

VOTE SHEET

July 29, 2008

Docket No. 080121-WS – 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.

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

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

Recommendation: Yes. As discussed in the case background, the Utility's has proposed to cap 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

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Handwritten signatures of majority commissioners: Ned A. Jg, Katrina J. McMorris, [Signature], [Signature], [Signature] SOH

Blank lines for dissenting signatures.

REMARKS/DISSENTING COMMENTS: Commissioner Argenziano participated by telephone.

DOCUMENT NUMBER-DATE
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FPSC-COMMISSION CLERK

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Issue 3: Should any interim revenue increase be approved?

Recommendation: Yes. The appropriate interim revenue requirements are as shown on Attachment A of staff's memorandum dated July 18, 2008.

APPROVED

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

Recommendation: The appropriate respective system interim rates should be the lower of staff's uncapped calculated rates or the Utility's capped rates as shown on Schedules No. 4-A and 4-B of staff's memorandum dated July 18, 2008 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), Florida Administrative Code (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

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. (Aqua or AAI), and written confirmation that Aqua will not assume outstanding guarantees on behalf of AAI-owned utilities in other states in excess of \$55 million (inclusive of AUF). Aqua should be required to file a corporate undertaking on behalf of its subsidiaries to guarantee any potential refunds of revenues collected under interim conditions. Aqua's total guarantee should be an amount of ~~\$3,222,973~~ 2,480,622. 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 *with modification.*

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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