers having both water and wastewater service, only one charge applies.