

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in water and)
wastewater rates in Alachua, Brevard,)
Highlands, Lake, Lee, Marion, Orange, Palm)
Beach, Pasco, Polk, Putnam, Seminole,)
Sumter, Volusia, and Washington Counties)
by Aqua Utilities Florida, Inc.)
_____)

Docket No. 060368-WS

Dated: February 8, 2007

AQUA UTILITIES FLORIDA, INC.'S
SUMMARY OF RESPONSES TO
STAFF DEFICIENCY LETTER

Aqua Utilities Florida, Inc. ("AUF") hereby files its Summary of Responses to the Staff Deficiency Letter dated January 2, 2007 from Timothy Devlin, Director, Division of Economic Regulation, to Kenneth Hoffman, counsel for AUF. The Summary provides a recap of all information and documents filed and served by AUF in response to each identified deficiency in AUF's Minimum Filing Requirements ("MFRs") as set forth in the January 2, 2007 letter. For ease of reference, the deficiency list set forth in Staff's January 2, 2007 letter is repeated verbatim herein, with AUF's response referenced immediately following each item.

CMP _____

COM _____

CTR _____

ECR _____

GCL _____

OPC _____

RCA _____

SCR _____

SGA _____

SEC _____

OTH _____

Rule 25-30.437, Florida Administrative Code (F.A.C.), requires that each utility applying for a rate increase shall provide the information required by Commission Form PSC/ECR 19 (11/93), entitled "Class A Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum Filing Requirements." Numbers 1 through 15 of the following list are deficiencies pursuant to this rule.

1. Subsection (1) requires that each section of the MFRs shall be indexed and tabbed, including a table of contents listing the page numbers of each schedule.

The MFRs submitted by the applicant did not include tabs for each section. In order to avoid unnecessary costs, in lieu of re-filing the entire MFRs, the utility may submit 16 sets of the appropriate tabs for each volume of MFRs. This will allow staff to place the appropriate tabs into the MFRs.

DOCUMENT NUMBER-DATE

01321 FEB-85

FPSC-COMMISSION CLERK

Response: See AUF's Notice of Filing Tabs For MFRs in Response to Accounting Deficiency No. 1, filed on February 1, 2007, pursuant to which Aqua filed tab dividers for each section of each copy of its MFRs.

2. Schedule A-1, Water Rate Base – The utility is required to provide a calculation of the average Water Rate Base for the test year, showing all adjustments.

Response: See AUF's Notice of Filing Responses to Accounting Deficiencies Nos. 2 and 3, filed January 31, 2007. AUF's Response to Deficiency No. 2 states as follows:

This deficiency pertains to Adjustments to the Historical Base year 2005 adjustment column (3) for systems identified by Aqua as FWS systems. Unlike FWS systems which began with zero balances on the individual system books, ASI systems do not begin with zero balances in Column (2), and do not have Average Rate Base (beginning) balances included in column (3).

A footnote at the bottom of each FWS system A-1 MFR Schedule states "Note: 2005 per book balances are zero since system's balances were aggregated at an Administrative level pending the PSC's Order regarding proper balances at 6/04 acquisition." The PSC's Amendatory Order dated February 27, 2006 contained the FWS balances at 6/04 Acquisition. Entries were made in May 2006 to the systems' General Ledgers to reflect the Amendatory Order Balances and activity since June 2004. Consequently, FWS systems must include average rate base and any adjustments in column (3). The Schedule A-1 Adjustments in column (3) for the Historical Base Year 2005 reflect the adjustment to each system's average book balances (zero) to reach the adjusted average balance for 2005.

Detailed Rate Base workpapers for each system showing monthly and average balances for historical and projected test years were filed with the Commission on January 24, 2006.

3. Schedule A-2 Wastewater Rate Base – The utility is required to provide a calculation of the average Wastewater Rate Base for the test year, showing all adjustments.

The utility did not provide the average balance per books. Instead, the utility put the average rate base along with adjustments all in the adjustment column.

Response: See AUF's Notice of Filing Responses to Accounting Deficiencies Nos. 2 and 3, filed January 31, 2007. AUF's Response to Deficiency No. 3 states as follows:

This deficiency pertains to Adjustments to the Historical Base year 2005 adjustment column (3) for systems identified by Aqua as FWS systems. Unlike FWS systems which began with zero balances on the individual system books, ASI systems do not begin with zero balances in Column (2), and do not have Average Rate Base (beginning) balances included in column (3).

A footnote at the bottom of each FWS system A-1 MFR Schedule states "Note: 2005 per book balances are zero since system's balances were aggregated at an Administrative level pending the PSC's Order regarding proper balances at 6/04 acquisition." The PSC's Amendatory Order dated February 27, 2006 contained the FWS balances at 6/04 Acquisition. Entries were made in May 2006 to the systems' General Ledgers to reflect the Amendatory Order Balances and activity since June 2004. Consequently, FWS systems must include average rate base and any adjustments in column (3). The Schedule A-1 Adjustments in column (3) for the Historical Base Year 2005 reflect the adjustment to each system's average book balances (zero) to reach the adjusted average balance for 2005.

Detailed Rate Base workpapers for each system showing monthly and average balances for historical and projected test years were filed with the Commission on January 24, 2006.

4. Schedule A-3 -Schedule of Adjustment to Rate Base - The utility is required to provide a detailed description of all adjustments to rate base, with a total for each rate base line item.

The utility did not provide a detailed description of all adjustments.

Response: See AUF's Notice of Filing Responses to Accounting Deficiencies Nos. 4, 11 and 28, filed February 1, 2007. AUF's Response to Deficiency No. 4 includes an attachment, and states as follows:

Attachment 1 describes total year adjustments shown in UPIS Schedules A-4, Accumulated Depreciation Schedules A-8, CIAC Schedules A-11 and Accumulated Amortization of CIAC Schedules A-13 for the historical year 2005 and the projected test years 2006 and 2007 for all ASI systems.

Adjustments for all FWS systems are the result of Florida IT Investment balances that have been allocated to individual Florida systems. Those allocated amounts are shown in the Acct. 340-51-Computer Equipment and 390.71 lines of Schedules.

5. Schedule B-1 - Schedule of Water Net Operating Income
6. Schedule B-2 – Schedule of Sewer Net Operating Income

The utility is required to provide the calculation of net operating income for water and wastewater for the test year.

This schedule reflects a zero amount per books for Depreciation, net of CIAC Amort., and Used and Useful for the majority of the systems. For these systems, the utility did not provide the balance per books. Instead, the utility put the total amount along with adjustments all in the adjustment column. For numerous systems, the amount reflected does not reconcile to the 2005 Annual Reports. The reconciliation is addressed below.

Response to Nos. 5 and 6: See AUF's Notice of Filing Responses to Accounting Deficiencies Nos. 5 and 6, filed on February 6, 2007. AUF's Response to Deficiencies Nos. 5 and 6 states as follows:

At December 31, 2005 all Florida Water Systems books show a zero balance because the entries for those systems were not recorded until May, 2006, after receipt and analysis of the FL PSC Amendatory Order in February, 2006. Please see also Aqua Utilities Florida, Inc. Second Notice of Filing Rate Base Workpapers filed with the Commission on January 24, 2007

7. Schedule B-4 – Test Year Operating Revenues for the historical year.

The water revenue amount on this schedule should match the water revenue amount on Schedule B-1, while the wastewater revenue amount on this schedule should match the water revenue amount on Schedule B-2. These amounts do not mach the 2005 per book balance (Column 2, line 1).

Response: See AUF's Notice of Filing Accounting Deficiencies Nos. 7 and 10, filed on February 2, 2007 and AUF's Notice of Filing Revised Schedules B-4 in Response to Accounting Deficiency No. 7, filed February 5, 2007, pursuant to which AUF filed twenty copies of its Revised Schedules B-4, which were inadvertently omitted from AUF's February 2, 2007 Notice.

8. Schedule B-10 Analysis of Rate Case Expense - The utility is required to provide the total amount of rate case expense requested in the application. State whether the total includes the amount up to proposed agency action or through a hearing before the Commission. Provide a breakdown of the total by persons assisting in the application, including the hours billed, the hourly rate, and a detailed list of services provided. Also provide the amortization and its allocation, including support behind this determination.

The utility did not show the number of hours being billed by the persons assisting in the application or the water and wastewater ERCs used to determine the allocation percentage.

Response: See AUF's Notice of Filing Responses to Accounting Deficiency No. 8, filed on February 6, 2007. AUF's Response, which included a CD ROM, states as follows:

Please see attached file "Deficiency No. 8 (B-10)" which includes revised schedule B-10 for each system showing hours worked and file "Acct Deficiency No. 8 ERCs Attachment.xls" showing ERC's used to determine allocation percentages [both on CD ROM].

See also AUF's Notice of Filing Paper Copies of Electronic Documents Previously Filed in Response to Accounting Deficiencies Nos. 8, 9, and 33, filed on February 6, 2007, which included paper copies of the following previously-filed electronic documents in response to Deficiency No. 8:

1. *Revised* Excel spreadsheet "Deficiency No. 8 (B-10).xls" as referenced in AUF's Notice of Filing Responses to Accounting Deficiency No. 8, filed on February 6, 2007.

This is a revised version of the electronic spreadsheet was filed electronically on February 6, 2006. That spreadsheet contained certain system-specific information on lines 51 through 66 of each tab relating to amortization that was not representative of the system on that tab. The revised spreadsheet provides corrected system-specific information for Lines 51 through 66 of each tab.

Please note that the only the information found in this spreadsheet that is responsive to Deficiency No. 8 is found in Column H, Lines 18-39 of each tab. This information was not revised.

2. Excel spreadsheet "Acct_Deficiency_No._8_ERCs_Attachment.xls" as referenced in AUF's Notice of Filing Responses to Accounting Deficiency No. 8.
9. Schedule B-12 Allocation of Expenses - The utility is required to provide a schedule detailing expenses which are subject to allocation between systems (water, wastewater, & gas, etc.) showing allocation percentages, gross amounts, amounts allocated, and a detailed description of the method of allocation. Also provide a description of all systems other than water and sewer.

The utility did not provide the gross amounts required.

Response: See AUF's Notice of Filing Responses to Accounting Deficiency No. 9, filed on February 6, 2007. AUF's Response, which included a CD ROM, states as follows:

Please see attached file "Deficiency No. 9 (B-12)" [on CD ROM] which includes revised Schedule B-12 for all systems, showing gross amounts allocated.

See also AUF's Notice of Filing Paper Copies of Electronic Documents Previously Filed in Response to Accounting Deficiencies Nos. 8, 9, and 33, filed on February 6, 2007, which included paper copies of the following previously-filed electronic documents in response to Deficiency No. 9:

3. Excel spreadsheet "Deficiency No. 9 (B-12)" as referenced in AUF's Notice of Filing Responses to Accounting Deficiency No. 9, filed on February 6, 2007.
10. Schedule E-3, Provide a schedule of monthly customers billed or serviced by class.
 - (a) There were several systems where the "Total" column reflected zero customers, yet there are customers served. (Lake Josephine, Sebring Lake, Jasmine Lakes, Rosalie Oaks, and Village Water)
 - (b) For Haines Creek in Lake County, there was no data contained on this schedule.

Response: See AUF's Notice of Filing Accounting Deficiencies Nos. 7 and 10, filed on February 2, 2007, pursuant to which AUF filed Schedules E-3 that were revised to reflect the missing data.

11. A review of the MFR Schedules E-2, page 139 contained in Volume 1 for the Jasmine Lakes water system indicates billing determinants for a 3" meter size for General Service. However, based on MFR Schedules E-14 contained in Volume 7, Book 1 of 2, pages 116-122 indicates that there is no billing analysis that supports a 3" meter size for General Service.

Response: See AUF's Notice of Filing Responses to Accounting Deficiencies Nos. 4, 11 and 28, filed February 1, 2007. AUF's Response to Deficiency No. 11 consists of the following information:

DATE: 01-01		RATE ANALYSIS					PROGRAM: FUDGE		
COMPANY 35-01 THRU 35-99		JASMINE LAKES UTILITY CORP					COST READ: 1,377		
CLASS: COMMERCIAL		PERIOD: 01-12					(WATER REGARDLESS OF SEWER)		
METER SIZE= 3.00									

GALLONS (CLASS)	BILLS	CUMULATIVE BILLS	GALLONS	CUMULATIVE GALLONS	REVENUE	CUMULATIVE REVENUE	* 		

12. Schedule F-1, Provide a schedule of gallons of water pumped, sold, unaccounted for each month of the test year. The gallons pumped should match the flows shown on the monthly operating reports sent to DEP. The other uses may include plant use, flushing of hydrants and water and sewer lines, line breakages and fire flows. Provide all calculations to substantiate the other uses. If unaccounted for water is greater than 10%, provide an explanation as to the reasons why.

- There were several systems with water treatment plants and wells, where no water pumped data was provided on Schedule F-1. There was flow data shown on Schedule F-3 and Schedule F-5 indicating that the systems do have either 1 or 2 wells. See attached detailed listing by system name.
- There were several systems with gallons for, "Other Uses" indicated. However, there were no calculations to substantiate the other uses as required by this schedule.
- There were several systems that purchase water; however, there were no purchased water gallons indicated on Schedule F-1. See attached detailed listing by system name.
- There were several systems with unaccounted for water in excess of 10%; however, no explanation was provided as required by this schedule.

Response: See AUF's Notice of Filing Revised Schedules F-1 in Response to Accounting Deficiency No. 12, pursuant to which AUF filed twenty copies of its Revised Schedules F-1.

13. Schedule F-5, Used and Useful calculations for the water treatment plant(s). This is for all systems with water treatment plant(s) and wells.

The instructions for this schedule require the utility to provide all calculations, analyses and governmental requirements used to determine the used and useful percentages for the water treatment plant(s). The utility did not provide its calculations and/or analysis used to support its used and calculation percentages for the interim, historical test year, or the projected test year.

Response: See AUF's Notice of Filing Revised Interim Rate Schedules, filed on January 29, 2007, pursuant to which AUF filed twenty copies of its Revised

Interim Rate Schedules for the utility systems listed below. The Revised Interim Rate Schedules include Revised Schedules F-5 and F-6 for each of the 32 listed systems in response to Deficiency Nos. 13 and 14. Additionally, an electronic copy of such Schedules was served on Staff by electronic mail on January 24, 2007.

Arredondo Estates/Farms	Morningview
Carlton Village	Ocala Oaks
Chuluota	Palm Port
East Lake Harris Estates	Palms MHP
Fl Central Commerce Park	Picciola Island
Hobby Hills	Piney Woods
Holiday Haven	Quail Ridge
Imperial Mobile Terrace	Sebring Lakes
Hermits Cove	Silver Lake Oaks
Interlachen Lake/Park Manor	Skycrest
Jasmine Lakes	South Seas
JS - 48 Estates	Sunny Hills
JS - Summit Chase	The Woods
Kingswood	Valencia Terrace
Lake Josephine	Venetian Village
Leisure Lakes	Village Water

See also AUF's Notice of Filing Responses to Accounting Deficiencies Nos. 13, 14, 15, 29, 30 and 31, filed on February 2, 2007. AUF's Response to Deficiency No. 13 states as follows:

The calculations and analysis which support the Used and Useful percentages for the water treatment plants were filed with the Commission. See Aqua Utilities Florida, Inc.'s Notice of Filing Revised Interim Rate Schedules filed on January 29, 2007.

See also AUF's Second Notice of Filing Revised Interim Rate Schedules in Response to Accounting Deficiencies Nos. 13, 14 and 15, filed February 5, 2007, pursuant to which AUF filed twenty copies of its Revised Interim Rate Schedules, including Revised Schedules F-5, F-6 and F-7, for the utility systems listed below. This supplemental response to Accounting Deficiencies Nos. 13, 14 and 15 provided the additional detail required for those systems for which a revised Used and Useful calculation did not change from the original filing, while its Notice of Filing Revised Interim Rate Schedules, filed on January 29, 2007, included Revised Schedules F-5, F-6 and F-7 for those systems for which a revised Used and Useful calculation did change from the original filing.

Beecher's Point	Friendly Center
Fern Terrace	Harmony Homes
Grand Terrace	Gibsonia Estates
Haines Creek	Jungle Den

JS- Kings Cove
Lake Osborne Estates
Oakwood
Pomona Park
River Grove
St. John's Highlands
Stone Mountain
Tangerine
Wootens

Lake Gibson Estates
Orange Hill/Sugar Creek
Palm Terrace
Rosalie Oaks
Ravenswood
Silver Lake Est/Western Shores
Tomoka/Twin Rivers
Welaka/Saratoga Harbour
Zephyr Shores

14. Schedule F-6, Used and Useful calculations for the wastewater treatment plant(s). This is for all systems with wastewater treatment plant(s).

The instructions for this schedule require the utility to provide all calculations, analyses and governmental requirements used to determine the used and useful percentages for the wastewater treatment plant(s). The utility did not provide its calculations and/or analysis used to support its used and calculation percentages for the interim, historical test year, or the projected test year.

Response: See AUF's Notice of Filing Revised Interim Rate Schedules, filed on January 29, 2007, pursuant to which AUF filed twenty copies of its Revised Interim Rate Schedules for the utility systems listed below. The Revised Interim Rate Schedules include Revised Schedules F-5 and F-6 for each of the 32 listed systems in response to Deficiency Nos. 13 and 14. Additionally, an electronic copy of such Schedules was served on Staff by electronic mail on January 24, 2007.

Arredondo Estates/Farms
Carlton Village
Chuluota
East Lake Harris Estates
Fl Central Commerce Park
Hobby Hills
Holiday Haven
Imperial Mobile Terrace
Hermits Cove
Interlachen Lake/Park Manor
Jasmine Lakes
JS - 48 Estates
JS - Summit Chase
Kingswood
Lake Josephine
Leisure Lakes

Morningview
Ocala Oaks
Palm Port
Palms MHP
Picciola Island
Piney Woods
Quail Ridge
Sebring Lakes
Silver Lake Oaks
Skycrest
South Seas
Sunny Hills
The Woods
Valencia Terrace
Venetian Village
Village Water

See also AUF's Notice of Filing Responses to Accounting Deficiencies Nos. 13, 14, 15, 29, 30 and 31, filed on February 2, 2007. AUF's attached Response to Deficiency No. 14 states as follows:

The calculations and analysis which support the Used and Useful percentages for wastewater treatment plants were filed with the Commission. See Aqua Utilities Florida, Inc.'s Notice of Filing Revised Interim Rate Schedules filed on January 29, 2007.

See also AUF's Second Notice of Filing Revised Interim Rate Schedules in Response to Accounting Deficiencies Nos. 13, 14 and 15, filed February 5, 2007, pursuant to which AUF filed twenty copies of its Revised Interim Rate Schedules, including Revised Schedules F-5, F-6 and F-7, for the utility systems listed below. This supplemental response to Accounting Deficiencies Nos. 13, 14 and 15 provided the additional detail required for those systems for which a revised Used and Useful calculation did not change from the original filing, while its Notice of Filing Revised Interim Rate Schedules, filed on January 29, 2007, included Revised Schedules F-5, F-6 and F-7 for those systems for which a revised Used and Useful calculation did change from the original filing.

Beecher's Point
Fern Terrace
Grand Terrace
Haines Creek
JS- Kings Cove
Lake Osborne Estates
Oakwood
Pomona Park
River Grove
St. John's Highlands
Stone Mountain
Tangerine
Wootens

Friendly Center
Harmony Homes
Gibsonia Estates
Jungle Den
Lake Gibson Estates
Orange Hill/Sugar Creek
Palm Terrace
Rosalie Oaks
Ravenswood
Silver Lake Est/Western Shores
Tomoka/Twin Rivers
Welaka/Saratoga Harbour
Zephyr Shores

15. Schedule F-7, Used and Useful calculation for water distribution and wastewater collection systems for the historical test year and projected test year. This is for systems with water distribution and wastewater collection systems that are not built out.
 - (e) The instructions for this schedule require the utility to provide all calculations, analyses and governmental requirements used to determine the used and useful percentages for the water distribution and wastewater collection systems. There were several systems where the applicant indicated that the systems were built out; however, the respective maps

indicated that the service territories were not built out. See attached detailed listing by system name.

Response: See AUF's Notice of Filing Responses to Accounting Deficiencies Nos. 13, 14, 15, 29, 30 and 31, filed on February 2, 2007. AUF's Response to Deficiency No. 15 states as follows:

The calculations and analysis which support the Used and Useful percentages for water distribution and wastewater collection systems were filed with the Commission. See Aqua Utilities Florida, Inc.'s Notice of Filing Revised Interim Rate Schedules filed on January 29, 2007.

See also AUF's Second Notice of Filing Revised Interim Rate Schedules in Response to Accounting Deficiencies Nos. 13, 14 and 15, filed February 5, 2007, pursuant to which AUF filed twenty copies of its Revised Interim Rate Schedules, including Revised Schedules F-5, F-6 and F-7, for the utility systems listed below. This supplemental response to Accounting Deficiencies Nos. 13, 14 and 15 provided the additional detail required for those systems for which a revised Used and Useful calculation did not change from the original filing, while its Notice of Filing Revised Interim Rate Schedules, filed on January 29, 2007, included Revised Schedules F-5, F-6 and F-7 for those systems for which a revised Used and Useful calculation did change from the original filing.

Beecher's Point	Friendly Center
Fern Terrace	Harmony Homes
Grand Terrace	Gibsonia Estates
Haines Creek	Jungle Den
JS- Kings Cove	Lake Gibson Estates
Lake Osborne Estates	Orange Hill/Sugar Creek
Oakwood	Palm Terrace
Pomona Park	Rosalie Oaks
River Grove	Ravenswood
St. John's Highlands	Silver Lake Est/Western Shores
Stone Mountain	Tomoka/Twin Rivers
Tangerine	Welaka/Saratoga Harbour
Wootens	Zephyr Shores

Rule 25.30-110(2), F.A.C., requires that a utility shall furnish the Commission with any information concerning the utility's facilities or operation that the Commission may request and require for determining rates or judging the practices of the utility. All such data, unless otherwise specified, shall be consistent with and reconcilable with the utility's annual report to the Commission. Numbers 16 through 26 of the following list are deficiencies pursuant to this rule.

16. Schedule A-4 Schedule of Water and Sewer Plant in Service
17. Schedule A- 5 Water Plant in Service by Primary Account
18. Schedule A- 6 Wastewater Plant in Service by Primary Account
19. Schedule A-8 Schedule of Water and Sewer Accumulated Depreciation
20. Schedule A-9 Schedule of Water Accumulated Depreciation By Primary Account
21. Schedule A-10 Schedule of Sewer Accumulated Depreciation By Primary Account
22. Schedule A-11 Schedule of Water and Sewer Contributions in aid of Construction
23. Schedule A-13 Schedule of Water and Sewer Accumulated Amortization of CIAC
24. Schedule A-14 Schedule of Water and Sewer Accumulated Amortization –CIAC

Response to Nos. 16-24: Please see AUF's Notice of Filing Responses to Accounting Deficiencies Nos. 16 through 24, filed on February 6, 2007. AUF's Response to Nos. 16 through 24 includes an attachment, and states as follows:

Florida Water Service: The 2005 Annual Report Balance for the FWS were recalculated starting with June 30, 2004 Balances for the Commission's February 27, 2006 Ammendatory Order. Because of this the balances will not reconcile to the 2005 Annual Report.

ASI Systems: Attachment 1 to this response reconciles the MFRs (A-4, A-5, A-6, A-8, A-9, A-11, A-12, A-13, A-14) for water and sewer systems to Annual Report balances.

25. Schedule B-1 – Schedule of Water Net Operating Income
26. Schedule B-2 – Schedule of Sewer Net Operating Income

The utility did not provide the reconciliation of the balances in the 2005 Annual Report and these MFR schedules, as required by Rule 25-30.110, F.A.C.

Response to Nos. 25 and 26: See AUF's Notice of Filing Responses to Accounting Deficiencies Nos. 25 and 26, filed on February 5, 2007. AUF's Response to Deficiencies Nos. 25 and 26 includes an attachment, and states as follows:

Please refer to Attachment 1, hereto, which shows the requested reconciliations for the Income Statement. The difference between the Rate Base components per books as shown on Schedules B-1 and B-2 and the amounts shown on the Annual

Reports for the same components is caused by the former being a 13-month average and the latter being a year-end number.

Rule 25-30.440, F.A.C., requires that each utility applying for a rate increase shall provide two copies of the following engineering information to the Commission, with the exception of item (1) of which only one copy is required.

27. Rule 25-30.440(1), F.A.C., requires the utility to provide a detailed map, (a) showing the location and size of the applicant's distribution and collection lines as well as its plant sites; (b) and the location and respective classification of the applicant's customers. The maps for each system submitted by the utility do not show the respective classification of the applicant's customers as indicated on the map.

Response: See the following filings:

AUF's Notice of Filing Revised System Maps, filed January 26, 2007, pursuant to which AUF filed one original of each revised system map;

AUF's Second Notice of Filing Revised System Maps, filed January 31, 2006, pursuant to which AUF filed one original system-specific map for each of its 24 Marion County systems;

AUF's Third Notice of Filing Revised System Maps, filed February 1, 2007, pursuant to which AUF filed one original of a revised system map for its Leisure Lakes wastewater system and one original of a revised system map for its South Seas wastewater system; and

AUF's Notice of Filing Response to Accounting Deficiency No. 27, filed February 5, 2007, which states as follows:

Revised maps were filed to reflect commercial customers as noted below. See Aqua Utilities Florida, Inc.'s Notice of Filing Revised System Maps, filed on January 26, 2007, Aqua Utilities Florida, Inc.'s Second Notice of Filing Revised System Maps, filed on January 31, 2007 and Aqua Utilities Florida, Inc.'s Third Notice of Filing Revised System Maps, filed on February 1, 2007.

System	No. of Commercial Customers
Lake Josephine	9
South Seas WW	30
Lake Osborne W	1
Gibsonia Estates W	28
Lake Gibson Estates W	13
Lake Gibson Estates WW	1
Village Water W	38
Village Water WW	35

Holiday Haven W	2
Holiday Haven WW	2
Piney Woods W	1
Silver Lake Estates/Western Shores	5
Skycrest W	2
Valencia Terrace W	16
Valencia Terrace WW	11
Venetian Village W	1
Venetian Village WW	1
Arredondo Estates W	2
Arredondo Farms W & WW	3
Ocala Oaks W	1
Beecher's Point W	4
Beecher's Point WW	1
Hermit's Cove	1
Interlachen Lakes W	2
Park Manor W	4
Park Manor WW	4
Pomona Park W	16
Weleka/Saratoga Harbour W	2
Oakwood W	1
Tangerine W	10
Jasmine Lakes W	37
Jasmine Lakes WW	33
Palm Terrace W	4
Palm Terrace WW	1
Jungle Den W	3
Jungle Den WW	1
Tomoka W	6
Sunny Hills W	18
Sunny Hills WW	2
Fern Terrace W	1
East Lake Harris Estates W	1
Friendly Center W	5
Haines Creek W	1

28. Rule 25-30.440(2), F.A.C., requires the utility to provide a list of chemicals used for water and wastewater treatment, by type, showing the dollar amount and quantity purchased, the units paid and the dosage rates utilized. The applicant did not provide the dosage rates utilized for each chemical used.

Response: See AUF's Notice of Filing Responses to Accounting Deficiencies Nos. 4, 11 and 28, filed February 1, 2007. AUF's Response to Deficiency No. 28 provided a Summary of 2005 Chemical Dosages, including monthly detail.

29. Rule 25-30.440(3), F.A.C., requires the utility to provide the most recent chemical analysis for each water system conducted by a certified laboratory covering the

inorganic, organic turbidity, microbiological, radionuclide, secondary and unregulated contaminants specified in Chapter 17-550, F.A.C. The applicant did not provide the chemical analyses required by this rule.

Response: See AUF's Notice of Filing Responses to Accounting Deficiencies Nos. 13, 14, 15, 29, 30 and 31, filed on February 2, 2007. AUF's Response to Deficiency No. 29 states as follows:

Volume 6, Book 3 of Aqua Utilities Florida, Inc.'s November 30, 2006 MFRs contained Annual Drinking Water Quality Reports which detailed the most recent chemical analysis for each water system conducted by a certified laboratory covering the inorganic, organic turbidity, microbiological, radionuclide, secondary and unregulated contaminants specified in Chapter 17-550, F.A.C.

30. Rule 25-30.440(4), F.A.C., requires the utility to provide all water and wastewater operating reports for the test year and the year preceding the test year. The applicant did not provide any water or wastewater operating reports for any system.

Response: See AUF's First Notice of Filing Supplemental MFRs, filed on January 26, 2007, pursuant to which AUF filed an original and one copy of the following Supplemental MFRs in response to Deficiency Nos. 30 and 31:

Volume 6, Book 5 (Sanitary Survey Water)
Volume 6, Book 5A (Sanitary Survey Water)
Volume 6, Book 6 (Inspection Reports – Sewer)
Volume 6, Book 7, Sets 1 – 57 (Monthly Operating Reports)

See also AUF's Second Notice of Filing Supplemental MFRs, filed January 30, 2007, pursuant to which AUF filed an original and one copy of the following Supplemental MFRs in response to Deficiency No. 30:

Volume 6, Book 8, Sets 1 – 24 (Discharge Monitoring Reports)

See also AUF's Notice of Filing Responses to Accounting Deficiencies Nos. 13, 14, 15, 29, 30 and 31, filed on February 2, 2007. AUF's Response to Deficiency No. 30 states as follows:

Water Monthly Operating Reports and Wastewater Discharge Monitoring Reports were filed with the Commission. See Aqua Utilities Florida, Inc.'s First Notice of Filing Supplemental MFRs filed on January 26, 2007 and Aqua Utilities Florida, Inc.'s Second Notice of Filing Supplemental MFRs filed on January 30, 2007.

31. Rule 25-30.440(5), F.A.C., requires the utility to provide the most recent sanitary survey for each water plant and inspection report for each wastewater plant conducted

by the health department or the Department of Environmental Protection (DEP). The applicant did not provide any water sanitary surveys or wastewater inspection reports for any system.

Response: See AUF's First Notice of Filing Supplemental MFRs, filed on January 26, 2007, pursuant to which AUF filed an original and one copy of the following Supplemental MFRs in response to Deficiency Nos. 30 and 31:

Volume 6, Book 5 (Sanitary Survey Water)
Volume 6, Book 5A (Sanitary Survey Water)
Volume 6, Book 6 (Inspection Reports – Sewer)
Volume 6, Book 7, Sets 1 – 57 (Monthly Operating Reports)

See also AUF's Notice of Filing Responses to Accounting Deficiencies Nos. 13, 14, 15, 29, 30 and 31, filed on February 2, 2007. AUF's Response to Deficiency No. 31 states as follows:

The most recent sanitary survey for each water plant and inspection report for each wastewater plant was filed with the Commission. See Aqua Utilities Florida, Inc.'s Notice of Filing Supplemental MFRs filed on January 26, 2007.

32. Rule 25-30.440(8), F.A.C., requires the utility to provide a list of all field employees, their duties, responsibilities, and certificates held, and an explanation of each employees' salary allocation method to the utility's capital or expense accounts. The utility did not provide the duties, responsibilities, or an explanation of each employees' salary allocation method to the utility's capital or expense accounts.

Response: See AUF's Notice of Filing Response to Accounting Deficiency No. 32 – Public (Redacted) Copies, filed on February 2, 2007, pursuant to which AUF filed confidential and public versions of schedules showing the following information:

1. Duties of each employee (Attachment 1)
2. The allocation of each employee's salary to capital and expense (Attachment 2)
3. The licenses held by each employee required to be licensed (Attachment 3)

33. Rule 25-30.436(4)(h), F.A.C., states, "Any system that has costs allocated or charged to it from a parent, affiliate or related party, in addition to those costs reported on Schedule B-12 of Commission Form PSC/ECR 19 for a Class A utility, or PSC/ECR 20 for a Class B utility, (incorporated by reference in Rule 25-30.437, F.A.C.) shall file three copies of additional schedules that show the following information:

1. The total costs being allocated or charged prior to any allocation or charging as well as the name of the entity from which the costs are being allocated or charged and its relationship to the utility.
2. For costs allocated or charged to the utility in excess of one percent of test year revenues:
 - a. A detailed description and itemization; and
 - b. The amount of each itemized cost.
3. The allocation or direct charging method used and the bases for using that method.
4. The workpapers used to develop the allocation method, including but not limited to the numerator and denominator of each allocation factor.
5. The workpapers used to develop, where applicable, the basis for the direct charging method.
6. An organizational chart of the relationship between the utility and its parent and affiliated companies and the relationship of any related parties.
7. A copy of any contracts or agreements between the utility and its parent or affiliated companies for services rendered between or among them.”

The utility did not include the information required by this rule.

Response: See AUF’s Notice of Filing Response to Accounting Deficiency No. 33, filed on February 6, 2006. AUF’s Response, which included attachments and the CD ROM referenced below, states as follows:

1. Please see attached file “Attach. Acct. Def No. 33 part 1.xls” [filed on CD ROM]. This file shows the 2005 total costs to Aqua Utilities Florida, Inc. from Aqua Services for allocated costs. This file includes all the systems in Florida, even those not in this filing. It is the total bill before being allocated to each of the systems. Also, please refer to Part 6 below for the name and relationship to the utility.
2. Please see attached file “Acct Def No 33 part 2.xls” [filed on CD ROM] for detail of Corporate Invoices which show the detailed description and itemization, and the amount of each itemized cost.
3. All service related costs are appropriately distributed to the subsidiaries of Aqua America, and pooled by accounting units and distributed to the states based on predetermined allocation methods setup within the general ledger. These accounting units are linked to a table in the general ledger that contains customer counts for the year immediately proceeding the current year. Methods and customer counts are adjusted from year to year as needed. This method was used to spread the shared costs from the

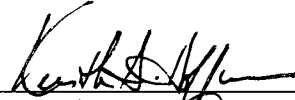
Florida Admin Accounts to each of the systems. For rate making adjustment, those costs are spread to each general ledger account within each system using the ERC allocation per the last rate case order in 1996 from FL PSC.

4. Please see attached file “Attach Acct. Def No. 33 part #4.xls” [filed on CD ROM] which is a workpaper used to develop the allocation method, including the numerator and denominator of each allocation factor.
5. If time can be directly assigned to a certain state, that time is directly charged based on hours.
6. Please see attached files “Organizational Chart Attach Acct. Def. No. 33 part 6a” and “Organizational Chart Attach Acct. Def. No. 33 part 6b” [paper copies attached to Response].
7. Please see attached file for copy of Affiliate Agreement [paper copy attached to Response]

See also AUF’s Notice of Filing Paper Copies of Electronic Documents Previously Filed in Response to Accounting Deficiencies Nos. 8, 9, and 33, filed on February 8, 2007, which included paper copies of the following previously-filed electronic documents in response to Deficiency No. 33:

4. Excel spreadsheet “Attach. Acct. Def No. 33 part 1.xls” as referenced in AUF’s Notice of Filing Responses to Accounting Deficiency No. 33, filed on February 6, 2007.
5. Excel spreadsheet “Acct Def No 33 part 2.xls” as referenced in AUF’s Notice of Filing Responses to Accounting Deficiency No. 33, filed on February 6, 2007.
6. Excel spreadsheet “Attach Acct. Def No. 33 part #4.xls” as referenced in AUF’s Notice of Filing Responses to Accounting Deficiency No. 33, filed on February 6, 2007.

Respectfully submitted this 8th day of February, 2007.



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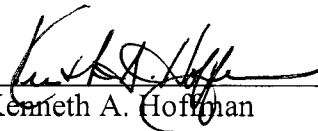
ATTORNEYS FOR AQUA UTILITIES
FLORIDA, INC.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by hand delivery this 8th day of February, 2007, to the following:

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