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Public Service Commission

February 26, 2007

Mr. Kenneth Hoffman
Rutledge, Ecenia, Purnell & Hoffman
P.O. Box 551
Tallahassee, FL 32301-0551

Re: Docket No. 060368-WS - 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.

Dear Mr. Hoffman:

We have reviewed the utility's response to the deficiencies submitted on behalf of Aqua Utilities Florida, Inc. (AUF or utility). After reviewing this information, we find the MFRs still to be deficient. The specific deficiencies are identified below:

1. Schedule F-6, Used and Useful calculations for the 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 inflow and infiltration (I&I) calculation for Leisure Lakes in Highlands county or Village Water in Polk County.

2. 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).

- For Pinney Woods in Lake county – the Schedule F-5 indicates there is one well. However, there are two wells for this system. This is verified by the map, which shows the existence of two wells. The data for Spring Lake Manor is missing.
- For Silver Lake Estates / Western Shores in Lake county - the Schedule F-5 indicates there is one well. However, there are three wells for this system.

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This is verified by the map, which shows the existence of three wells. The sanitary survey indicates there are two wells at Silver Lake and one well at Western Shores. The data for all three wells is missing.

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.

3. 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; and, (b) and the location and respective classification of the applicant's customers.
 - a. The maps for Ridge Meadows in Marion county and Venetian Village (wastewater) in Lake County do not show the respective classification of the applicant's customers.
 - b. The map for South Seas in Lee county does not indicate the size of the applicant's collection lines.
 - c. There was no map submitted for the wastewater system for Venetian Village.
4. 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.
 - a. The applicant did not provide any water or wastewater operating reports for the following systems:
 - Leisure Lakes in Highlands county,
 - Holiday Haven in Lake county – no water MOR,
 - Valencia Terrace in Lake county – no wastewater DMR for May, 2004.
 - Valencia Village in Lake county – wastewater DMR for April, 2004 missing flow data.
 - b. The applicant did not provide water operating reports for January through May, 2005 for Lake Josephine in Highlands county.
 - c. The applicant did not provide water operating reports for January through June, 2005 for Sebring Lakes in Highlands county.
 - d. The applicant did not provide wastewater operating reports for May, 2005 for Morningview in Lake county.
 - e. The applicant did not provide water operating reports for January through December, 2004 or January through August, 2005 for Spring Lake Manor in Lake county.

- f. The applicant did not provide water operating reports for October, 2004 for Skycrest in Lake county.
 - g. The applicant did not provide any wastewater operating reports for Village water in Polk county.
5. 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).
- a. The applicant did not provide any wastewater inspection reports for Leisure Lakes or Sebring Lakes in Highlands county or Village Water in Polk county.
 - b. The applicant did not provide any sanitary survey for the following systems:
 - Leisure Lakes in Highlands county,
 - Sebring Lakes in Highlands county,
 - Imperial Mobile Terrace in Lake county,
 - Palms in Lake county ,
 - Spring Lake Manor in Lake county,
6. Rule 25-30.440(7), F.A.C., requires the utility to provide any Notice of Violations, Consents Orders, Letters of Notice, or Warning Notices from the health department or the DEP since the utility's last rate case or the previous five years, whichever is less.

Attached to the MFR deficiency letter dated January 2, 2007, was a listing of specific engineering deficiencies listed by system name and county. Staff identified several systems where this information was deficient. The applicant has not provided copies of the required documents or a statement there are no such documents for the following systems in Lake county:

- Holiday Haven – water and wastewater,
- Morningview – water and wastewater,
- Palms – water,
- Picciola Island – water,
- Pinney Woods – water,
- Quail Ridge – water,

Mr. Kenneth Hoffman

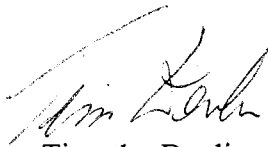
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- Ravenswood – water,
- Silver Lake Estates/Western Shores – water,
- Skycrest – water,
- Stone Mountain – water,
- Valencia Terrace – water and wastewater,
- Venetian Village – water and wastewater

These corrections should be submitted no later than March 26, 2007 in order to meet this current statutory deadline. Please be advised it is the utility's burden to support its case. If you have any questions, please do not hesitate to contact Troy Rendell, at (850) 413-6934 or Cheryl Bulecza-Banks at (850) 413-6642.

Sincerely,



Timothy Devlin
Director

TD:wtr

cc: Division of Commission Clerk and Administrative Services
Office of the General Counsel (Gervasi, Fleming, Fudge)
Division of Economic Regulation (Bulecza-Banks, Rendell)