

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: October 28, 2010

TO: Office of Commission Clerk (Cole)

FROM: Division of Economic Regulation (Mouring, Cicchetti, Fletcher, Maurey, Rieger, Simpson, Springer, Walden, Williams) *M* *MC* *BF* *PN* *(M)*
Office of the General Counsel (Fleming, Jaeger, Klancke) *KETSC* *(R/B)*

RE: 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.

AGENDA: 11/9/10 – Regular Agenda – Decision on Interim Rates – Participation is at the Discretion of the Commission

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Skop

CRITICAL DATES: 11/9/10 (60-Day Suspension Date – As Extended by the Utility)

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\100330.RCM.DOC

Case Background

Aqua Utilities Florida, Inc. (AUF or Utility) is a wholly-owned subsidiary of Aqua America, Inc. AUF provides water and wastewater service in 87 certificated service areas (60 water and 27 wastewater systems) in 17 counties. In the test year ended April 30, 2010, the Utility recorded total regulated operating revenues of \$8,255,766 and \$4,824,531 for water and wastewater, respectively. AUF reported regulated net operating income for the test year of \$605,852 for water and \$526,976 for wastewater. During the test year, 16,357 water and 6,789

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wastewater customers received service from the Utility's regulated systems. Water and wastewater rates were last established for this Utility in a rate case initiated in 2008.¹

With the exception of AUF's Peace River and Breeze Hill water and wastewater systems in Lake, Hardee, and Polk Counties, the Commission has established rate base for the Utility's water and wastewater bands, as well as Fairways at Mt. Plymouth (Fairways). On October 22, 2009, the Board of County Commissioners of Hardee County adopted Ordinance No. 2010-02, making the privately-owned water and wastewater facilities in Hardee County subject to the provisions of Chapter 367, Florida Statutes (F.S.). On January 22, 2010, AUF filed an application for certificates, for its Peace River system, under grandfather rights to provide water and wastewater service in Hardee County and was granted the certificates on April 2, 2010.² On December 27, 2007, the Utility filed an application for approval of the transfer of Fairways' water and wastewater facilities to AUF. By Order No. PSC-09-0038-PAA-WS, the transfer was approved.³ On March 21, 2008, the Utility submitted an application for transfer of the Breeze Hill water and wastewater systems to AUF. By Order No. PSC-08-0533-FOF-WS, the transfer was approved.⁴

On September 1, 2010, the Utility filed an application for approval of interim and final water and wastewater rate increases. By letter dated September 22, 2010, the Commission staff advised AUF that its Minimum Filing Requirements (MFRs) had deficiencies. On October 7 and 14, 2010, the Utility submitted its responses to staff's deficiency letter and satisfied all the identified deficiencies. Thus, the official date of filing has been established as October 14, 2010.

AUF's application for increased final water and wastewater rates is based on the historical 13-month average test year ended April 30, 2010, with requested adjustments for pro forma plant and operating expenses. In its filing, the Utility states that the rate increase is necessary because AUF has made substantial capital investments in plant and equipment to improve the quality of water and wastewater service. In addition, due to decreased revenue from reductions in consumption, the Utility states that it will not earn a fair and reasonable rate of return on its investment in 2010. AUF's requested final rate increase would result in additional operating revenues of \$2,478,491 for water and \$1,273,557 for wastewater.

The Utility's interim request was based on a historical 13-month average test year ended April 30, 2010. AUF's requested interim rates would produce additional revenues of \$1,512,236 for water operations and \$648,807 for wastewater operations. For interim rate purposes, the

¹ See Order No. PSC-09-0385-FOF-WS, 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.

² See Order No. PSC-10-0205-FOF-WS, issued April 2, 2010, in Docket No. 100050-WS, In re: Application for grandfather certificate to operate water and wastewater utility in Hardee County by Aqua Utilities Florida, Inc.

³ Issued January 20, 2009, in Docket No. 070739-WS, In re: Application for approval of transfer of Fairways/Mt. Plymouth, Ltd.'s water and wastewater systems to Aqua Utilities Florida, Inc., and for amendment of Certificate Nos. 106-W and 120-S, in Lake County.

⁴ Issued August 18, 2008, in Docket No. 080167-WS, In re: Application for authority to transfer water and wastewater systems of Cal Clair, Inc. d/b/a Breeze Hill Utility to Aqua Utilities Florida, Inc., request for amendment of Aqua Utilities Florida, Inc.'s Certificate Nos. 587-W and 506-S in Polk County, to include Cal Clair, Inc. d/b/a Breeze Hill's Certificate Nos. 598-W and 513-S.

Utility is requesting that the interim rate increase be limited to approximately the level of the final rates for the requested consolidated rate structure. For those systems that are limited and for which AUF would actually collect less in interim rates than it was entitled by Florida Statute, the Utility requests that the difference over the term of the interim rates be recognized as a regulatory asset to be recovered over a period of two years once final rates are determined. Consistent with the 2008 rate case, the Utility would neither recover interest on this deferred recovery, nor have this amount included in the calculation of working capital.

The original 60-day statutory deadline for the Commission to suspend the Utility's requested final rates was October 30, 2010. However, by letter dated September 3, 2010, AUF agreed to extend the statutory time frame by which the Commission is required to suspend the Utility's final requested rates and to address AUF's interim rate request through November 9, 2010. This recommendation addresses the suspension of the Utility's requested final rates and AUF's requested interim rates. The Commission has jurisdiction pursuant to Sections 367.081 and 367.082, F.S.

Discussion of Issues

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. (Mouring, Fletcher)

Staff Analysis: Section 367.081(6), F.S., provides that the rates proposed by the Utility shall become effective within 60 days after filing unless the Commission votes to withhold consent of implementation of the requested rates. Further, the above referenced statute permits the proposed final rates to go into effect, under bond, escrow, or corporate undertaking eight months after filing unless final action has been taken by the Commission.

Staff has reviewed the filing and has considered the proposed rates, the revenues thereby generated, and the information filed in support of the rate application. Staff believes that it is reasonable and necessary to require further amplification and explanation regarding this data, and to require production of additional and/or corroborative data. This further examination will include on-site inspections by staff accountants and engineers. Based on the foregoing, staff recommends that it is appropriate to suspend the Utility's proposed final rate increase.

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, 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. (Mouring, Fletcher)

Staff Analysis: In its application for increased final rates, the Utility is requesting a consolidated rate structure for its four water rate bands, four wastewater rate bands, and three stand-alone systems providing water and wastewater service. For interim rate purposes, AUF is requesting that the interim rate increase be limited at approximately the level of the final rates for the requested consolidated rate structure. For those rate bands or stand-alone systems that are limited, and for which the Utility would actually collect less in interim rates than it was entitled by Florida Statute, AUF requests that the difference over the term of the interim rates be recognized as a regulatory asset to be recovered over a period of two years once final rates are determined. The Utility states that it would neither seek to recover interest on this deferred recovery, nor have this amount included in the calculation of working capital.

A regulatory asset typically involves a cost incurred by a regulated utility that would normally be expensed currently but for an action by the regulator or legislature to defer the cost as an asset to the balance sheet. This allows a utility to amortize the regulatory asset over a period greater than one year. For example, unamortized rate case expense in the water and wastewater industry is a regulatory asset. Normally, the costs of a rate case would be expensed when they are incurred. However, Section 367.0816, F.S., requires that water and wastewater utilities amortize rate case expense over a four-year period, thus creating a regulatory asset. The Commission's approval to defer entitled revenues and amortize the recovery of those revenues over a period greater than one year can also create a regulatory asset.

Statement of Financial Accounting Standards 71 allows regulated companies to defer costs and create regulatory assets, provided that it is probable that future revenue in an amount at least equal to the capitalized cost will result from inclusion of that cost in allowable costs for rate-making purposes. To create a regulatory asset or liability, a regulated utility must have the approval of its regulator. This concept of deferral accounting allows utilities to defer costs due to events beyond their control and seek recovery 'through rates' at a later time. The alternative would be for a utility to seek a rate case each time it experiences an exogenous event.

Staff believes that this request is reasonable and is consistent with the interim rate statute. In approving interim rates pursuant to Section 367.082, F.S., it has been the Commission's practice to require the Utility's current rate structure at the time of the interim rate request be

used in setting interim rates.⁵ In setting interim rates, staff would use the current rate structure of each system for the collection of the interim revenues up to the limit. The issue in the final determination of rates would be who would have to pay the regulatory asset (or deferred interim revenues), if it was ultimately determined that the Utility was entitled to those revenues when it first applied for interim rates. If the Commission determines that the deferred interim revenues should be recovered from each individual system, then those customers would be in no worse position than they would have been if they were charged the unlimited interim rates. Moreover, those customers would receive the benefit of having to pay a portion of the unlimited 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.

As discussed in Issue 4, staff is recommending the respective 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. Attachment A reflects staff's calculation of the total regulatory asset on an annual basis for the respective water and wastewater bands and stand-alone systems. This proposed regulatory asset treatment by the Utility is consistent with the interim methodology approved in its last rate case. 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.

⁵ See Order No. PSC-96-1388-FOF-WS, issued November 19, 1996, in Docket No. 960451-WS, In re: Application for a rate increase in Duval, Nassau, and St. Johns Counties by United Water Florida; and Order No. PSC-96-0170-FOF-WS, issued February 6, 1996, in Docket No. 951027-WS, In re: Application for a rate increase in Highlands County by Lake Placid Utilities, Inc.

Issue 3: Should an interim revenue increase be approved?

Recommendation: Yes. The appropriate interim revenue requirements are shown on Attachment A. (Mouring, Fletcher, Springer)

Staff Analysis: AUF requested interim rates designed to generate additional revenues of \$1,512,236 for water operations and \$648,807 for wastewater operations. The combined increase in water and wastewater operations of \$2,161,043 results in total combined water and wastewater revenues on an interim basis of \$15,595,008.

AUF has filed rate base, cost of capital, and operating statements to support its requested interim increase in water and wastewater rates. Pursuant to Section 367.082(1), F.S., in order to establish a prima facie entitlement for interim relief, the utility shall demonstrate that it is earning outside the range of reasonableness on its rate of return. Pursuant to Section 367.081(2)(a), F.S., in a proceeding for an interim increase in rates, the Commission shall authorize, within 60 days of the filing for such relief, the collection of rates sufficient to earn the minimum of the range of rate of return. Based on the Utility's filing and the recommended adjustments below, staff believes the Utility has demonstrated its prima facie entitlement in accordance with Section 367.082(1), F.S.

Pursuant to Section 367.082(5)(b)1, F.S., the achieved rate of return for interim purposes must be calculated by applying adjustments consistent with those used in the utility's most recent rate proceeding and annualizing any rate changes. Staff has reviewed the Utility's interim request, as well as past Commission orders in which the Commission last established rate bases for the respective water and wastewater systems. AUF's used and useful adjustments for interim purposes are consistent with the methodology used in the last rate case. Based on its review, staff recommends the adjustments discussed below.

Staff has attached accounting schedules to illustrate the recommended rate base and test year operating income amounts on a per system basis. The capital structure schedule is Schedule No. 1. The water and/or wastewater rate base schedules are numbered 2-A and 2-B, respectively. The respective water and/or wastewater net operating income statements are reflected on Schedule Nos. 3-A and 3-B, respectively. Schedule No. 3-C reflects adjustments to net operating income, and reflects adjustments to remove the requested revenue increase or decrease, and the associated regulatory assessment fees (RAFs) and income tax provision resulting from staff's recommended adjustments below.

RATE BASE

In accordance with Rule 25-30.433, Florida Administrative Code (F.A.C.), the Utility used the balance sheet approach to determine its requested interim working capital allowance. In its filing, the Utility reflected a working capital allowance of \$4,103,021, excluding specifically identified regulatory assets and other deferred debits. Based on staff's review of the Utility's filing and the Commission's prior orders for AUF's respective water and wastewater systems, staff recommends two adjustments to the Utility's rate base.

In AUF's last rate case, it included in the working capital allowance a 13-month average debit-balance of \$1,155,342. As noted in Order No. PSC-09-0385-FOF-WS, the Commission found the following:

Since the debit-balance in accrued taxes is caused by tax benefits related to losses included in prior federal income tax returns, and the Utility will be reimbursed these amounts by its parent company, the taxes owed to AUF in the amount of \$2,884,818 shall be removed from the 13-month average to normalize the balance. To normalize the accrued tax balance for purposes of setting rates, the negative amount of federal income tax included in AUF's accrued tax detail schedule shall be removed from the accrued taxes balance for the test year. The 13-month average balance for accrued taxes less the amounts included for federal income tax results in a net credit balance of \$179,622. This equates to an adjustment of \$1,334,964 to normalize the accrued taxes balance for the test year. As a result, we find that an adjustment of \$1,334,964 shall be made to accrued taxes.⁶

(Emphasis added).

Because accrued taxes is a credit balance account and due to the \$1.1 million-plus debit-balance in the current case, staff believes that the Utility's test year debit-balance for accrued taxes continues to be the result of past losses of AUF that will be reimbursed by its parent company. Pursuant to Section 367.082(5)(b)1., F.S., the achieved rate of return for interim purposes must be calculated by applying adjustments consistent with those used in the Utility's most recent rate proceeding. However, for interim purposes, staff does not have the Utility's accrued tax detail to determine the exact 13-month average adjustment to remove the negative amount of federal income tax included in AUF's debit-balance of \$1,129,222 for accrued taxes. Therefore, in accordance with Section 367.082(5)(b)1., F.S., staff recommends that the net credit-balance of \$175,561 in the last rate case be used for interim purposes in this instant case.⁷ This results in a working capital and rate base reduction of \$1,304,783. Staff's recommended rate base for each water and wastewater rate band, as well as each stand-alone system, are reflected on Schedule Nos. 1-A and 1-B, respectively.

In addition, staff notes that for the Fairways wastewater system, the Utility failed to include a negative acquisition adjustment of \$39,102 in the MFR interim Schedule G-2. Staff recommends that this adjustment also be made.⁸

COST OF CAPITAL

In its MFRs, AUF proposed different overall rates of return for its respective water and wastewater rate bands, as well as each stand-alone system, based on a 13-month average capital structure as of April 30, 2010.

⁶ Issued May 29, 2009, page 59.

⁷ This amount was calculated by using the same method used in the 2008 rate case, using a ratio of the Commission-approved adjustment divided by the 13-month average net debit balance.

⁸ Order No. PSC-09-0038-PAA-WS, page 6.

AUF's investor sources of capital are 37.94 percent long-term debt and 60.03 percent common equity. According to MFR Schedules D-2, D-7, and C-6, the Utility allocated total regulated customer deposits and accumulated deferred income taxes (ADITs) to each rate band and stand-alone system based on the respective number of customers. AUF derived the long-term debt and common equity amounts for each rate band and stand-alone system by subtracting the allocated amounts for customer deposits and ADITs from its respective rate band and stand-alone system rate bases and then prorating the incremental difference to long-term debt and common equity.

In its interim request, AUF used a 8.75 percent ROE, which is the minimum of the range of its last authorized ROE.⁹ Section 367.082(5)(b)3., F.S., states that in calculating an interim increase, the minimum of the range of the last authorized ROE shall be used and that in calculating an interim decrease, the maximum of the range of the last authorized ROE shall be used. For purposes of an interim increase, in accordance with Section 367.082(5)(b)3., F.S., staff recommends that the ROE for interim purposes should be 8.75 percent.¹⁰ For purposes of an interim decrease, staff recommends an ROE of 10.75 percent.¹¹

As reflected in the Utility's filing, staff used the 13-month average cost rate for long-term debt of 5.10 percent. Based on the capital structure and cost rates discussed above, staff's recommended weighted average cost of capital is 6.99 percent for interim revenue increases and 8.16 percent for interim revenue decreases. Schedule No. 1 details staff's recommended overall cost of capital for each water and wastewater rate band, as well as for each stand-alone system.

NET OPERATING INCOME

Staff has made adjustments to remove the requested revenue increase or decrease, and the associated regulatory assessment fees and income tax provisions resulting from staff's recommended adjustments. In addition, staff believes further adjustments are necessary to the adjusted test year revenues and expenses, as discussed below.

First, based on its review, staff believes adjustments to operating revenues for each rate band and stand-alone system are necessary. Pursuant to Section 367.082(5)(b)1, F.S., adjustments to annualize rate changes occurring during the interim test year should be made. Based on test year billing units and rates in effect as of April 30, 2010, staff recommends that the following adjustments to increase test year operating revenues be made in accordance 367.082(5)(b)1, F.S.

⁹ Order No. PSC-09-0385-FOF-WS.

¹⁰ The ROE of 8.75 percent applies to Water Rate Bands 1, 2, and 4, Wastewater Rate Bands 1 and 3, and the three stand-alone systems.

¹¹ The ROE of 10.75 percent applies to Water Rate Band 3 and Wastewater Rate Bands 2 and 4. As a result, the overall cost of capital will be greater for these three rate bands. Staff notes that the achieved rates of return for Wastewater Bands 2 and 4 are less than the staff's recommended returns because staff has limited the revenue requirements to the Utility's requested amounts consistent with Commission practice.

Table 3-1

<u>Band/System</u>	<u>Recomm. Annualized Rev. Adjs.</u>
Water Rate Band 1	\$13,847
Water Rate Band 2	\$14,694
Water Rate Band 3	\$6,922
Water Rate Band 4	\$111,743
Wastewater Rate Band 1	\$2,341
Wastewater Rate Band 2	\$23,483
Wastewater Rate Band 3	\$1,998
Wastewater Rate Band 4	\$114
Breeze Hill - Water	\$517
Breeze Hill - Wastewater	\$602
Fairways at Mt. Plymouth - Water	\$806
Fairways at Mt. Plymouth - Wastewater	\$517
Peace River - Water	\$404
Peace River - Wastewater	\$2,315

Second, pursuant to Section 367.082(5)(b)1., F.S., the achieved rate of return for interim purposes must be calculated by applying adjustments consistent with those used in the utility's most recent rate proceeding. In its last rate case, the Commission found that the use of a three-year average was appropriate to determine the level of bad debt expense.¹² Because the test year ended April 30, 2010, does not coincide with a standard calendar year, staff does not have the data to calculate the three-year average of April 30, 2007 to April 30, 2010. Based on the calendar year-end average from 2007 to 2009, the indicated level of bad debt expense is \$111,342 less than the Utility's requested total test year amounts for the water and wastewater rate bands.¹³ Given the significant difference of \$111,342 and because the 2009 calendar year-end is only four months from the test year in this case, staff recommends that bad debt expense be reduced by \$111,342 for interim purposes. The following table shows AUF's test year amount, staff's calculated three-year average amount from 2007 to 2009, and staff's recommended adjustments for each rate band.

¹² Order No. PSC-09-0385-FOF-WS, pages 92-96.

¹³ The three-year average bad debt expense only applies to water and wastewater rate bands because the three stand-alone systems were not addressed in AUF's last rate case.

Table 3-2

<u>Band/System</u>	<u>AUF's TY Bad Debt</u>	<u>Staff's Avg. Amt.</u>	<u>Recomm. Adjustment</u>
Water Rate Band 1	\$56,446	\$52,338	(\$4,108)
Water Rate Band 2	41,527	19,406	(22,121)
Water Rate Band 3	44,431	18,137	(26,294)
Water Rate Band 4	211,832	100,623	(111,209)
Wastewater Rate Band 1	3,092	2,265	(827)
Wastewater Rate Band 2	8,746	63,554	54,808
Wastewater Rate Band 3	7,441	3,489	(3,952)
Wastewater Rate Band 4	(1,957)	404	2,361
Total	\$371,558	\$260,216	(\$111,342)

REVENUE REQUIREMENT

Staff has recommended revenue requirements consistent with the calculations required by the interim statute and Commission practice. For those systems that appear to be underearning, the revenue requirements were determined using the minimum ROE limit. Consistent with the interim statute, for those systems that appear to be overearning, staff used the maximum ROE limit. Based upon recovery of actual operating expenses for the year ended April 30, 2010, and the consolidated cost of capital on an average rate base, staff recommends that the appropriate combined interim revenue requirements are \$9,062,892 and \$5,391,338, respectively for the Utility's water and wastewater systems. Attachment A reflects staff's recommended interim revenue requirements for each rate band and stand-alone system.

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 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. (Mouring, Fletcher)

Staff Analysis: AUF filed its application for a file and suspend rate case for its water and wastewater systems, pursuant to Section 367.081, F.S. The file and suspend law "was designed to provide accelerated [rate] relief without sacrificing the protections inherent in the overall regulatory scheme." See Florida Power Corporation v. Hawkins, 367 So. 2d 1011, 1013 (Fla. 1979). Interim rates, which are one aspect of this compact, were designed "to make a utility whole during the pendency of the proceeding without the interjection of any opinion testimony." See Citizens v. Public Service Commission, 435 So. 2d 784, 786 (Fla. 1983). Thus, the provision of interim rates is an efficient, prima facie means by which a utility can obtain immediate financial relief. See Citizens v. Mayo, 333 So. 2d 1, 5 (Fla. 1976). During the PAA process for this docket, all interested persons and staff will have the opportunity to address the Commission regarding the Utility's rates and rate structure.

Staff calculated the unlimited interim water and wastewater revenue increases for AUF based on the annual operating revenues reflected on Attachment A. To determine the respective unlimited interim rate increase or decrease, staff divided the respective revenue increase by the adjusted test year revenues, net of miscellaneous service revenues.

Because the interim request is based on a historical test year ended April 30, 2010, the respective interim rate increase should be applied as an across-the-board increase to the service rates in effect as of April 30, 2010. In accordance with staff's recommendation in Issue 2, the respective system interim rates should be the lower of staff's unlimited calculated rates or the Utility's limited rates. Staff notes that for Water Rate Band 3 and Wastewater Rate Bands 2 and 4, the unlimited interim rates would result in a reduction of rates over the current rates. In AUF's application, the Utility requested that these rates be held at their current levels. Staff agrees that it would provide more rate stability for the customers to hold the interim rates at their current levels for these bands, and secure the additional revenues.

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), 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. The Utility's test year, proposed interim and final rates, and staff's recommended interim rates are shown on Schedule Nos. 4-A and 4-B for water and wastewater, respectively.

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. (Springer, Mouring, Fletcher)

Staff Analysis: Pursuant to Section 367.082, F.S., revenues collected under interim rates shall be placed under bond, escrow, letter of credit, or corporate undertaking subject to refund with interest at a rate ordered by the Commission. As reflected in Attachment A, the total annual interim increases and decreases are \$839,547 and \$164,551, respectively. In accordance with Rule 25-30.360, F.A.C., staff has calculated the potential refund of revenues and interest collected under interim conditions to be \$586,514. This amount is based on an estimated 7 months of revenue being collected from staff's recommended interim rates shown on Schedule Nos. 4-A and 4-B for water and wastewater, respectively.

The criteria for a corporate undertaking include sufficient liquidity, ownership equity, profitability, and interest coverage to guarantee any potential refund. Staff reviewed the financial statements of AUF's parent, AAI, to determine if AAI can support a corporate undertaking on behalf of its subsidiary. AAI's 2009, 2008, and 2007 financial statements were used to determine the financial condition of the Company. AAI has experienced inadequate yet improving levels of liquidity during the three-year period of this analysis. AAI's average equity ratio over the three-year period has averaged approximately 44 percent which is sufficient in this instance based on AAI's overall financial condition. In addition, AAI has experienced an improving and adequate interest coverage ratio. Finally, net income has steadily increased over the period and has been sufficient for the requested cumulative corporate undertaking amount.

Staff believes AAI has adequate resources to support a corporate undertaking in the amount requested. Based on this analysis, staff recommends that a cumulative corporate undertaking of \$586,514 is acceptable contingent upon receipt of the written guarantee of AAI 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).

This brief financial analysis is only appropriate for deciding if the Utility can support a corporate undertaking in the amount proposed and should not be considered a finding regarding staff's position on other issues in this proceeding.

Pursuant to Rule 25-30.360(6), F.A.C., the Utility should provide a report by the 20th day 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.

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In no instance should maintenance and administrative costs associated with any refund be borne by the customers. The costs are the responsibility of, and should be borne by, the Utility.

Docket No. 100330-WS

Date: October 28, 2010

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. (Mouring, Fletcher, Fleming, Jaeger, Klancke)

Staff Analysis: The docket should remain open pending the Commission's final action on the Utility's requested rate increase.

AQUA UTILITIES FLORIDA, INC DOCKET NO. 100330-WS					ATTACHMENT A				
SUMMARY OF OPERATING REVENUES BY RATE BAND & SYSTEM	Staff Adjusted Test Year	Staff Unlimited \$ Increase	Staff Unlimited % Increase	Staff Unlimited Rev. Req.	Utility Requested Limited Rev. Req.	Staff Recomm. Rev. Req.	Staff Recomm. \$ Increase	Staff Recomm. % Increase	Estimated Annual Reg. Asset
Water Rate Band 1	\$2,312,779	\$246,698	10.67%	\$2,559,477	\$2,603,368	\$2,559,477	\$246,698	10.67%	\$0
Water Rate Band 2	1,240,488	191,869	15.47%	1,432,357	1,482,734	1,432,357	191,869	15.47%	0
Water Rate Band 3	930,090	(84,557)	-9.09%	845,534	930,090	930,090	0	0.00%	(84,557)
Water Rate Band 4	3,816,182	657,695	17.23%	4,473,877	3,816,182	3,816,182	0	0.00%	657,695
Breeze Hill - Water	30,953	30,232	97.67%	61,186	53,069	53,069	22,116	71.45%	8,116
Fairways - Water	134,652	54,747	40.66%	189,399	194,136	189,399	54,747	40.66%	0
Peace River - Water	<u>67,825</u>	<u>28,903</u>	42.61%	<u>96,728</u>	<u>82,317</u>	<u>82,317</u>	<u>14,492</u>	21.37%	<u>14,411</u>
TOTAL WATER	<u>\$8,532,969</u>	<u>\$1,125,588</u>		<u>\$9,658,558</u>	<u>\$9,161,896</u>	<u>\$9,062,892</u>	<u>\$529,922</u>		<u>\$595,666</u>
Wastewater Rate Band 1	\$377,532	\$96,160	25.47%	\$473,692	\$480,787	\$473,692	\$96,160	25.47%	\$0
Wastewater Rate Band 2	3,546,600	(43,846)	-1.24%	3,502,754	3,546,600	3,546,600	0	0.00%	(43,846)
Wastewater Rate Band 3	421,165	433,206	102.86%	854,371	484,040	484,040	62,875	14.93%	370,331
Wastewater Rate Band 4	533,651	(36,309)	-6.80%	497,342	533,651	533,651	0	0.00%	(36,309)
Breeze Hill - Sewer	36,087	37,862	104.92%	73,949	75,357	73,949	37,862	104.92%	0
Fairways - Sewer	80,439	101,301	125.94%	181,739	185,690	181,739	101,301	125.94%	0
Peace River - Sewer	<u>85,824</u>	<u>11,843</u>	13.80%	<u>97,667</u>	<u>99,603</u>	<u>97,667</u>	<u>11,843</u>	13.80%	<u>0</u>
TOTAL WASTEWATER	<u>\$5,081,298</u>	<u>\$600,215</u>		<u>\$5,681,513</u>	<u>\$5,405,728</u>	<u>\$5,391,338</u>	<u>\$310,041</u>		<u>\$290,175</u>
TOTAL WATER AND WASTEWATER	<u>\$13,614,267</u>	<u>\$1,725,804</u>		<u>\$15,340,071</u>	<u>\$14,567,624</u>	<u>\$14,454,230</u>	<u>\$839,963</u>	-	<u>\$885,841</u>

Aqua Utilities Florida, Inc. Capital Structure Test Year Ended 4/30/10						Schedule No. 1 Docket No. 100330-WS		
Description	Total Capital	Specific Adjustments	Subtotal Adjusted Capital	Prorata Adjustments	Capital Reconciled to Rate Base	Ratio	Cost Rate	Weighted Cost
Per Utility								
1 Long-term Debt	\$26,952,309	\$0	\$26,952,309	(\$14,936,031)	\$12,016,278	36.96%	5.10%	1.89%
2 Short-term Debt	0	0	0	0	0	0.00%	0.00%	0.00%
3 Preferred Stock	0	0	0	0	0	0.00%	0.00%	0.00%
4 Common Equity	42,549,814	0	42,549,814	(23,579,625)	18,970,189	58.36%	9.75%	5.69%
5 Customer Deposits	84,294	0	84,294	(33,594)	50,700	0.16%	6.00%	0.01%
6 Deferred Income Taxes	<u>1,456,472</u>	<u>0</u>	<u>1,456,472</u>	<u>14,449</u>	<u>1,470,921</u>	<u>4.52%</u>	0.00%	<u>0.00%</u>
7 Total Capital	<u>\$71,042,889</u>	<u>\$0</u>	<u>\$71,042,889</u>	<u>(\$38,534,801)</u>	<u>\$32,508,088</u>	<u>100.00%</u>		<u>7.58%</u>
Per Staff								
8 Long-term Debt	\$26,952,309	\$0	\$26,952,309	(\$15,247,790)	\$11,704,519	36.92%	5.10%	1.88%
9 Short-term Debt	0	0	0	0	0	0.00%	0.00%	0.00%
10 Preferred Stock	0	0	0	0	0	0.00%	0.00%	0.00%
11 Common Equity	42,549,814	0	42,549,814	(24,071,801)	18,478,013	58.28%	9.75%	5.68%
12 Customer Deposits	84,294	0	84,294	(33,594)	50,700	0.16%	6.00%	0.01%
13 Deferred Income Taxes	<u>1,456,472</u>	<u>0</u>	<u>1,456,472</u>	<u>14,449</u>	<u>1,470,921</u>	<u>4.64%</u>	0.00%	<u>0.00%</u>
14 Total Capital	<u>\$71,042,889</u>	<u>\$0</u>	<u>\$71,042,889</u>	<u>(\$71,042,889)</u>	<u>\$31,704,154</u>	<u>100.00%</u>		<u>7.57%</u>
						LOW	HIGH	
RETURN ON EQUITY						<u>8.75%</u>	<u>10.75%</u>	
OVERALL RATE OF RETURN						<u>6.99%</u>	<u>8.16%</u>	
Notes:								
(1) The recommended interim revenue increases are based on minimum authorized ROE of 8.75 percent.								
(2) The recommended interim revenue decreases are based on maximum authorized ROE of 10.75 percent.								

Aqua Utilities Florida, Inc. - Water Rate Band 1				Schedule No. 2-A	
Schedule of Water Rate Base				Docket No. 100330-WS	
Test Year Ended 4/30/10					
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year
1 Plant in Service	\$8,681,414	\$0	\$8,681,414	\$0	\$8,681,414
2 Land and Land Rights	133,696	0	133,696	0	133,696
3 Non-used and Useful Components	0	(110,721)	(110,721)	0	(110,721)
4 Accumulated Depreciation	(2,920,777)	44,142	(2,876,635)	0	(2,876,635)
5 CIAC	(1,889,160)	0	(1,889,160)	0	(1,889,160)
6 Amortization of CIAC	1,146,303	0	1,146,303	0	1,146,303
7 Working Capital Allowance	<u>693,571</u>	<u>0</u>	<u>693,571</u>	<u>(184,486)</u>	<u>509,085</u>
8 Rate Base	<u>\$5,845,047</u>	<u>(\$66,579)</u>	<u>\$5,778,468</u>	<u>(\$184,486)</u>	<u>\$5,593,982</u>

Aqua Utilities Florida, Inc. - Water Rate Band 1 Statement of Water Operations Test Year Ended 4/30/10						Schedule No. 3-A Docket No. 100330-WS	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$2,298,932</u>	<u>\$290,589</u>	<u>\$2,589,521</u>	<u>(\$276,742)</u>	<u>\$2,312,779</u>	<u>\$246,698</u> 10.67%	<u>\$2,559,477</u>
Operating Expenses							
2 Operation & Maintenance	\$1,430,607	\$4,292	\$1,434,899	(\$4,108)	\$1,430,791	\$0	\$1,430,791
3 Depreciation	348,908	0	348,908	0	348,908	0	348,908
4 Amortization	10,667	0	10,667	0	10,667	0	10,667
5 Taxes Other Than Income	194,138	13,068	207,206	(12,453)	194,753	11,101	205,854
6 Income Taxes	<u>79,189</u>	<u>105,398</u>	<u>184,587</u>	<u>(101,124)</u>	<u>83,463</u>	<u>88,655</u>	<u>172,118</u>
7 Total Operating Expense	<u>\$2,063,509</u>	<u>\$122,758</u>	<u>\$2,186,267</u>	<u>(\$117,685)</u>	<u>\$2,068,582</u>	<u>\$99,756</u>	<u>\$2,168,338</u>
8 Operating Income	<u>\$235,423</u>	<u>\$167,831</u>	<u>\$403,254</u>	<u>(\$159,057)</u>	<u>\$244,197</u>	<u>\$146,942</u>	<u>\$391,139</u>
9 Rate Base	<u>\$5,845,047</u>		<u>\$5,778,468</u>		<u>\$5,593,982</u>		<u>\$5,593,982</u>
10 Rate of Return	<u>4.03%</u>		<u>6.98%</u>		<u>4.37%</u>		<u>6.99%</u>

Aqua Utilities Florida, Inc. - Water Rate Band 1 Adjustment to Operating Income Test Year Ended 4/30/10		Schedule No. 3-C Docket No. 100330-WS	
Explanation		Water	Wastewater
<u>Operating Revenues</u>			
1	To remove Utility's requested interim revenue increase.	(\$290,589)	N/A
2	To reflect the appropriate amount of annualized revenue.	13,847	N/A
	Total	<u>(\$276,742)</u>	<u>N/A</u>
<u>Operation and Maintenance Expense</u>			
	To reflect the appropriate amount of bad debt expense.	<u>(\$4,108)</u>	<u>N/A</u>
<u>Taxes Other Than Income</u>			
	RAFs on revenue adjustments above.	<u>(\$12,453)</u>	<u>N/A</u>
<u>Income Taxes</u>			
	To reflect the appropriate test year income taxes.	<u>(\$101,124)</u>	<u>N/A</u>

**Aqua Utilities Florida, Inc. – Water Rate Band 1
 Water Monthly Service Rates**

**Schedule No. 4-A
 Docket No. 100330-WS**

	Present Rates	Utility Requested Unlimited Interim	Utility Requested Limited Interim	Utility Requested Consolidated	Staff Calculated Unlimited	Staff Recomm. Rates
<u>Residential and General Service</u>						
Base Facility Charge by Meter Size:						
5/8" x 3/4"	\$14.13	\$15.98	\$15.98	\$17.66	\$15.64	\$15.64
3/4"	\$21.19	\$23.97	\$23.97	\$26.48	\$23.45	\$23.45
1"	\$35.31	\$39.94	\$39.94	\$44.14	\$39.08	\$39.08
1-1/2"	\$70.63	\$79.89	\$79.89	\$88.28	\$78.16	\$78.16
2"	\$113.01	\$127.83	\$127.83	\$141.24	\$125.06	\$125.06
3"	\$226.03	\$255.67	\$255.67	\$282.49	\$250.14	\$250.14
4"	\$353.17	\$399.48	\$399.48	\$441.39	\$390.84	\$390.84
6"	\$706.33	\$798.96	\$798.96	\$882.78	\$781.67	\$781.67
8"	\$1,130.13	\$1,278.34	\$1,278.34	\$1,412.44	\$1,250.68	\$1,250.68
10"	\$1,624.57	\$1,837.62	\$1,837.62	\$2,030.39	\$1,797.86	\$1,797.86
Gallage Charge, Block 1	\$2.00	\$2.26	\$2.26	\$6.49	\$2.21	\$2.21
Gallage Charge, Block 2	\$2.51	\$2.84	\$2.84	\$9.73	\$2.78	\$2.78
Gallage Charge, Block 3	\$6.01	\$6.80	\$6.80	\$12.98	\$6.65	\$6.65
Gallage Charge, GS	\$3.34	\$3.78	\$3.78	\$6.98	\$3.70	\$3.70
<u>Irrigation</u>						
Base Facility Charge by Meter Size						
5/8" x 3/4"	\$0.00	\$0.00	\$0.00	\$17.66	\$0.00	\$0.00
3/4"	\$0.00	\$0.00	\$0.00	\$26.48	\$0.00	\$0.00
1"	\$0.00	\$0.00	\$0.00	\$44.14	\$0.00	\$0.00
1-1/2"	\$0.00	\$0.00	\$0.00	\$88.28	\$0.00	\$0.00
2"	\$0.00	\$0.00	\$0.00	\$141.24	\$0.00	\$0.00
3"	\$0.00	\$0.00	\$0.00	\$282.49	\$0.00	\$0.00
4"	\$0.00	\$0.00	\$0.00	\$441.39	\$0.00	\$0.00
Gallage Charge, Block 1	\$0.00	\$0.00	\$0.00	\$6.49	\$0.00	\$0.00
Gallage Charge, Block 2	\$0.00	\$0.00	\$0.00	\$9.73	\$0.00	\$0.00
Gallage Charge, Block 3	\$0.00	\$0.00	\$0.00	\$12.98	\$0.00	\$0.00
<u>Private Fire Protection</u>						
Base Facility Charge by Meter Size						
2"	\$9.42	\$10.66	\$10.66	\$11.77	\$10.42	\$10.42
3"	\$18.84	\$21.31	\$21.31	\$23.54	\$20.85	\$20.85
4"	\$29.44	\$33.30	\$33.30	\$36.78	\$32.58	\$32.58
6"	\$58.86	\$66.58	\$66.58	\$73.57	\$65.14	\$65.14
8"	\$94.18	\$106.53	\$106.53	\$117.70	\$104.23	\$104.23
10"	\$135.38	\$153.13	\$153.13	\$169.20	\$149.82	\$149.82
<u>Typical Residential Bills 5/8" x 3/4" Meter</u>						
3,000 Gallons	\$20.13	\$22.76	\$22.76	\$37.13	\$22.28	\$22.28
5,000 Gallons	\$24.13	\$27.28	\$27.28	\$50.11	\$26.70	\$26.70
10,000 Gallons	\$36.68	\$41.48	\$41.48	\$95.52	\$40.59	\$40.59

Aqua Utilities Florida, Inc. - Water Rate Band 2				Schedule No. 2-A	
Schedule of Water Rate Base				Docket No. 100330-WS	
Test Year Ended 4/30/10					
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year
1 Plant in Service	\$6,847,368	\$0	\$6,847,368	\$0	\$6,847,368
2 Land and Land Rights	55,132	0	55,132	0	55,132
3 Non-used and Useful Components	0	(889,348)	(889,348)	0	(889,348)
4 Accumulated Depreciation	(2,023,114)	273,115	(1,749,999)	0	(1,749,999)
5 CIAC	(1,231,111)	0	(1,231,111)	0	(1,231,111)
6 Amortization of CIAC	324,656	0	324,656	0	324,656
7 Working Capital Allowance	<u>348,670</u>	<u>0</u>	<u>348,670</u>	<u>(84,152)</u>	<u>264,518</u>
8 Rate Base	<u>\$4,321,601</u>	<u>(\$616,233)</u>	<u>\$3,705,368</u>	<u>(\$84,152)</u>	<u>\$3,621,216</u>

Aqua Utilities Florida, Inc. - Water Rate Band 2 Statement of Water Operations Test Year Ended 4/30/10						Schedule No. 3-A Docket No. 100330-WS	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$1,225,794</u>	<u>\$242,246</u>	<u>\$1,468,040</u>	<u>(\$227,552)</u>	<u>\$1,240,488</u>	<u>\$191,869</u> 15.47%	<u>\$1,432,357</u>
Operating Expenses							
2 Operation & Maintenance	\$754,610	\$3,578	\$758,188	(\$22,121)	\$736,067	\$0	\$736,067
3 Depreciation	159,667	0	159,667	0	159,667	0	159,667
4 Amortization	9,125	0	9,125	0	9,125	0	9,125
5 Taxes Other Than Income	153,590	10,894	164,484	(10,240)	154,244	8,634	162,878
6 Income Taxes	<u>30,426</u>	<u>87,864</u>	<u>118,290</u>	<u>(75,822)</u>	<u>42,468</u>	<u>68,951</u>	<u>111,419</u>
7 Total Operating Expense	<u>\$1,107,418</u>	<u>\$102,336</u>	<u>\$1,209,754</u>	<u>(\$108,183)</u>	<u>\$1,101,571</u>	<u>\$77,585</u>	<u>\$1,179,156</u>
8 Operating Income	<u>\$118,376</u>	<u>\$139,910</u>	<u>\$258,286</u>	<u>(\$119,369)</u>	<u>\$138,917</u>	<u>\$114,284</u>	<u>\$253,201</u>
9 Rate Base	<u>\$4,321,601</u>		<u>\$3,705,368</u>		<u>\$3,621,216</u>		<u>\$3,621,216</u>
10 Rate of Return	<u>2.74%</u>		<u>6.97%</u>		<u>3.84%</u>		<u>6.99%</u>

Aqua Utilities Florida, Inc. - Water Rate Band 2 Adjustment to Operating Income Test Year Ended 4/30/10		Schedule No. 3-C Docket No. 100330-WS	
Explanation		Water	Wastewater
<u>Operating Revenues</u>			
1	To remove Utility's requested interim revenue increase.	(\$242,246)	N/A
2	To reflect the appropriate amount of annualized revenue.	14,694	N/A
	Total	<u>(\$227,552)</u>	<u>N/A</u>
<u>Operation and Maintenance Expense</u>			
	To reflect the appropriate amount of bad debt expense.	<u>(\$22,121)</u>	<u>N/A</u>
<u>Taxes Other Than Income</u>			
	RAFs on revenue adjustments above.	<u>(\$10,240)</u>	<u>N/A</u>
<u>Income Taxes</u>			
	To reflect the appropriate test year income taxes.	<u>(\$75,822)</u>	<u>N/A</u>

**Aqua Utilities Florida, Inc. – Water Rate Band 2
 Water Monthly Service Rates**

**Schedule No. 4-A
 Docket No. 100330-WS**

	Present Rates	Utility Requested Unlimited Interim	Utility Requested Limited Interim	Utility Requested Consolidated	Staff Calculated Unlimited	Staff Recomm. Rates
Residential and General Service						
Base Facility Charge by Meter Size:						
5/8" x 3/4"	\$16.29	\$19.64	\$19.64	\$17.66	\$18.91	\$18.91
3/4"	\$24.44	\$29.47	\$29.47	\$26.48	\$28.37	\$28.37
1"	\$40.73	\$49.11	\$49.11	\$44.14	\$47.29	\$47.29
1-1/2"	\$81.46	\$98.22	\$98.22	\$88.28	\$94.57	\$94.57
2"	\$130.34	\$157.16	\$157.16	\$141.24	\$151.32	\$151.32
3"	\$260.69	\$314.33	\$314.33	\$282.49	\$302.66	\$302.66
4"	\$407.31	\$491.12	\$491.12	\$441.39	\$472.88	\$472.88
6"	\$814.63	\$982.25	\$982.25	\$882.78	\$945.77	\$945.77
8"	\$1,303.41	\$1,571.61	\$1,571.61	\$1,412.44	\$1,513.24	\$1,513.24
10"	\$1,873.65	\$2,259.19	\$2,259.19	\$2,030.39	\$2,175.27	\$2,175.27
Gallonge Charge, Block 1	\$3.82	\$4.61	\$4.61	\$6.49	\$4.43	\$4.43
Gallonge Charge, Block 2	\$4.77	\$5.75	\$5.75	\$9.73	\$5.54	\$5.54
Gallonge Charge, Block 3	\$11.46	\$13.82	\$13.82	\$12.98	\$13.30	\$13.30
Gallonge Charge, GS	\$5.33	\$6.43	\$6.43	\$6.98	\$6.19	\$6.19
Irrigation						
Base Facility Charge by Meter Size						
5/8" x 3/4"	\$0.00	\$0.00	\$0.00	\$17.66	\$0.00	\$0.00
3/4"	\$0.00	\$0.00	\$0.00	\$26.48	\$0.00	\$0.00
1"	\$0.00	\$0.00	\$0.00	\$44.14	\$0.00	\$0.00
1-1/2"	\$0.00	\$0.00	\$0.00	\$88.28	\$0.00	\$0.00
2"	\$0.00	\$0.00	\$0.00	\$141.24	\$0.00	\$0.00
3"	\$0.00	\$0.00	\$0.00	\$282.49	\$0.00	\$0.00
4"	\$0.00	\$0.00	\$0.00	\$441.39	\$0.00	\$0.00
Gallonge Charge, Block 1	\$0.00	\$0.00	\$0.00	\$6.49	\$0.00	\$0.00
Gallonge Charge, Block 2	\$0.00	\$0.00	\$0.00	\$9.73	\$0.00	\$0.00
Gallonge Charge, Block 3	\$0.00	\$0.00	\$0.00	\$12.98	\$0.00	\$0.00
Private Fire Protection						
Base Facility Charge by Meter Size						
2"	\$10.86	\$13.09	\$13.09	\$11.77	\$12.61	\$12.61
3"	\$21.72	\$26.19	\$26.19	\$23.54	\$25.22	\$25.22
4"	\$33.94	\$40.92	\$40.92	\$36.78	\$39.41	\$39.41
6"	\$67.89	\$81.86	\$81.86	\$73.57	\$78.81	\$78.81
8"	\$108.61	\$130.96	\$130.96	\$117.70	\$126.09	\$126.09
10"	\$156.14	\$188.27	\$188.27	\$169.20	\$181.27	\$181.27
Typical Residential Bills 5/8" x 3/4" Meter						
3,000 Gallons	\$27.75	\$33.47	\$33.47	\$37.13	\$32.22	\$32.22
5,000 Gallons	\$35.39	\$42.69	\$42.69	\$50.11	\$41.09	\$41.09
10,000 Gallons	\$59.24	\$71.44	\$71.44	\$95.52	\$68.78	\$68.78

Aqua Utilities Florida, Inc. - Water Rate Band 3				Schedule No. 2-A	
Schedule of Water Rate Base				Docket No. 100330-WS	
Test Year Ended 4/30/10					
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year
1 Plant in Service	\$1,930,523	\$0	\$1,930,523	\$0	\$1,930,523
2 Land and Land Rights	32,752	0	32,752	0	32,752
3 Non-used and Useful Components	0	(64,586)	(64,586)	0	(64,586)
4 Accumulated Depreciation	(608,761)	25,603	(583,158)	0	(583,158)
5 CIAC	(436,206)	0	(436,206)	0	(436,206)
6 Amortization of CIAC	211,746	0	211,746	0	211,746
7 Working Capital Allowance	<u>208,860</u>	<u>0</u>	<u>208,860</u>	<u>(51,886)</u>	<u>156,974</u>
8 Rate Base	<u>\$1,338,914</u>	<u>(\$38,983)</u>	<u>\$1,299,931</u>	<u>(\$51,886)</u>	<u>\$1,248,045</u>

Aqua Utilities Florida, Inc. - Water Rate Band 3 Statement of Water Operations Test Year Ended 4/30/10						Schedule No. 3-A Docket No. 100330-WS	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$923,168</u>	<u>(\$66,900)</u>	<u>\$856,268</u>	<u>\$73,822</u>	<u>\$930,090</u>	<u>(\$84,557)</u> (9.09%)	<u>\$845,534</u>
Operating Expenses							
2 Operation & Maintenance	\$602,917	(\$988)	\$601,929	(\$26,294)	\$575,635	\$0	\$575,635
3 Depreciation	57,868	0	57,868	0	57,868	0	57,868
4 Amortization	2,275	0	2,275	0	2,275	0	2,275
5 Taxes Other Than Income	64,256	(3,008)	61,248	3,322	64,570	(3,805)	60,765
6 Income Taxes	<u>66,000</u>	<u>(24,265)</u>	<u>41,735</u>	<u>35,830</u>	<u>77,565</u>	<u>(30,387)</u>	<u>47,178</u>
7 Total Operating Expense	<u>\$793,316</u>	<u>(\$28,261)</u>	<u>\$765,055</u>	<u>\$12,858</u>	<u>\$777,913</u>	<u>(\$34,192)</u>	<u>\$743,721</u>
8 Operating Income	<u>\$129,852</u>	<u>(\$38,639)</u>	<u>\$91,213</u>	<u>\$60,965</u>	<u>\$152,178</u>	<u>(\$50,365)</u>	<u>\$101,813</u>
9 Rate Base	<u>\$1,338,914</u>		<u>\$1,299,931</u>		<u>\$1,248,045</u>		<u>\$1,248,045</u>
10 Rate of Return	<u>9.70%</u>		<u>7.02%</u>		<u>12.19%</u>		<u>8.16%</u>

Aqua Utilities Florida, Inc. - Water Rate Band 3 Adjustment to Operating Income Test Year Ended 4/30/10		Schedule No. 3-C Docket No. 100330-WS	
Explanation		Water	Wastewater
<u>Operating Revenues</u>			
1	To remove Utility's requested interim revenue decrease.	\$66,900	N/A
2	To reflect the appropriate amount of annualized revenue.	<u>6,922</u>	<u>N/A</u>
	Total	<u>\$73,822</u>	<u>N/A</u>
<u>Operation and Maintenance Expense</u>			
	To reflect the appropriate amount of bad debt expense.	<u>(\$26,294)</u>	<u>N/A</u>
<u>Taxes Other Than Income</u>			
	RAFs on revenue adjustments above.	<u>\$3,322</u>	<u>N/A</u>
<u>Income Taxes</u>			
	To reflect the appropriate test year income taxes.	<u>\$35,830</u>	<u>N/A</u>

**Aqua Utilities Florida, Inc. – Water Rate Band 3
 Water Monthly Service Rates**

	Present Rates	Utility Requested Unlimited Interim	Utility Requested Limited Interim	Utility Requested Consolidated	Staff Calculated Unlimited	Staff Recomm. Rates
<u>Residential and General Service</u>						
Base Facility Charge by Meter Size:						
5/8" x 3/4"	\$16.68	\$16.68	\$16.68	\$17.66	\$15.12	\$16.68
3/4"	\$25.02	\$25.02	\$25.02	\$26.48	\$22.67	\$25.02
1"	\$41.71	\$41.71	\$41.71	\$44.14	\$37.80	\$41.71
1-1/2"	\$83.42	\$83.42	\$83.42	\$88.28	\$75.60	\$83.42
2"	\$133.47	\$133.47	\$133.47	\$141.24	\$120.96	\$133.47
3"	\$266.92	\$266.92	\$266.92	\$282.49	\$241.90	\$266.92
4"	\$417.07	\$417.07	\$417.07	\$441.39	\$377.98	\$417.07
6"	\$834.14	\$834.14	\$834.14	\$882.78	\$755.96	\$834.14
8"	\$1,334.62	\$1,334.62	\$1,334.62	\$1,412.44	\$1,209.53	\$1,334.62
10"	\$1,918.52	\$1,918.52	\$1,918.52	\$2,030.39	\$1,738.70	\$1,918.52
Gallonage Charge, Block 1	\$5.01	\$5.01	\$5.01	\$6.49	\$4.54	\$5.01
Gallonage Charge, Block 2	\$6.26	\$6.26	\$6.26	\$9.73	\$5.67	\$6.26
Gallonage Charge, Block 3	\$15.03	\$15.03	\$15.03	\$12.98	\$13.62	\$15.03
Gallonage Charge, GS	\$6.14	\$6.14	\$6.14	\$6.98	\$5.56	\$6.14
<u>Irrigation</u>						
Base Facility Charge by Meter Size						
5/8" x 3/4"	\$0.00	\$0.00	\$0.00	\$17.66	\$0.00	\$0.00
3/4"	\$0.00	\$0.00	\$0.00	\$26.48	\$0.00	\$0.00
1"	\$0.00	\$0.00	\$0.00	\$44.14	\$0.00	\$0.00
1-1/2"	\$0.00	\$0.00	\$0.00	\$88.28	\$0.00	\$0.00
2"	\$0.00	\$0.00	\$0.00	\$141.24	\$0.00	\$0.00
3"	\$0.00	\$0.00	\$0.00	\$282.49	\$0.00	\$0.00
4"	\$0.00	\$0.00	\$0.00	\$441.39	\$0.00	\$0.00
Gallonage Charge, Block 1	\$0.00	\$0.00	\$0.00	\$6.49	\$0.00	\$0.00
Gallonage Charge, Block 2	\$0.00	\$0.00	\$0.00	\$9.73	\$0.00	\$0.00
Gallonage Charge, Block 3	\$0.00	\$0.00	\$0.00	\$12.98	\$0.00	\$0.00
<u>Private Fire Protection</u>						
Base Facility Charge by Meter Size						
2"	\$11.12	\$11.12	\$11.12	\$11.77	\$10.08	\$11.12
3"	\$22.24	\$22.24	\$22.24	\$23.54	\$20.16	\$22.24
4"	\$34.76	\$34.76	\$34.76	\$36.78	\$31.50	\$34.76
6"	\$69.51	\$69.51	\$69.51	\$73.57	\$62.99	\$69.51
8"	\$111.22	\$111.22	\$111.22	\$117.70	\$100.80	\$111.22
10"	\$159.88	\$159.88	\$159.88	\$169.20	\$144.89	\$159.88
<u>Typical Residential Bills 5/8" x 3/4" Meter</u>						
3,000 Gallons	\$31.71	\$31.71	\$31.71	\$37.13	\$28.74	\$31.71
5,000 Gallons	\$41.73	\$41.73	\$41.73	\$50.11	\$37.82	\$41.73
10,000 Gallons	\$73.03	\$73.03	\$73.03	\$95.52	\$66.18	\$73.03

Aqua Utilities Florida, Inc. - Water Rate Band 4				Schedule No. 2-A	
Schedule of Water Rate Base				Docket No. 100330-WS	
Test Year Ended 4/30/10					
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year
1 Plant in Service	\$10,956,022	(\$236,145)	\$10,719,877	\$0	\$10,719,877
2 Land and Land Rights	127,298	0	127,298	0	127,298
3 Non-used and Useful Components	0	0	0	0	0
4 Accumulated Depreciation	(2,561,763)	49,948	(2,511,815)	0	(2,511,815)
5 CIAC	(2,267,332)	0	(2,267,332)	0	(2,267,332)
6 Amortization of CIAC	1,225,484	0	1,225,484	0	1,225,484
7 Working Capital Allowance	<u>988,088</u>	<u>0</u>	<u>988,088</u>	<u>(255,928)</u>	<u>762,160</u>
8 Rate Base	<u>\$8,467,797</u>	<u>(\$186,197)</u>	<u>\$8,281,600</u>	<u>(\$255,928)</u>	<u>\$8,055,672</u>

Aqua Utilities Florida, Inc. - Water Rate Band 4 Statement of Water Operations Test Year Ended 4/30/10						Schedule No. 3-A Docket No. 100330-WS	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$3,704,439</u>	<u>\$924,837</u>	<u>\$4,629,276</u>	<u>(\$813,094)</u>	<u>\$3,816,182</u>	<u>\$657,695</u> 17.23%	<u>\$4,473,877</u>
Operating Expenses							
2 Operation & Maintenance	\$3,058,487	\$13,658	\$3,072,145	(\$111,209)	\$2,960,936	\$0	\$2,960,936
3 Depreciation	296,937	0	296,937	0	296,937	0	296,937
4 Amortization	22,937	0	22,937	0	22,937	0	22,937
5 Taxes Other Than Income	347,346	41,590	388,936	(36,589)	352,347	29,596	381,943
6 Income Taxes	<u>(69,014)</u>	<u>335,444</u>	<u>266,430</u>	<u>(254,923)</u>	<u>11,507</u>	<u>236,354</u>	<u>247,861</u>
7 Total Operating Expense	<u>\$3,656,693</u>	<u>\$390,692</u>	<u>\$4,047,385</u>	<u>(\$402,721)</u>	<u>\$3,644,664</u>	<u>\$265,950</u>	<u>\$3,910,614</u>
8 Operating Income	<u>\$47,746</u>	<u>\$534,145</u>	<u>\$581,891</u>	<u>(\$410,372)</u>	<u>\$171,519</u>	<u>\$391,745</u>	<u>\$563,264</u>
9 Rate Base	<u>\$8,281,600</u>		<u>\$8,281,600</u>		<u>\$8,055,672</u>		<u>\$8,055,672</u>
10 Rate of Return	<u>0.58%</u>		<u>7.03%</u>		<u>2.13%</u>		<u>6.99%</u>

Aqua Utilities Florida, Inc. - Water Rate Band 4 Adjustment to Operating Income Test Year Ended 4/30/10		Schedule No. 3-C Docket No. 100330-WS	
Explanation		Water	Wastewater
<u>Operating Revenues</u>			
1	To remove Utility's requested interim revenue decrease.	(\$924,837)	N/A
2	To reflect the appropriate amount of annualized revenue.	111,743	N/A
	Total	<u>(\$813,094)</u>	<u>N/A</u>
<u>Operation and Maintenance Expense</u>			
	To reflect the appropriate amount of bad debt expense.	<u>(\$111,209)</u>	<u>N/A</u>
<u>Taxes Other Than Income</u>			
	RAFs on revenue adjustments above.	<u>(\$36,589)</u>	<u>N/A</u>
<u>Income Taxes</u>			
	To reflect the appropriate test year income taxes.	<u>(\$254,923)</u>	<u>N/A</u>

Aqua Utilities Florida, Inc. – Water Rate Band 4 Water Monthly Service Rates					Schedule No. 4-A Docket No. 100330-WS	
	Present Rates	Utility Requested Unlimited Interim	Utility Requested Limited Interim	Utility Requested Consolidated	Staff Calculated Unlimited	Staff Recomm. Rates
Residential and General Service						
Base Facility Charge by Meter Size:						
5/8" x 3/4"	\$15.71	\$19.75	\$15.71	\$17.66	\$18.50	\$15.71
3/4"	\$23.58	\$29.65	\$23.58	\$26.48	\$27.76	\$23.58
1"	\$39.29	\$49.40	\$39.29	\$44.14	\$46.26	\$39.29
1-1/2"	\$78.58	\$98.80	\$78.58	\$88.28	\$92.53	\$78.58
2"	\$125.73	\$158.08	\$125.73	\$141.24	\$148.04	\$125.73
3"	\$251.46	\$316.16	\$251.46	\$282.49	\$296.09	\$251.46
4"	\$392.91	\$494.01	\$392.91	\$441.39	\$462.64	\$392.91
6"	\$785.82	\$988.02	\$785.82	\$882.78	\$925.28	\$785.82
8"	\$1,257.32	\$1,580.83	\$1,257.32	\$1,412.44	\$1,480.45	\$1,257.32
10"	\$1,807.40	\$2,272.45	\$1,807.40	\$2,030.39	\$2,128.15	\$1,807.40
Gallage Charge, Block 1	\$7.31	\$9.19	\$7.31	\$6.49	\$8.61	\$7.31
Gallage Charge, Block 2	\$8.98	\$11.29	\$8.98	\$9.73	\$10.57	\$8.98
Gallage Charge, Block 3	\$20.67	\$25.99	\$20.67	\$12.98	\$24.34	\$20.67
Gallage Charge, GS	\$8.42	\$10.59	\$8.42	\$6.98	\$9.91	\$8.42
Irrigation						
Base Facility Charge by Meter Size						
5/8" x 3/4"	\$0.00	\$0.00	\$0.00	\$17.66	\$0.00	\$0.00
3/4"	\$0.00	\$0.00	\$0.00	\$26.48	\$0.00	\$0.00
1"	\$0.00	\$0.00	\$0.00	\$44.14	\$0.00	\$0.00
1-1/2"	\$0.00	\$0.00	\$0.00	\$88.28	\$0.00	\$0.00
2"	\$0.00	\$0.00	\$0.00	\$141.24	\$0.00	\$0.00
3"	\$0.00	\$0.00	\$0.00	\$282.49	\$0.00	\$0.00
4"	\$0.00	\$0.00	\$0.00	\$441.39	\$0.00	\$0.00
Gallage Charge, Block 1	\$0.00	\$0.00	\$0.00	\$6.49	\$0.00	\$0.00
Gallage Charge, Block 2	\$0.00	\$0.00	\$0.00	\$9.73	\$0.00	\$0.00
Gallage Charge, Block 3	\$0.00	\$0.00	\$0.00	\$12.98	\$0.00	\$0.00
Private Fire Protection						
Base Facility Charge by Meter Size						
2"	\$10.48	\$13.18	\$10.48	\$11.77	\$12.34	\$10.48
3"	\$20.96	\$26.35	\$20.96	\$23.54	\$24.68	\$20.96
4"	\$32.74	\$41.16	\$32.74	\$36.78	\$38.55	\$32.74
6"	\$65.48	\$82.33	\$65.48	\$73.57	\$77.10	\$65.48
8"	\$104.77	\$131.73	\$104.77	\$117.70	\$123.36	\$104.77
10"	\$150.61	\$189.36	\$150.61	\$169.20	\$177.34	\$150.61
Typical Residential Bills 5/8" x 3/4" Meter						
3,000 Gallons	\$37.64	\$47.32	\$37.64	\$37.13	\$44.32	\$37.64
5,000 Gallons	\$52.26	\$65.70	\$52.26	\$50.11	\$61.53	\$52.26
10,000 Gallons	\$97.16	\$122.15	\$97.16	\$95.52	\$114.40	\$97.16

Aqua Utilities Florida, Inc. - Wastewater Rate Band 1 Schedule of Wastewater Rate Base Test Year Ended 4/30/10				Schedule No. 2-B Docket No. 100330-WS	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year
1 Plant in Service	\$1,574,802	(\$114,085)	\$1,460,717	\$0	\$1,460,717
2 Land and Land Rights	108,974	0	108,974	0	108,974
3 Non-used and Useful Components	0	0	0	0	0
4 Accumulated Depreciation	(947,391)	73,353	(874,038)	0	(874,038)
5 CIAC	(619,088)	0	(619,088)	0	(619,088)
6 Amortization of CIAC	436,809	0	436,809	0	436,809
7 Working Capital Allowance	<u>144,386</u>	<u>0</u>	<u>144,386</u>	<u>(34,602)</u>	<u>109,784</u>
8 Rate Base	<u>\$698,492</u>	<u>(\$40,732)</u>	<u>\$657,760</u>	<u>(\$34,602)</u>	<u>\$623,158</u>

Aqua Utilities Florida, Inc. - Wastewater Rate Band 1 Statement of Wastewater Operations Test Year Ended 4/30/10						Schedule No. 3-B Docket No. 100330-WS	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$375,191</u>	<u>\$103,255</u>	<u>\$478,446</u>	<u>(\$100,914)</u>	<u>\$377,532</u>	<u>\$96,160</u> 25.47%	<u>\$473,692</u>
Operating Expenses							
2 Operation & Maintenance	353,867	\$1,525	355,392	(\$827)	354,565	\$0	\$354,565
3 Depreciation	18,611	0	18,611	0	18,611	0	18,611
4 Amortization	3,423	0	3,423	0	3,423	0	3,423
5 Taxes Other Than Income	29,918	4,643	34,561	(4,541)	30,020	4,327	34,347
6 Income Taxes	<u>(16,599)</u>	<u>37,451</u>	<u>20,852</u>	<u>(36,235)</u>	<u>(15,383)</u>	<u>34,557</u>	<u>19,174</u>
7 Total Operating Expense	<u>\$389,220</u>	<u>\$43,619</u>	<u>\$432,839</u>	<u>(\$41,603)</u>	<u>\$391,236</u>	<u>\$38,884</u>	<u>\$430,120</u>
8 Operating Income	<u>(\$14,029)</u>	<u>\$59,636</u>	<u>\$45,607</u>	<u>(\$59,311)</u>	<u>(\$13,704)</u>	<u>\$57,276</u>	<u>\$43,572</u>
9 Rate Base	<u>\$698,492</u>		<u>\$657,760</u>		<u>\$623,158</u>		<u>\$623,158</u>
10 Rate of Return	<u>(2.01%)</u>		<u>6.93%</u>		<u>(2.20%)</u>		<u>6.99%</u>

Aqua Utilities Florida, Inc. - Wastewater Rate Band 1 Adjustment to Operating Income Test Year Ended 4/30/10		Schedule No. 3-C Docket No. 100330-WS	
Explanation		Water	Wastewater
<u>Operating Revenues</u>			
1	To remove Utility's requested interim revenue decrease.	N/A	(\$103,255)
2	To reflect the appropriate amount of annualized revenue.	N/A	2,341
	Total	N/A	<u>(\$100,914)</u>
<u>Operation and Maintenance Expense</u>			
	To reflect the appropriate amount of bad debt expense.	N/A	<u>(\$827)</u>
<u>Taxes Other Than Income</u>			
	RAFs on revenue adjustments above.	N/A	<u>(\$4,541)</u>
<u>Income Taxes</u>			
	To reflect the appropriate test year income taxes.	N/A	<u>(\$36,235)</u>

Aqua Utilities Florida, Inc. – Wastewater Rate Band 1 Wastewater Monthly Service Rates				Schedule No. 4-B Docket No. 100330-WS		
	Present Rates	Utility Requested Unlimited Interim	Utility Requested Limited Interim	Utility Requested Consolidated	Staff Calculated Unlimited	Staff Recomm. Rates
Residential Service						
Base Facility Charge All Meter Sizes:	\$17.13	\$21.85	\$21.85	\$37.87	\$21.50	\$21.50
Gallonge Charge – Per 1,000 gallons (6,000 gallon cap)	\$4.75	\$6.06	\$6.06	\$9.53	\$5.96	\$5.96
General Service						
Base Facility Charge by Meter Size						
5/8" x 3/4"	\$17.13	\$21.85	\$21.85	\$37.87	\$21.50	\$21.50
3/4"	\$25.70	\$32.77	\$32.77	\$56.81	\$32.25	\$32.25
1"	\$42.84	\$54.63	\$54.63	\$94.68	\$53.76	\$53.76
1-1/2"	\$85.66	\$109.24	\$109.24	\$189.36	\$107.49	\$107.49
2"	\$137.07	\$174.80	\$174.80	\$302.97	\$172.01	\$172.01
3"	\$274.12	\$349.57	\$349.57	\$605.94	\$343.99	\$343.99
4"	\$428.31	\$546.21	\$546.21	\$946.78	\$537.48	\$537.48
6"	\$856.63	\$1,092.43	\$1,092.43	\$1,893.57	\$1,074.98	\$1,074.98
8"	\$1,370.61	\$1,747.89	\$1,747.89	\$3,029.70	\$1,719.97	\$1,719.97
10"	\$1,970.24	\$2,512.57	\$2,512.57	\$4,355.20	\$2,472.44	\$2,472.44
Gallonge Charge, per 1,000 gallons	\$5.69	\$7.26	\$7.26	\$11.43	\$7.14	\$7.14
Flat Rate Residential						
Valencia Terrace	\$32.72	\$41.73	\$41.73	\$0.00	\$41.06	\$41.06
Typical Residential Bills 5/8" x 3/4" Meter						
3,000 Gallons	\$31.38	\$40.03	\$40.03	\$66.46	\$39.38	\$39.38
5,000 Gallons	\$40.88	\$52.15	\$52.15	\$85.52	\$51.30	\$51.30
6,000 Gallons (Wastewater Gallonge Cap – 6,000 Gallons)	\$45.63	\$58.21	\$58.21	\$95.05	\$57.26	\$57.26

Aqua Utilities Florida, Inc. - Wastewater Rate Band 2			Schedule No. 2-B		
Schedule of Wastewater Rate Base			Docket No. 100330-WS		
Test Year Ended 4/30/10					
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year
1 Plant in Service	\$14,261,750	(\$277,152)	\$13,984,598	\$0	\$13,984,598
2 Land and Land Rights	384,886	0	384,886	0	384,886
3 Non-used and Useful Components	0	0	0	0	0
4 Accumulated Depreciation	(6,578,914)	142,477	(6,436,437)	0	(6,436,437)
5 CIAC	(2,878,828)	0	(2,878,828)	0	(2,878,828)
6 Amortization of CIAC	1,910,455	0	1,910,455	0	1,910,455
7 Working Capital Allowance	<u>561,601</u>	<u>0</u>	<u>561,601</u>	<u>(143,945)</u>	<u>417,656</u>
8 Rate Base	<u>\$7,660,950</u>	<u>(\$134,675)</u>	<u>\$7,660,950</u>	<u>(\$143,945)</u>	<u>\$7,382,330</u>

Aqua Utilities Florida, Inc. - Wastewater Rate Band 2 Statement of Wastewater Operations Test Year Ended 4/30/10						Schedule No. 3-B Docket No. 100330-WS	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$3,523,117</u>	<u>(\$20,363)</u>	<u>\$3,502,754</u>	<u>\$43,846</u>	<u>\$3,546,600</u>	<u>(\$43,846)</u> (1.24%)	<u>\$3,502,754</u>
Operating Expenses							
2 Operation & Maintenance	\$1,931,496	(\$301)	\$1,931,195	\$54,808	\$1,986,003	\$0	\$1,986,003
3 Depreciation	493,057	0	493,057	0	493,057	0	493,057
4 Amortization	11,604	0	11,604	0	11,604	0	11,604
5 Taxes Other Than Income	300,171	(916)	299,255	1,973	301,228	(1,973)	299,255
6 Income Taxes	<u>248,551</u>	<u>(7,386)</u>	<u>241,165</u>	<u>(9,739)</u>	<u>231,426</u>	<u>(15,757)</u>	<u>215,669</u>
7 Total Operating Expense	<u>\$2,984,879</u>	<u>(\$8,603)</u>	<u>\$2,976,276</u>	<u>\$47,042</u>	<u>\$3,023,318</u>	<u>(\$17,730)</u>	<u>\$3,005,588</u>
8 Operating Income	<u>\$538,238</u>	<u>(\$11,760)</u>	<u>\$526,478</u>	<u>(\$3,196)</u>	<u>\$523,282</u>	<u>(\$26,116)</u>	<u>\$497,166</u>
9 Rate Base	<u>\$7,660,950</u>		<u>\$7,526,275</u>		<u>\$7,382,330</u>		<u>\$7,382,330</u>
10 Rate of Return	<u>7.03%</u>		<u>7.00%</u>		<u>7.09%</u>		<u>6.73%</u>

Aqua Utilities Florida, Inc. - Wastewater Rate Band 2 Adjustment to Operating Income Test Year Ended 4/30/10		Schedule No. 3-C Docket No. 100330-WS	
Explanation		Water	Wastewater
<u>Operating Revenues</u>			
1	To remove Utility's requested interim revenue decrease.	N/A	\$20,363
2	To reflect the appropriate amount of annualized revenue.	N/A	23,483
	Total	N/A	<u>\$43,846</u>
<u>Operation and Maintenance Expense</u>			
	To reflect the appropriate amount of bad debt expense.	N/A	<u>\$54,808</u>
<u>Taxes Other Than Income</u>			
	RAFs on revenue adjustments above.	N/A	<u>\$1,973</u>
<u>Income Taxes</u>			
	To reflect the appropriate test year income taxes.	N/A	<u>(\$9,739)</u>

Aqua Utilities Florida, Inc. – Wastewater Rate Band 2 Wastewater Monthly Service Rates				Schedule No. 4-B Docket No. 100330-WS		
	Present Rates	Utility Requested Unlimited Interim	Utility Requested Limited Interim	Utility Requested Consolidated	Staff Calculated Unlimited	Staff Recomm. Rates
Residential Service						
Base Facility Charge All Meter Sizes:	\$35.44	\$35.44	\$35.44	\$37.87	\$35.00	\$35.44
Gallage Charge – Per 1,000 gallons (6,000 gallon cap)	\$7.11	\$7.11	\$7.11	\$9.53	\$7.02	\$7.11
General Service						
Base Facility Charge by Meter Size						
5/8" x 3/4"	\$35.44	\$35.44	\$35.44	\$37.87	\$35.00	\$35.44
3/4"	\$53.16	\$53.16	\$53.16	\$56.81	\$52.50	\$53.16
1"	\$88.60	\$88.60	\$88.60	\$94.68	\$87.50	\$88.60
1-1/2"	\$177.19	\$177.19	\$177.19	\$189.36	\$175.00	\$177.19
2"	\$283.52	\$283.52	\$283.52	\$302.97	\$280.01	\$283.52
3"	\$567.03	\$567.03	\$567.03	\$605.94	\$560.02	\$567.03
4"	\$885.99	\$885.99	\$885.99	\$946.78	\$875.03	\$885.99
6"	\$1,771.89	\$1,771.89	\$1,771.89	\$1,893.57	\$1,749.98	\$1,771.89
8"	\$2,835.19	\$2,835.19	\$2,835.19	\$3,029.70	\$2,800.13	\$2,835.19
10"	\$4,075.58	\$4,075.58	\$4,075.58	\$4,355.20	\$4,025.18	\$4,075.58
Gallage Charge, per 1,000 gallons	\$8.53	\$8.53	\$8.53	\$11.43	\$8.42	\$8.53
Flat Rate Residential						
Sunny Hills	\$56.44	\$56.44	\$56.44	\$0.00	\$55.74	\$56.44
Zephyr Shores	\$47.02	\$47.02	\$47.02	\$0.00	\$46.44	\$47.02
Typical Residential Bills 5/8" x 3/4" Meter						
3,000 Gallons	\$56.77	\$56.77	\$56.77	\$66.46	\$56.07	\$56.77
5,000 Gallons	\$70.99	\$70.99	\$70.99	\$85.52	\$70.11	\$70.99
6,000 Gallons (Wastewater Gallage Cap – 6,000 Gallons)	\$78.10	\$78.10	\$78.10	\$95.05	\$77.13	\$78.10

Aqua Utilities Florida, Inc. - Wastewater Rate Band 3			Schedule No. 2-B		
Schedule of Wastewater Rate Base			Docket No. 100330-WS		
Test Year Ended 4/30/10					
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year
1 Plant in Service	\$3,726,139	\$0	\$3,726,139	\$0	\$3,726,139
2 Land and Land Rights	155,033	0	155,033	0	155,033
3 Non-used and Useful Components	0	0	0	0	0
4 Accumulated Depreciation	(1,108,982)	0	(1,108,982)	0	(1,108,982)
5 CIAC	(422,578)	0	(422,578)	0	(422,578)
6 Amortization of CIAC	207,858	0	207,858	0	207,858
7 Working Capital Allowance	<u>66,179</u>	<u>0</u>	<u>66,179</u>	<u>(18,652)</u>	<u>47,527</u>
8 Rate Base	<u>\$2,623,649</u>	<u>\$0</u>	<u>\$2,623,649</u>	<u>(\$18,652)</u>	<u>\$2,604,997</u>

Aqua Utilities Florida, Inc. - Wastewater Rate Band 3 Statement of Wastewater Operations Test Year Ended 4/30/10						Schedule No. 3-B Docket No. 100330-WS	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$419,167</u>	<u>\$442,385</u>	<u>\$861,552</u>	<u>(\$440,387)</u>	<u>\$421,165</u>	<u>\$433,206</u> 102.86%	<u>\$854,371</u>
Operating Expenses							
2 Operation & Maintenance	\$358,946	\$6,533	\$365,479	(\$3,952)	\$361,527	\$0	\$361,527
3 Depreciation	133,221	0	133,221	0	133,221	0	133,221
4 Amortization	871	0	871	0	871	0	871
5 Taxes Other Than Income	76,884	19,894	96,778	(19,817)	76,961	19,494	96,455
6 Income Taxes	<u>(77,101)</u>	<u>160,456</u>	<u>83,355</u>	<u>(158,883)</u>	<u>(75,528)</u>	<u>155,680</u>	<u>80,152</u>
7 Total Operating Expense	<u>\$492,821</u>	<u>\$186,883</u>	<u>\$679,704</u>	<u>(\$182,652)</u>	<u>\$497,052</u>	<u>\$175,174</u>	<u>\$672,226</u>
8 Operating Income	<u>(\$73,654)</u>	<u>\$255,502</u>	<u>\$181,848</u>	<u>(\$257,735)</u>	<u>(\$75,887)</u>	<u>\$258,032</u>	<u>\$182,145</u>
9 Rate Base	<u>\$2,623,649</u>		<u>\$2,623,649</u>		<u>\$2,604,997</u>		<u>\$2,604,997</u>
10 Rate of Return	<u>(2.81%)</u>		<u>6.93%</u>		<u>(2.91%)</u>		<u>6.99%</u>

Aqua Utilities Florida, Inc. - Wastewater Rate Band 3 Adjustment to Operating Income Test Year Ended 4/30/10		Schedule No. 3-C Docket No. 100330-WS	
Explanation		Water	Wastewater
<u>Operating Revenues</u>			
1	To remove Utility's requested interim revenue decrease.	N/A	(\$442,385)
2	To reflect the appropriate amount of annualized revenue.	N/A	1,998
	Total	N/A	<u>(\$440,387)</u>
<u>Operation and Maintenance Expense</u>			
	To reflect the appropriate amount of bad debt expense.	N/A	<u>(\$3,952)</u>
<u>Taxes Other Than Income</u>			
	RAFs on revenue adjustments above.	N/A	<u>(\$19,817)</u>
<u>Income Taxes</u>			
	To reflect the appropriate test year income taxes.	N/A	<u>(\$158,883)</u>

Aqua Utilities Florida, Inc. – Wastewater Rate Band 3 Wastewater Monthly Service Rates				Schedule No. 4-B Docket No. 100330-WS		
	Present Rates	Utility Requested Unlimited Interim	Utility Requested Limited Interim	Utility Requested Consolidated	Staff Calculated Unlimited	Staff Recomm. Rates
Residential Service						
Base Facility Charge All Meter Sizes:	\$29.41	\$60.45	\$33.82	\$37.87	\$59.66	\$33.82
Gallonge Charge – Per 1,000 gallons (6,000 gallon cap)	\$8.99	\$18.48	\$10.34	\$9.53	\$18.24	\$10.34
General Service						
Base Facility Charge by Meter Size						
5/8" x 3/4"	\$29.41	\$60.45	\$33.82	\$37.87	\$59.66	\$33.82
3/4"	\$44.12	\$90.69	\$50.74	\$56.81	\$89.50	\$50.74
1"	\$73.53	\$151.14	\$84.57	\$94.68	\$149.16	\$84.57
1-1/2"	\$147.07	\$302.30	\$169.14	\$189.36	\$298.34	\$169.14
2"	\$235.31	\$483.67	\$270.63	\$302.97	\$477.35	\$270.63
3"	\$470.63	\$967.37	\$541.26	\$605.94	\$954.71	\$541.26
4"	\$735.35	\$1,511.49	\$845.71	\$946.78	\$1,491.72	\$845.71
6"	\$1,470.70	\$3,022.98	\$1,691.42	\$1,893.57	\$2,983.45	\$1,691.42
8"	\$2,353.13	\$4,836.79	\$2,706.29	\$3,029.70	\$4,773.53	\$2,706.29
10"	\$3,382.61	\$6,952.86	\$3,890.27	\$4,355.20	\$6,861.92	\$3,890.27
Gallonge Charge, per 1,000 gallons	\$10.78	\$22.16	\$12.40	\$11.43	\$21.87	\$12.40
Flat Rate Residential						
Jungle Den	\$39.73	\$81.66	\$45.69	\$0.00	\$80.60	\$45.69
Lake Gibson Estates	\$83.33	\$171.28	\$95.84	\$0.00	\$169.04	\$95.84
Flat Rate General Service						
Lake Gibson Estates	\$518.69	\$1,066.15	\$596.54	\$0.00	\$1,052.21	\$596.54
Typical Residential Bills 5/8" x 3/4" Meter						
3,000 Gallons	\$56.38	\$115.89	\$64.84	\$66.46	\$114.37	\$64.84
5,000 Gallons	\$74.36	\$152.85	\$85.52	\$85.52	\$150.85	\$85.52
6,000 Gallons	\$83.35	\$171.33	\$95.86	\$95.05	\$169.08	\$95.86
(Wastewater Gallonge Cap – 6,000 Gallons)						

Aqua Utilities Florida, Inc. - Wastewater Rate Band 4				Schedule No. 2-B	
Schedule of Wastewater Rate Base				Docket No. 100330-WS	
Test Year Ended 4/30/10					
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year
1 Plant in Service	\$2,692,237	(\$161,483)	\$2,530,754	\$0	\$2,530,754
2 Land and Land Rights	149,000	0	149,000	0	149,000
3 Non-used and Useful Components	0	0	0	0	0
4 Accumulated Depreciation	(1,177,387)	0	(1,177,387)	0	(1,177,387)
5 CIAC	(620,692)	65,557	(555,135)	0	(555,135)
6 Amortization of CIAC	382,728	0	382,728	0	382,728
7 Working Capital Allowance	<u>67,265</u>	<u>0</u>	<u>67,265</u>	<u>(3,136)</u>	<u>64,129</u>
8 Rate Base	<u>\$1,493,151</u>	<u>(\$95,926)</u>	<u>\$1,397,225</u>	<u>(\$3,136)</u>	<u>\$1,394,089</u>

Aqua Utilities Florida, Inc. - Wastewater Rate Band 4						Schedule No. 3-B	
Statement of Wastewater Operations						Docket No. 100330-WS	
Test Year Ended 4/30/10							
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$533,537</u>	<u>(\$36,195)</u>	<u>\$497,342</u>	<u>\$36,309</u>	<u>\$533,651</u>	<u>(\$36,309)</u> (6.80%)	<u>\$497,342</u>
Operating Expenses							
2 Operation & Maintenance	\$271,412	(\$535)	\$270,877	\$2,361	\$273,238	\$0	\$273,238
3 Depreciation	22,864	0	22,864	0	22,864	0	22,864
4 Amortization	817	0	817	0	817	0	817
5 Taxes Other Than Income	62,154	(1,628)	60,526	1,634	62,160	(1,634)	60,526
6 Income Taxes	<u>57,849</u>	<u>(13,128)</u>	<u>44,721</u>	<u>11,043</u>	<u>55,764</u>	<u>(13,048)</u>	<u>42,716</u>
7 Total Operating Expense	<u>\$415,096</u>	<u>(\$15,291)</u>	<u>\$399,805</u>	<u>\$15,038</u>	<u>\$414,843</u>	<u>(\$14,682)</u>	<u>\$400,161</u>
8 Operating Income	<u>\$118,441</u>	<u>(\$20,904)</u>	<u>\$97,537</u>	<u>\$21,271</u>	<u>\$118,808</u>	<u>(\$21,627)</u>	<u>\$97,181</u>
9 Rate Base	<u>\$1,493,151</u>		<u>\$1,397,225</u>		<u>\$1,394,089</u>		<u>\$1,394,089</u>
10 Rate of Return	<u>7.93%</u>		<u>6.98%</u>		<u>8.52%</u>		<u>6.97%</u>

Aqua Utilities Florida, Inc. - Wastewater Rate Band 4 Adjustment to Operating Income Test Year Ended 4/30/10		Schedule No. 3-C Docket No. 100330-WS	
Explanation		Water	Wastewater
<u>Operating Revenues</u>			
1	To remove Utility's requested interim revenue decrease.	N/A	\$36,195
2	To reflect the appropriate amount of annualized revenue.	N/A	114
	Total	N/A	<u>\$36,309</u>
<u>Operation and Maintenance Expense</u>			
	To reflect the appropriate amount of bad debt expense.	N/A	<u>\$2,361</u>
<u>Taxes Other Than Income</u>			
	RAFs on revenue adjustments above.	N/A	<u>\$1,634</u>
<u>Income Taxes</u>			
	To reflect the appropriate test year income taxes.	N/A	<u>\$11,043</u>

Aqua Utilities Florida, Inc. – Wastewater Rate Band 4 Wastewater Monthly Service Rates				Schedule No. 4-B Docket No. 100330-WS		
	Present Rates	Utility Requested Unlimited Interim	Utility Requested Limited Interim	Utility Requested Consolidated	Staff Calculated Unlimited	Staff Recomm. Rates
<u>Residential Service</u>						
Base Facility Charge All Meter Sizes:	\$75.47	\$75.47	\$75.47	\$37.87	\$70.33	\$75.47
Gallonge Charge – Per 1,000 gallons (6,000 gallon cap)	\$9.37	\$9.37	\$9.37	\$9.53	\$8.73	\$9.37
<u>General Service</u>						
Base Facility Charge by Meter Size						
5/8" x 3/4"	\$75.47	\$75.47	\$75.47	\$37.87	\$70.33	\$75.47
3/4"	\$113.22	\$113.22	\$113.22	\$56.81	\$105.51	\$113.22
1"	\$188.69	\$188.69	\$188.69	\$94.68	\$175.84	\$188.69
1-1/2"	\$377.39	\$377.39	\$377.39	\$189.36	\$351.69	\$377.39
2"	\$603.82	\$603.82	\$603.82	\$302.97	\$562.70	\$603.82
3"	\$1,207.65	\$1,207.65	\$1,207.65	\$605.94	\$1,125.41	\$1,207.65
4"	\$1,886.95	\$1,886.95	\$1,886.95	\$946.78	\$1,758.44	\$1,886.95
6"	\$3,773.89	\$3,773.89	\$3,773.89	\$1,893.57	\$3,516.88	\$3,773.89
8"	\$6,038.22	\$6,038.22	\$6,038.22	\$3,029.70	\$5,627.00	\$6,038.22
10"	\$8,679.95	\$8,679.95	\$8,679.95	\$4,355.20	\$8,088.83	\$8,679.95
Gallonge Charge, per 1,000 gallons	\$11.25	\$11.25	\$11.25	\$11.43	\$10.48	\$11.25
<u>General Service Wastewater Only</u>						
Sprinkler Heads	\$0.10	\$0.10	\$0.10	\$0.00	\$0.09	\$0.10
<u>Typical Residential Bills 5/8" x 3/4" Meter</u>						
3,000 Gallons	\$103.58	\$103.58	\$103.58	\$66.46	\$96.53	\$103.58
5,000 Gallons	\$122.32	\$122.32	\$122.32	\$85.52	\$113.99	\$122.32
6,000 Gallons	\$131.69	\$131.69	\$131.69	\$95.05	\$122.72	\$131.69
(Wastewater Gallonge Cap – 6,000 Gallons)						

Aqua Utilities Florida, Inc. – Breeze Hill				Schedule No. 2-A	
Schedule of Water Rate Base				Docket No. 100330-WS	
Test Year Ended 4/30/10					
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year
1 Plant in Service	\$177,568	\$0	\$177,568	\$0	\$177,568
2 Land and Land Rights	2,997	0	2,997	0	2,997
3 Non-used and Useful Components	0	0	0	0	0
4 Accumulated Depreciation	(86,937)	0	(86,937)	0	(86,937)
5 CIAC	(32,704)	0	(32,704)	0	(32,704)
6 Amortization of CIAC	32,056	0	32,056	0	32,056
7 Working Capital Allowance	<u>13,848</u>	<u>0</u>	<u>13,848</u>	<u>(4,171)</u>	<u>9,677</u>
8 Rate Base	<u>\$106,828</u>	<u>\$0</u>	<u>\$106,828</u>	<u>(\$4,171)</u>	<u>\$102,657</u>

Aqua Utilities Florida, Inc. – Breeze Hill				Schedule No. 2-B		
Schedule of Wastewater Rate Base				Docket No. 100330-WS		
Test Year Ended 4/30/10						
	Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year
1	Plant in Service	\$279,945	\$0	\$279,945	\$0	\$279,945
2	Land and Land Rights	18,519	0	18,519	0	18,519
3	Non-used and Useful Components	0	(4,303)	(4,303)	0	(4,303)
4	Accumulated Depreciation	(246,677)	3,993	(242,684)	0	(242,684)
5	CIAC	(119,195)	0	(119,195)	0	(119,195)
6	Amortization of CIAC	118,542	0	118,542	0	118,542
7	Working Capital Allowance	<u>13,400</u>	<u>0</u>	<u>13,400</u>	<u>(4,071)</u>	<u>9,329</u>
8	Rate Base	<u>\$64,534</u>	<u>(\$310)</u>	<u>\$64,224</u>	<u>(\$4,071)</u>	<u>\$60,153</u>

Aqua Utilities Florida, Inc. – Breeze Hill Statement of Water Operations Test Year Ended 4/30/10						Schedule No. 3-A Docket No. 100330-WS	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$30,436</u>	<u>\$31,816</u>	<u>\$62,252</u>	<u>(\$31,299)</u>	<u>\$30,953</u>	<u>\$30,232</u> 97.67%	<u>\$61,186</u>
Operating Expenses							
2 Operation & Maintenance	\$29,164	\$470	\$29,634	\$0	\$29,634	\$0	\$29,634
3 Depreciation	14,304	0	14,304	0	14,304	0	14,304
4 Amortization	0	0	0	0	0	0	0
5 Taxes Other Than Income	5,528	1,431	6,959	(1,408)	5,551	1,360	6,911
6 Income Taxes	<u>(7,974)</u>	<u>11,538</u>	<u>3,564</u>	<u>(11,270)</u>	<u>(7,706)</u>	<u>10,864</u>	<u>3,159</u>
7 Total Operating Expense	<u>\$41,022</u>	<u>\$13,439</u>	<u>\$54,461</u>	<u>(\$12,678)</u>	<u>\$41,783</u>	<u>\$12,225</u>	<u>\$54,008</u>
8 Operating Income	<u>(\$10,586)</u>	<u>\$18,377</u>	<u>\$7,791</u>	<u>(\$18,620)</u>	<u>(\$10,829)</u>	<u>\$18,007</u>	<u>\$7,178</u>
9 Rate Base	<u>\$106,828</u>		<u>\$106,828</u>		<u>\$102,657</u>		<u>\$102,657</u>
10 Rate of Return	<u>(9.91%)</u>		<u>7.29%</u>		<u>(10.55%)</u>		<u>6.99%</u>

Aqua Utilities Florida, Inc. – Breeze Hill Statement of Wastewater Operations Test Year Ended 4/30/10						Schedule No. 3-B Docket No. 100330-WS	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$35,485</u>	<u>\$39,270</u>	<u>\$74,755</u>	<u>(\$38,668)</u>	<u>\$36,087</u>	<u>\$37,862</u> 104.92%	<u>\$73,949</u>
Operating Expenses							
2 Operation & Maintenance	\$48,202	\$580	\$48,782	\$0	\$48,782	\$0	\$48,782
3 Depreciation	13,387	0	13,387	0	13,387	0	13,387
4 Amortization	0	0	0	0	0	0	0
5 Taxes Other Than Income	3,993	1,766	5,759	(1,740)	4,019	1,704	5,723
6 Income Taxes	<u>(12,103)</u>	<u>14,246</u>	<u>2,143</u>	<u>(13,898)</u>	<u>(11,755)</u>	<u>13,606</u>	<u>1,851</u>
7 Total Operating Expense	<u>\$53,479</u>	<u>\$16,592</u>	<u>\$70,071</u>	<u>(\$15,639)</u>	<u>\$54,432</u>	<u>\$15,310</u>	<u>\$69,743</u>
8 Operating Income	<u>(\$17,994)</u>	<u>\$22,678</u>	<u>\$4,684</u>	<u>(\$23,030)</u>	<u>(\$18,346)</u>	<u>\$22,552</u>	<u>\$4,206</u>
9 Rate Base	<u>\$64,534</u>		<u>\$64,224</u>		<u>\$60,153</u>		<u>\$60,153</u>
10 Rate of Return	<u>(27.88%)</u>		<u>7.29%</u>		<u>(30.50%)</u>		<u>6.99%</u>

Aqua Utilities Florida, Inc. – Breeze Hill Adjustment to Operating Income Test Year Ended 4/30/10		Schedule No. 3-C Docket No. 100330-WS	
Explanation	Water	Wastewater	
<u>Operating Revenues</u>			
1 To remove Utility's requested interim revenue decrease.	(\$31,816)	(\$39,270)	
2 To reflect the appropriate amount of annualized revenue.	517	602	
Total	<u>(\$31,299)</u>	<u>(\$38,668)</u>	
<u>Taxes Other Than Income</u>			
RAFs on revenue adjustments above.	<u>(\$1,408)</u>	<u>(\$1,740)</u>	
<u>Income Taxes</u>			
To reflect the appropriate test year income taxes.	<u>(\$11,270)</u>	<u>(\$13,898)</u>	

**Aqua Utilities Florida, Inc. – Breeze Hill
Water Monthly Service Rates**

**Schedule No. 4-A
Docket No. 100330-WS**

	Present Rates	Utility Requested Unlimited Interim	Utility Requested Limited Interim	Utility Requested Consolidated	Staff Calculated Unlimited	Staff Recomm. Rates
Residential and General Service						
Base Facility Charge by Meter Size:						
5/8" x 3/4"	\$15.51	\$31.73	\$26.79	\$17.66	\$30.67	\$26.79
3/4"	\$23.27	\$47.61	\$40.20	\$26.48	\$46.01	\$40.20
1"	\$38.77	\$79.32	\$66.97	\$44.14	\$76.66	\$66.97
1-1/2"	\$77.53	\$158.62	\$133.92	\$88.28	\$153.29	\$133.92
2"	\$124.06	\$253.81	\$214.29	\$141.24	\$245.29	\$214.29
3"	\$248.11	\$507.60	\$428.57	\$282.49	\$490.56	\$428.57
4"	\$387.68	\$793.14	\$669.65	\$441.39	\$766.52	\$669.65
6"	\$775.37	\$1,586.29	\$1,339.32	\$882.78	\$1,533.05	\$1,339.32
8"	\$0.00	\$0.00	\$0.00	\$1,412.44	\$0.00	\$0.00
10"	\$0.00	\$0.00	\$0.00	\$2,030.39	\$0.00	\$0.00
Gallonage Charge, Block 1	\$2.70	\$5.52	\$4.66	\$6.49	\$5.34	\$4.66
Gallonage Charge, Block 2	\$2.70	\$5.52	\$4.66	\$9.73	\$5.34	\$4.66
Gallonage Charge, Block 3	\$2.70	\$5.52	\$4.66	\$12.98	\$5.34	\$4.66
Gallonage Charge, GS	\$2.70	\$5.52	\$4.66	\$6.98	\$5.34	\$4.66
Irrigation						
Base Facility Charge by Meter Size						
5/8" x 3/4"	\$15.51	\$31.73	\$26.79	\$17.66	\$30.67	\$26.79
3/4"	\$15.51	\$31.73	\$26.79	\$26.48	\$30.67	\$26.79
1"	\$15.51	\$31.73	\$26.79	\$44.14	\$30.67	\$26.79
1-1/2"	\$15.51	\$31.73	\$26.79	\$88.28	\$30.67	\$26.79
2"	\$15.51	\$31.73	\$26.79	\$141.24	\$30.67	\$26.79
3"	\$15.51	\$31.73	\$26.79	\$282.49	\$30.67	\$26.79
4"	\$15.51	\$31.73	\$26.79	\$441.39	\$30.67	\$26.79
Gallonage Charge, Block 1	\$2.70	\$5.52	\$4.66	\$6.49	\$5.34	\$4.66
Gallonage Charge, Block 2	\$2.70	\$5.52	\$4.66	\$9.73	\$5.34	\$4.66
Gallonage Charge, Block 3	\$2.70	\$5.52	\$4.66	\$12.98	\$5.34	\$4.66
Private Fire Protection						
Base Facility Charge by Meter Size						
2"	\$0.00	\$0.00	\$0.00	\$11.77	\$0.00	\$0.00
3"	\$0.00	\$0.00	\$0.00	\$23.54	\$0.00	\$0.00
4"	\$0.00	\$0.00	\$0.00	\$36.78	\$0.00	\$0.00
6"	\$0.00	\$0.00	\$0.00	\$73.57	\$0.00	\$0.00
8"	\$0.00	\$0.00	\$0.00	\$117.70	\$0.00	\$0.00
10"	\$0.00	\$0.00	\$0.00	\$169.20	\$0.00	\$0.00
Typical Residential Bills 5/8" x 3/4" Meter						
3,000 Gallons	\$23.61	\$48.29	\$40.77	\$37.13	\$46.68	\$40.77
5,000 Gallons	\$29.01	\$59.33	\$50.09	\$50.11	\$57.37	\$50.09
10,000 Gallons	\$42.51	\$86.93	\$73.39	\$95.52	\$84.05	\$73.39

Aqua Utilities Florida, Inc. – Breeze Hill Wastewater Monthly Service Rates		Schedule No. 4-B Docket No. 100330-WS				
	Present Rates	Utility Requested Unlimited Interim	Utility Requested Limited Interim	Utility Requested Consolidated	Staff Calculated Unlimited	Staff Recomm. Rates
Residential Service						
Base Facility Charge All Meter Sizes:	\$19.04	\$40.11	\$40.11	\$37.87	\$39.02	\$39.02
Gallonge Charge – Per 1,000 gallons (6,000 gallon cap)	\$3.39	\$7.14	\$7.14	\$9.53	\$6.95	\$6.95
General Service						
Base Facility Charge by Meter Size						
5/8" x 3/4"	\$19.04	\$40.11	\$40.11	\$37.87	\$39.02	\$39.02
3/4"	\$28.57	\$60.19	\$60.19	\$56.81	\$58.55	\$58.55
1"	\$47.59	\$100.26	\$100.26	\$94.68	\$97.52	\$97.52
1-1/2"	\$95.21	\$200.57	\$200.57	\$189.36	\$195.10	\$195.10
2"	\$152.34	\$320.93	\$320.93	\$302.97	\$312.17	\$312.17
3"	\$304.70	\$641.90	\$641.90	\$605.94	\$624.39	\$624.39
4"	\$476.02	\$1,002.81	\$1,002.81	\$946.78	\$975.46	\$975.46
6"	\$952.05	\$2,005.64	\$2,005.64	\$1,893.57	\$1,950.94	\$1,950.94
8"	\$0.00	\$0.00	\$0.00	\$3,029.70	\$0.00	\$0.00
10"	\$0.00	\$0.00	\$0.00	\$4,355.20	\$0.00	\$0.00
Gallonge Charge, per 1,000 gallons	\$4.05	\$8.53	\$8.53	\$11.43	\$8.30	\$8.30
Typical Residential Bills 5/8" x 3/4" Meter						
3,000 Gallons	\$23.21	\$61.53	\$61.53	\$66.46	\$59.86	\$59.86
5,000 Gallons	\$35.99	\$75.81	\$75.81	\$85.52	\$73.75	\$73.75
6,000 Gallons (Wastewater Gallonge Cap – 6,000 Gallons)	\$39.38	\$82.95	\$82.95	\$95.05	\$80.70	\$80.70

Aqua Utilities Florida, Inc. – Fairways Schedule of Water Rate Base Test Year Ended 4/30/10				Schedule No. 2-A Docket No. 100330-WS	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year
1 Plant in Service	\$789,114	\$0	\$789,114	\$0	\$789,114
2 Land and Land Rights	27,737	0	27,737	0	27,737
3 Non-used and Useful Components	0	0	0	0	0
4 Accumulated Depreciation	(106,267)	0	(106,267)	0	(106,267)
5 CIAC	(562,950)	0	(562,950)	0	(562,950)
6 Amortization of CIAC	134,937	0	134,937	0	134,937
7 Acquisition Adjustment	(16,700)	0	(16,700)	0	(16,700)
8 Accum. Amort. of Acquisition Adjustment	2,505	0	2,505	0	2,505
9 Working Capital Allowance	<u>53,831</u>	<u>0</u>	<u>53,831</u>	<u>(15,582)</u>	<u>38,249</u>
10 Rate Base	<u>\$322,207</u>	<u>\$0</u>	<u>\$322,207</u>	<u>(\$15,582)</u>	<u>\$306,625</u>

Aqua Utilities Florida, Inc. – Fairways Schedule of Wastewater Rate Base Test Year Ended 4/30/10				Schedule No. 2-B Docket No. 100330-WS	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year
1 Plant in Service	\$2,191,764	\$0	\$2,191,764	\$0	\$2,191,764
2 Land and Land Rights	24,904	0	24,904	0	24,904
3 Non-used and Useful Components	0	0	0	0	0
4 Accumulated Depreciation	(691,698)	0	(691,698)	0	(691,698)
5 CIAC	(1,531,656)	0	(1,531,656)	0	(1,531,656)
6 Amortization of CIAC	379,919	0	379,919	0	379,919
7 Acquisition Adjustment	0	0	0	(39,102)	(39,102)
8 Accum. Amort. of Acquisition Adjustment	5,865	0	5,865	0	5,865
9 Working Capital Allowance	<u>25,607</u>	<u>0</u>	<u>25,607</u>	<u>(7,941)</u>	<u>17,666</u>
10 Rate Base	<u>\$404,705</u>	<u>\$0</u>	<u>\$404,705</u>	<u>(\$47,043)</u>	<u>\$357,662</u>

Aqua Utilities Florida, Inc. – Fairways Statement of Water Operations Test Year Ended 4/30/10						Schedule No. 3-A Docket No. 100330-WS	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$133,846</u>	<u>\$59,484</u>	<u>\$193,330</u>	<u>(\$58,678)</u>	<u>\$134,652</u>	<u>\$54,747</u> 40.66%	<u>\$189,399</u>
Operating Expenses							
2 Operation & Maintenance	\$87,677	\$878	\$88,555	\$0	\$88,555	\$0	\$88,555
3 Depreciation	12,922	0	12,922	0	12,922	0	12,922
4 Amortization	3,340	0	3,340	0	3,340	0	3,340
5 Taxes Other Than Income	51,210	2,675	53,885	(2,641)	51,244	2,464	53,708
6 Income Taxes	<u>(10,691)</u>	<u>21,565</u>	<u>10,874</u>	<u>(21,114)</u>	<u>(10,240)</u>	<u>19,674</u>	<u>9,434</u>
7 Total Operating Expense	<u>\$144,458</u>	<u>\$25,118</u>	<u>\$169,576</u>	<u>(\$23,754)</u>	<u>\$145,822</u>	<u>\$22,138</u>	<u>\$167,959</u>
8 Operating Income	<u>(\$10,612)</u>	<u>\$34,366</u>	<u>\$23,754</u>	<u>(\$34,924)</u>	<u>(\$11,170)</u>	<u>\$32,609</u>	<u>\$21,440</u>
9 Rate Base	<u>\$322,207</u>		<u>\$322,207</u>		<u>\$306,625</u>		<u>\$306,625</u>
10 Rate of Return	<u>(3.29%)</u>		<u>7.37%</u>		<u>(3.64%)</u>		<u>6.99%</u>

Aqua Utilities Florida, Inc. – Fairways Statement of Wastewater Operations Test Year Ended 4/30/10						Schedule No. 3-B Docket No. 100330-WS	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$79,922</u>	<u>\$105,251</u>	<u>\$185,173</u>	<u>(\$104,734)</u>	<u>\$80,439</u>	<u>\$101,301</u> 125.94%	<u>\$181,739</u>
Operating Expenses							
2 Operation & Maintenance	\$89,040	\$1,554	\$90,594	\$0	\$90,594	\$0	\$90,594
3 Depreciation	37,435	0	37,435	0	37,435	0	37,435
4 Amortization	7,820	0	7,820	0	7,820	0	7,820
5 Taxes Other Than Income	5,299	4,733	10,032	(4,713)	5,319	4,559	9,877
6 Income Taxes	<u>(25,848)</u>	<u>38,186</u>	<u>12,338</u>	<u>(37,737)</u>	<u>(25,399)</u>	<u>36,404</u>	<u>11,005</u>
7 Total Operating Expense	<u>\$113,746</u>	<u>\$44,473</u>	<u>\$158,219</u>	<u>(\$42,450)</u>	<u>\$115,769</u>	<u>\$40,963</u>	<u>\$156,731</u>
8 Operating Income	<u>(\$33,824)</u>	<u>\$60,778</u>	<u>\$26,954</u>	<u>(\$62,284)</u>	<u>(\$35,330)</u>	<u>\$60,338</u>	<u>\$25,008</u>
9 Rate Base	<u>\$404,705</u>		<u>\$404,705</u>		<u>\$357,662</u>		<u>\$357,662</u>
10 Rate of Return	<u>(8.36%)</u>		<u>6.66%</u>		<u>(9.88%)</u>		<u>6.99%</u>

Aqua Utilities Florida, Inc. – Fairways Adjustment to Operating Income Test Year Ended 4/30/10		Schedule No. 3-C Docket No. 100330-WS	
Explanation	Water	Wastewater	
<u>Operating Revenues</u>			
1 To remove Utility's requested interim revenue decrease.	(\$59,484)	(\$105,251)	
2 To reflect the appropriate amount of annualized revenue.	806	517	
Total	<u>(\$58,678)</u>	<u>(\$104,734)</u>	
<u>Taxes Other Than Income</u>			
RAFs on revenue adjustments above.	<u>(\$2,641)</u>	<u>(\$4,713)</u>	
<u>Income Taxes</u>			
To reflect the appropriate test year income taxes.	<u>(\$21,114)</u>	<u>(\$37,737)</u>	

Aqua Utilities Florida, Inc. – Fairways Water Monthly Service Rates					Schedule No. 4-A Docket No. 100330-WS	
	Present Rates	Utility Requested Unlimited Interim	Utility Requested Limited Interim	Utility Requested Consolidated	Staff Calculated Unlimited	Staff Recomm. Rates
Residential and General Service						
Base Facility Charge by Meter Size:						
5/8" x 3/4"	\$7.59	\$10.97	\$10.97	\$17.66	\$10.68	\$10.68
3/4"	\$7.59	\$10.97	\$10.97	\$26.48	\$10.68	\$10.68
1"	\$7.59	\$10.97	\$10.97	\$44.14	\$10.68	\$10.68
1-1/2"	\$7.59	\$10.97	\$10.97	\$88.28	\$10.68	\$10.68
2"	\$7.59	\$10.97	\$10.97	\$141.24	\$10.68	\$10.68
3"	\$7.59	\$10.97	\$10.97	\$282.49	\$10.68	\$10.68
4"	\$7.59	\$10.97	\$10.97	\$441.39	\$10.68	\$10.68
6"	\$7.59	\$10.97	\$10.97	\$882.78	\$10.68	\$10.68
8"	\$7.59	\$10.97	\$10.97	\$1,412.44	\$10.68	\$10.68
10"	\$7.59	\$10.97	\$10.97	\$2,030.39	\$10.68	\$10.68
Gallonage Charge, Block 1	\$1.77	\$2.56	\$2.56	\$6.49	\$2.49	\$2.49
Gallonage Charge, Block 2	\$1.77	\$2.56	\$2.56	\$9.73	\$2.49	\$2.49
Gallonage Charge, Block 3	\$1.77	\$2.56	\$2.56	\$12.98	\$2.49	\$2.49
Gallonage Charge, GS	\$1.77	\$2.56	\$2.56	\$6.98	\$2.49	\$2.49
Irrigation						
Base Facility Charge by Meter Size						
5/8" x 3/4"	\$7.59	\$10.97	\$10.97	\$17.66	\$10.68	\$10.68
3/4"	\$7.59	\$10.97	\$10.97	\$26.48	\$10.68	\$10.68
1"	\$7.59	\$10.97	\$10.97	\$44.14	\$10.68	\$10.68
1-1/2"	\$7.59	\$10.97	\$10.97	\$88.28	\$10.68	\$10.68
2"	\$7.59	\$10.97	\$10.97	\$141.24	\$10.68	\$10.68
3"	\$7.59	\$10.97	\$10.97	\$282.49	\$10.68	\$10.68
4"	\$7.59	\$10.97	\$10.97	\$441.39	\$10.68	\$10.68
Gallonage Charge, Block 1	\$1.77	\$2.56	\$2.56	\$6.49	\$2.49	\$2.49
Gallonage Charge, Block 2	\$2.02	\$2.92	\$2.92	\$9.73	\$2.84	\$2.84
Gallonage Charge, Block 3	\$2.53	\$3.66	\$3.66	\$12.98	\$3.56	\$3.56
Gallonage Charge, Block 4	\$3.03	\$4.38	\$4.38		\$4.28	\$4.28
Private Fire Protection						
Base Facility Charge by Meter Size						
2"	\$0.00	\$0.00	\$0.00	\$11.77	\$0.00	\$0.00
3"	\$0.00	\$0.00	\$0.00	\$23.54	\$0.00	\$0.00
4"	\$0.00	\$0.00	\$0.00	\$36.78	\$0.00	\$0.00
6"	\$0.00	\$0.00	\$0.00	\$73.57	\$0.00	\$0.00
8"	\$0.00	\$0.00	\$0.00	\$117.70	\$0.00	\$0.00
10"	\$0.00	\$0.00	\$0.00	\$169.20	\$0.00	\$0.00
Typical Residential Bills 5/8" x 3/4" Meter						
3,000 Gallons	\$12.90	\$18.65	\$18.65	\$37.13	\$18.15	\$18.15
5,000 Gallons	\$16.44	\$23.77	\$23.77	\$50.11	\$23.14	\$23.14
10,000 Gallons	\$25.29	\$36.57	\$36.57	\$95.52	\$35.59	\$35.59

Aqua Utilities Florida, Inc. -- Fairways Wastewater Monthly Service Rates						Schedule No. 4-B Docket No. 100330-WS	
	Present Rates	Utility Requested Unlimited Interim	Utility Requested Limited Interim	Utility Requested Consolidated	Staff Calculated Unlimited	Staff Recomm. Rates	
Residential Service							
Base Facility Charge All Meter Sizes:	\$12.65	\$29.31	\$29.31	\$37.87	\$28.58	\$28.58	
Gallonge Charge – Per 1,000 gallons (6,000 gallon cap)	\$3.80	\$8.80	\$8.80	\$9.53	\$8.59	\$8.59	
General Service							
Base Facility Charge by Meter Size							
5/8" x 3/4"	\$12.65	\$29.31	\$29.31	\$37.87	\$28.58	\$28.58	
3/4"	\$12.65	\$29.31	\$29.31	\$56.81	\$28.58	\$28.58	
1"	\$12.65	\$29.31	\$29.31	\$94.68	\$28.58	\$28.58	
1-1/2"	\$12.65	\$29.31	\$29.31	\$189.36	\$28.58	\$28.58	
2"	\$12.65	\$29.31	\$29.31	\$302.97	\$28.58	\$28.58	
3"	\$12.65	\$29.31	\$29.31	\$605.94	\$28.58	\$28.58	
4"	\$12.65	\$29.31	\$29.31	\$946.78	\$28.58	\$28.58	
6"	\$12.65	\$29.31	\$29.31	\$1,893.57	\$28.58	\$28.58	
8"	\$12.65	\$29.31	\$29.31	\$3,029.70	\$28.58	\$28.58	
10"	\$12.65	\$29.31	\$29.31	\$4,355.20	\$28.58	\$28.58	
Gallonge Charge, per 1,000 gallons	\$3.80	\$8.80	\$8.80	\$11.43	\$8.59	\$8.59	
Typical Residential Bills 5/8" x 3/4" Meter							
3,000 Gallons	\$24.05	\$55.71	\$55.71	\$66.46	\$54.34	\$54.34	
5,000 Gallons	\$31.65	\$73.31	\$73.31	\$85.52	\$71.51	\$71.51	
6,000 Gallons	\$35.45	\$82.11	\$82.11	\$95.05	\$80.09	\$80.09	
(Wastewater Gallonge Cap – 6,000 Gallons)							

Aqua Utilities Florida, Inc. – Peace River			Schedule No. 2-A		
Schedule of Water Rate Base			Docket No. 100330-WS		
Test Year Ended 4/30/10					
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year
1 Plant in Service	\$120,608	\$0	\$120,608	\$0	\$120,608
2 Land and Land Rights	30,900	0	30,900	0	30,900
3 Non-used and Useful Components	0	0	0	0	0
4 Accumulated Depreciation	(9,218)	0	(9,218)	0	(9,218)
5 CIAC	(2,192)	0	(2,192)	0	(2,192)
6 Amortization of CIAC	19	0	19	0	19
7 Working Capital Allowance	<u>17,883</u>	<u>0</u>	<u>17,883</u>	<u>(3,203)</u>	<u>14,680</u>
8 Rate Base	<u>\$158,000</u>	<u>\$0</u>	<u>\$158,000</u>	<u>(3,203)</u>	<u>\$154,797</u>

Aqua Utilities Florida, Inc. – Peace River			Schedule No. 2-B		
Schedule of Wastewater Rate Base			Docket No. 100330-WS		
Test Year Ended 4/30/10					
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year
1 Plant in Service	\$218,182	\$0	\$218,182	\$0	\$218,182
2 Land and Land Rights	18,634	0	18,634	0	18,634
3 Non-used and Useful Components	0	0	0	0	0
4 Accumulated Depreciation	(24,771)	0	(24,771)	0	(24,771)
5 CIAC	(1,817)	0	(1,817)	0	(1,817)
6 Amortization of CIAC	39	0	39	0	39
7 Working Capital Allowance	<u>10,685</u>	<u>0</u>	<u>10,685</u>	<u>(3,036)</u>	<u>7,649</u>
8 Rate Base	<u>\$220,952</u>	<u>\$0</u>	<u>\$220,952</u>	<u>(\$3,036)</u>	<u>\$217,916</u>

Aqua Utilities Florida, Inc. – Peace River Statement of Water Operations Test Year Ended 4/30/10						Schedule No. 3-A Docket No. 100330-WS	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$67,421</u>	<u>\$30,164</u>	<u>\$97,585</u>	<u>(\$29,760)</u>	<u>\$67,825</u>	<u>\$28,903</u> 42.61%	<u>\$96,728</u>
Operating Expenses							
2 Operation & Maintenance	\$67,296	\$445	\$67,741	\$0	\$67,741	\$0	\$67,741
3 Depreciation	6,525	0	6,525	0	6,525	0	6,525
4 Amortization	0	0	0	0	0	0	0
5 Taxes Other Than Income	5,558	1,356	6,914	(1,339)	5,575	1,301	6,875
6 Income Taxes	<u>(5,789)</u>	<u>10,943</u>	<u>5,154</u>	<u>(10,778)</u>	<u>(5,624)</u>	<u>10,387</u>	<u>4,763</u>
7 Total Operating Expense	<u>\$73,590</u>	<u>\$12,744</u>	<u>\$86,334</u>	<u>(\$12,117)</u>	<u>\$74,217</u>	<u>\$11,687</u>	<u>\$85,904</u>
8 Operating Income	<u>(\$6,169)</u>	<u>\$17,420</u>	<u>\$11,251</u>	<u>(\$17,643)</u>	<u>(\$6,392)</u>	<u>\$17,216</u>	<u>\$10,824</u>
9 Rate Base	<u>\$158,000</u>		<u>\$158,000</u>		<u>\$154,797</u>		<u>\$154,797</u>
10 Rate of Return	<u>(3.90%)</u>		<u>7.12%</u>		<u>(4.13%)</u>		<u>6.99%</u>

Aqua Utilities Florida, Inc. – Peace River Statement of Wastewater Operations Test Year Ended 4/30/10						Schedule No. 3-B Docket No. 100330-WS	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$83,509</u>	<u>\$15,204</u>	<u>\$98,713</u>	<u>(\$12,889)</u>	<u>\$85,824</u>	<u>\$11,843</u> 13.80%	<u>\$97,667</u>
Operating Expenses							
2 Operation & Maintenance	\$56,848	\$225	\$57,073	\$0	\$57,073	\$0	\$57,073
3 Depreciation	10,102	0	10,102	0	10,102	0	10,102
4 Amortization	0	0	0	0	0	0	0
5 Taxes Other Than Income	7,913	684	8,597	(580)	8,017	533	8,550
6 Income Taxes	<u>1,696</u>	<u>5,512</u>	<u>7,208</u>	<u>(4,759)</u>	<u>2,449</u>	<u>4,256</u>	<u>6,705</u>
7 Total Operating Expense	<u>\$76,559</u>	<u>\$6,421</u>	<u>\$82,980</u>	<u>(\$5,339)</u>	<u>\$77,641</u>	<u>\$4,789</u>	<u>\$82,430</u>
8 Operating Income	<u>\$6,950</u>	<u>\$8,783</u>	<u>\$15,733</u>	<u>(\$7,550)</u>	<u>\$8,183</u>	<u>\$7,054</u>	<u>\$15,237</u>
9 Rate Base	<u>\$220,952</u>		<u>\$220,952</u>		<u>\$217,916</u>		<u>\$217,916</u>
10 Rate of Return	<u>3.15%</u>		<u>7.12%</u>		<u>3.76%</u>		<u>6.99%</u>

Aqua Utilities Florida, Inc. – Peace River Adjustment to Operating Income Test Year Ended 4/30/10		Schedule No. 3-C Docket No. 100330-WS	
Explanation		Water	Wastewater
<u>Operating Revenues</u>			
1	To remove Utility's requested interim revenue decrease.	(\$30,164)	(\$15,204)
2	To reflect the appropriate amount of annualized revenue.	404	2,315
	Total	<u>(\$29,760)</u>	<u>(\$12,889)</u>
<u>Taxes Other Than Income</u>			
	RAFs on revenue adjustments above.	<u>(\$1,339)</u>	<u>(\$580)</u>
<u>Income Taxes</u>			
	To reflect the appropriate test year income taxes.	<u>(\$10,778)</u>	<u>(\$4,759)</u>

**Aqua Utilities Florida, Inc. – Peace River
 Water Monthly Service Rates**

	Present Rates	Utility Requested Unlimited Interim	Utility Requested Limited Interim	Utility Requested Consolidated	Staff Calculated Unlimited	Staff Recomm. Rates
<u>Residential and General Service</u>						
Base Facility Charge by Meter Size:						
5/8" x 3/4"	\$16.44	\$23.90	\$20.02	\$17.66	\$23.54	\$20.02
3/4"	\$24.66	\$35.85	\$30.04	\$26.48	\$35.32	\$30.04
1"	\$41.10	\$59.75	\$50.06	\$44.14	\$58.86	\$50.06
1-1/2"	\$82.20	\$119.50	\$100.12	\$88.28	\$117.72	\$100.12
2"	\$131.52	\$191.20	\$160.20	\$141.24	\$188.36	\$160.20
3"	\$263.03	\$382.38	\$320.38	\$282.49	\$376.70	\$320.38
4"	\$410.99	\$597.48	\$500.60	\$441.39	\$588.60	\$500.60
6"	\$821.97	\$1,194.95	\$1,001.19	\$882.78	\$1,177.19	\$1,001.19
8"	\$1,315.16	\$1,911.93	\$1,601.91	\$1,412.44	\$1,883.52	\$1,601.91
10"	\$1,890.54	\$2,748.39	\$2,302.75	\$2,030.39	\$2,707.56	\$2,302.75
Gallage Charge, Block 1	\$4.94	\$7.18	\$6.02	\$6.49	\$7.07	\$6.02
Gallage Charge, Block 2	\$6.17	\$8.97	\$7.52	\$9.73	\$8.84	\$7.52
Gallage Charge, Block 3	\$14.81	\$21.53	\$18.04	\$12.98	\$21.21	\$18.04
Gallage Charge, GS	\$6.05	\$8.80	\$7.37	\$6.98	\$8.68	\$7.37
<u>Irrigation</u>						
Base Facility Charge by Meter Size						
5/8" x 3/4"	\$0.00	\$0.00	\$0.00	\$17.66	\$0.00	\$0.00
3/4"	\$0.00	\$0.00	\$0.00	\$26.48	\$0.00	\$0.00
1"	\$0.00	\$0.00	\$0.00	\$44.14	\$0.00	\$0.00
1-1/2"	\$0.00	\$0.00	\$0.00	\$88.28	\$0.00	\$0.00
2"	\$0.00	\$0.00	\$0.00	\$141.24	\$0.00	\$0.00
3"	\$0.00	\$0.00	\$0.00	\$282.49	\$0.00	\$0.00
4"	\$0.00	\$0.00	\$0.00	\$441.39	\$0.00	\$0.00
Gallage Charge, Block 1	\$0.00	\$0.00	\$0.00	\$6.49	\$0.00	\$0.00
Gallage Charge, Block 2	\$0.00	\$0.00	\$0.00	\$9.73	\$0.00	\$0.00
Gallage Charge, Block 3	\$0.00	\$0.00	\$0.00	\$12.98	\$0.00	\$0.00
<u>Private Fire Protection</u>						
Base Facility Charge by Meter Size						
2"	\$10.96	\$15.93	\$13.35	\$11.77	\$15.70	\$13.35
3"	\$21.92	\$31.87	\$26.70	\$23.54	\$31.39	\$26.70
4"	\$34.25	\$49.79	\$41.72	\$36.78	\$49.05	\$41.72
6"	\$68.50	\$99.58	\$83.44	\$73.57	\$98.10	\$83.44
8"	\$109.60	\$159.33	\$133.50	\$117.70	\$156.96	\$133.50
10"	\$157.55	\$229.04	\$191.90	\$169.20	\$225.64	\$191.90
<u>Typical Residential Bills 5/8" x 3/4" Meter</u>						
3,000 Gallons	\$31.26	\$45.44	\$38.08	\$37.13	\$44.77	\$38.08
5,000 Gallons	\$41.14	\$59.80	\$50.12	\$50.11	\$58.92	\$50.12
10,000 Gallons	\$71.99	\$104.65	\$87.72	\$95.52	\$103.10	\$87.72

	Present Rates	Utility Requested Unlimited Interim	Utility Requested Limited Interim	Utility Requested Consolidated	Staff Calculated Unlimited	Staff Recomm. Rates
Residential Service						
Base Facility Charge All Meter Sizes:	\$29.03	\$34.32	\$33.83	\$37.87	\$33.04	\$33.04
Gallonge Charge – Per 1,000 gallons (6,000 gallon cap)	\$8.87	\$10.48	\$10.34	\$9.53	\$10.09	\$10.09
General Service						
Base Facility Charge by Meter Size						
5/8" x 3/4"	\$29.03	\$34.32	\$33.83	\$37.87	\$33.04	\$33.04
3/4"	\$43.55	\$51.48	\$50.75	\$56.81	\$49.56	\$49.56
1"	\$72.58	\$85.79	\$84.59	\$94.68	\$82.60	\$82.60
1-1/2"	\$145.17	\$171.60	\$169.19	\$189.36	\$165.20	\$165.20
2"	\$232.27	\$274.56	\$270.70	\$302.97	\$264.32	\$264.32
3"	\$464.54	\$549.11	\$541.39	\$605.94	\$528.64	\$528.64
4"	\$725.84	\$857.99	\$845.92	\$946.78	\$826.00	\$826.00
6"	\$1,451.68	\$1,715.97	\$1,691.85	\$1,893.57	\$1,651.99	\$1,651.99
8"	\$2,322.70	\$2,745.57	\$2,706.97	\$3,029.70	\$2,643.20	\$2,643.20
10"	\$3,338.87	\$3,946.74	\$3,891.25	\$4,355.20	\$3,799.59	\$3,799.59
Gallonge Charge, per 1,000 gallons	\$10.64	\$12.58	\$12.40	\$11.43	\$12.11	\$12.11
Typical Residential Bills 5/8" x 3/4" Meter						
3,000 Gallons	\$55.64	\$65.76	\$64.85	\$66.46	\$63.32	\$63.32
5,000 Gallons	\$73.38	\$86.72	\$85.53	\$85.52	\$83.51	\$83.51
6,000 Gallons	\$82.25	\$97.20	\$95.87	\$95.05	\$93.60	\$93.60
(Wastewater Gallonge Cap – 6,000 Gallons)						