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March 30, 2007

Ms. Blanca Bayo, Director
Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center
Room 110
Tallahassee, FL 32399-0850

HAND DELIVERY

RECEIVED-1700
07 MAR 30 PM 4:03
COMMISSION
CLERK

Re: Docket No. 060368-WS

Dear Ms. Bayo:

Enclosed for filing on behalf of Aqua Utilities Florida, Inc. ("AUF") are the original and
CMP fifteen copies of Aqua's Objections to OPC's First Set of Interrogatories (Nos. 1-43) and First
COM Request for Production of Documents (Nos. 1-45).

CTR Please acknowledge receipt of these documents by stamping the extra copy of this letter
ECR "filed" and returning the copy to me.

GCL Thank you for your assistance with this filing.

OPC

RCA

SCR

SGA

SEC

OTH KAH/rl

Enclosures

cc: Kathy L. Pape, Esq.
All Parties of Record

Sincerely,



Kenneth A. Hoffman

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RECEIVED & FILED

R. J. N.
FLORIDA BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

02786 MAR 30 07

FPSC-COMMISSION CLERK

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

Filed: March 30, 2007

**AQUA UTILITIES FLORIDA, INC.'S OBJECTIONS
TO OPC'S FIRST SET OF INTERROGATORIES
(NOS. 1-43) AND FIRST REQUEST FOR
PRODUCTION OF DOCUMENTS (NOS. 1-45)**

Aqua Utilities Florida, Inc. ("AUF"), by and through its undersigned counsel, and pursuant to Order No. PSC-07-0219-PCO-WS, hereby files its Objections to and Requests for Clarification of the Office of Public Counsel's ("OPC") First Set of Interrogatories and First Request for Production of Documents.

I. Preliminary Nature of These Objections

AUF's objections stated herein are preliminary in nature. AUF is furnishing its objections consistent with the time frames set forth in the Commission's Order Establishing Procedure, Order No. PSC-07-0219-PCO-WS, dated March 9, 2007, and Rule 1.190(e), Florida Rules of Civil Procedure. Should additional grounds for objection be discovered as AUF develops its responses, AUF reserves the right to supplement or modify its objections up to the time it serves its responses. Should AUF determine that a protective order is necessary regarding any of the information requested of AUF, AUF reserves the right to file a motion with the Commission seeking such an order at the time its responses are due.

DOCUMENT NUMBER-DATE

02786 MAR 30 5

FPSC-COMMISSION CLERK

II. General Objections and Reservation of Rights

1. Any response to an Interrogatory or Document Request is made without waiving or intending to waive, but on the contrary intending to preserve and preserving: (a) the right to object, on the grounds of competency, relevancy, materiality, privilege or admissibility as evidence for any purpose, or any other ground, to the use of the Response or the subject thereof, in this or any subsequent or other proceeding; and (b) the right to object on any ground to other interrogatories, document requests, or other discovery proceedings involving or relating to the subject matter of the interrogatory.

2. AUF will make a reasonable effort to respond to each and every individual Interrogatory and Document Request that is not subject to a Specific Objection as AUF understands and interprets such Interrogatory. If OPC should assert an interpretation of any Interrogatory or Document Request that differs from AUF's, AUF reserves the right to supplement or amend its Specific Objections.

3. AUF objects to each and every one of the Interrogatories and Document Requests that calls for information protected by the attorney-client privilege, the work product doctrine, the accountant-client privilege, the trade secret privilege, the consulting expert privilege, third-party confidentiality agreements or protective order, or any other applicable privilege or protection afforded by law, whether such privilege or protection appears at the time the response is first made or is later determined to be applicable for any reasons. AUF in no way intends to waive such privilege or protection.

4. In certain circumstances, AUF may determine upon investigation and analysis that information responsive to certain interrogatories or document requests to which objections are not

otherwise asserted are confidential and proprietary and should not be produced without provisions in place to protect the confidentiality of the information, if at all. By agreeing to provide such information in response to such request, AUF is not waiving its right to insist upon appropriate protection of confidentiality by means of a protective order or other action to protect the confidential information requested. AUF asserts its right to require such protection of any and all information and documents that may qualify for protection under the Florida Rules of Civil Procedure and other applicable statutes, rules and legal principles.

5. AUF objects to providing information that is proprietary, confidential business information without provisions in place to protect the confidentiality of the information. AUF in no way intends to waive claims of confidentiality.

6. AUF objects to providing information to the extent such information is already in the public record.

7. AUF objects to each Interrogatory and Document Request to the extent it is not limited to any stated period of time or a stated period of time that is longer than is relevant for purposes of the issues in this proceeding.

8. AUF expressly reserves and does not waive any and all objections it may have to the admissibility, authenticity or relevancy of the information provided pursuant to the Interrogatories and Document Requests.

9. AUF also objects to these discovery requests to the extent they call for AUF to prepare information in a particular format or perform calculations, studies or analyses not previously prepared or performed as purporting to expand AUF's objections under applicable law. Further, AUF objects to these interrogatories to the extent they purport to require AUF to conduct an analysis

or create information not prepared by AUF in the normal course of business. AUF will comply with its obligations under the applicable rules of procedure.

10. AUF reserves the right to supplement any of its responses to the Interrogatories and Document Requests if AUF cannot locate the answers immediately due to their magnitude and the work required to aggregate them, or if AUF later discovers additional responsive information in the course of this proceeding.

11. By making these General Objections at this time, AUF does not waive or relinquish its right to assert additional general and specific objections to the Interrogatories and Document Requests at the time AUF's response is due.

12. AUF objects to each Interrogatory and Document Request and to any and all "Definitions" and "Instructions" to the extent they exceed the requirements of the Florida Rules of Civil Procedure or purport to expand AUF's obligations under applicable law or rules of procedure.

III. Specific Objections

A. OPC's First Set of Interrogatories

Interrogatory No. 1: For each interrogatory response, indicate the witness who will sponsor the response and be able to answer cross-examination questions concerning the response.

Objection: AUF objects to the extent this interrogatory implies that the individual or individuals sponsoring the response to a particular interrogatory will be appearing as witnesses in this proceeding or otherwise encroaches on AUF's work product privilege in the preparation for the final hearing in this matter. Subject to and without waiving this objection, in response to this Interrogatory No. 1, AUF will provide the name(s) of the individual(s) who provided the response to each interrogatory.

Interrogatory No. 2: By system, separated between water and wastewater, please list all legal expenses included in the test years (historic, intermediate, and projected), the actual year ending 2006, and the preceding three years, please provide the following:

Objection: AUF objects on the grounds that this interrogatory is overbroad. AUF clarifies that it purchased AquaSource Utility, Inc. (“AquaSource”) in 2003 and Florida Water Services Corporation (“Florida Water”) in 2004 and should only need to provide information for the time period in which AUF owned these systems.

Interrogatory No. 5: By system, state the amount of storm damage recovery expenses included in each of the test years (historic, intermediate, and projected), and the amount actually incurred during 2002, 2003, 2004, and 2006.

Objection: AUF objects on the grounds that this interrogatory is overbroad. AUF clarifies that it purchased AquaSource in 2003 and Florida Water in 2004 should only need to provide information for the time that AUF has owned the systems.

Interrogatory No. 6: By system, for any and all transfers and/or sales or parcels of land or assets to or from the Company’s utility operations from non-related or related parties (former or present: parent company or affiliated company), please provide for the last five years.

Objection: AUF objects on the grounds that this interrogatory is overbroad. AUF clarifies that it purchased AquaSource in 2003 and Florida Water in 2004 and should only need to provide information for the time period in which AUF owned these systems.

Interrogatory No. 10: Please state the year in which the Company expects each of its water and wastewater territor(ies) to be built out.

Objection: AUF objects on the grounds that this interrogatory is vague and ambiguous and requests clarification regarding OPC’s use of the terms “built out.”

Interrogatory No. 12: By system, for each month of the years 2003 through December 2006, and each month of 2007 to-date, and as projected for the years 2008 and 2009, please provide, by customer class, the monthly amount of water sold, water treated, wastewater sold, wastewater treated, the number of water customers, and the number of wastewater customers by customer class.

Objection: AUF objects on the grounds that this interrogatory is overbroad. AUF clarifies that it purchased AquaSource in 2003 and Florida Water in 2004 and should only need to provide information for the time period in which AUF owned these systems.

Interrogatory No. 15: By system, please provide a depreciation schedule by plant account as of December 31, 2006 (i.e., Plant and Accumulated Depreciation at December 31, 2005 showing additions, deletions and balance at December 31, 2006).

Objection: AUF requests clarification that this request is limited to actual data.

Interrogatory No. 16: By system, please provide a listing of CIAC, by project or work order number, for water and wastewater operations for the year ending December 31, 2005, the year ending December 31, 2006 and for each month of 2007. Also indicate the respective accumulated amortization. For the five largest CIAC contributions in each year, please provide: the billing with an explanation of how the bill was determined, and the charges to the Company for the work being billed with an explanation as to how the charges were determined.

Objection: AUF requests clarification that this request is limited to actual data.

Interrogatory No. 21(f): Please explain where, on which company's account records, the costs associated with performing the contract operator services are booked and explain why, if applicable, it is appropriate not to allocate these costs to the systems identified in response to (a).

Objection: AUF requests clarification that this request is limited to test year data.

Interrogatory No. 25: With respect to costs allocated to the Company by Aqua Services, Inc., please provide the following information for 2004, 2005, actual 2006, and as projected for 2006 and 2007: the total dollars by NARUC account number and name to which an allocation factor is applied; the allocation factor applied to each account; the calculation of the allocation factor including the numerator for each company that is allocated a portion of the cost and the denominator of the allocation factor; and a description of the allocation factor. Provide the requested information in electronic spreadsheet format with all formulas and links intact.

Objection: AUF clarifies that Aqua Services does not allocate costs based on NARUC account numbers, but will provide the information in the format used by the Company.

Interrogatory No. 29: Please describe all water and wastewater consulting and management services provided by Aqua America, Inc. or its affiliates, and identify the companies these services are provided to.

Objection: AUF asserts that the interrogatory is vague and ambiguous and requests clarification regarding the particular information requested.

Interrogatory No. 31: For each system, please provide a schedule similar to page 2 of B-6, stating the amount of expense allocated or directly charged to the system by each affiliate for the test years (historic, intermediate, and projected) and the preceding two years.

Objection: AUF objects on the grounds that this interrogatory is overbroad. AUF clarifies that it purchased AquaSource in 2003 and Florida Water in 2004 and should only need to provide information for the time period in which AUF owned these systems.

Interrogatory No. 36: For each system, please provide a schedule comparable to page 1 of B-6, for the years 2001-2004.

Objection: AUF objects on the grounds that this interrogatory is overbroad. AUF clarifies that it purchased AquaSource in 2003 and Florida Water in 2004 and should only need to provide information for the time period in which AUF owned these systems.

Interrogatory No. 40. Insurance (a-d)

- a. Please state the amount of D&O insurance expense included in test years (historic, intermediate, and projected) expenses, and the previous two calendar years, by system.
- b. Please state the persons names and titles that are insured by the D&O insurance expense identified in response to (a).
- c. Please state the amount of directors and officers' life insurance expense included in test years (historic, intermediate, and projected) expenses, and the previous two calendar years, by system.
- d. Identify all other insurance carried by Aqua America, Inc., which is associated with the directors, officers, and/or owners of Aqua America, Inc.

Objection: AUF objects on the grounds that this interrogatory is overbroad. AUF clarifies that it purchased AquaSource in 2003 and Florida Water in 2004 and should only need to provide information for the time period in which AUF owned these systems.

Interrogatory No. 42: Identify all systems that were acquired by Aqua or any of its affiliates between December, 2002 and March, 2007. For each system, state the following: the date of acquisition, the water and wastewater rate base of the facilities, the number of water customers, the number of wastewater customers, the number of other customers, the water revenue, and the wastewater revenue.

Objection: AUF objects on the grounds that this interrogatory is overbroad. AUF clarifies that it purchased AquaSource in 2003 and Florida Water in 2004 and should only need to provide information for the time period in which AUF

owned these systems.

B. OPC's First Request for Production

Document Request No. 4: Please provide copies of current resumes or curriculum vitae of all expert witnesses who may be called at the final hearing in this case.

Objection: AUF requests clarification that copies of current resumes or curriculum vitae are requested in addition to information filed within the expert witnesses' testimony.

Document Request No. 5: Please provide a copy of the December 31, 2005, and December 31, 2006, trial balance, in the most detailed format available, for the water and wastewater operations of the Company. This would include a balance sheet and the income and expenses for the twelve months ended December 31, 2005, and December 31, 2006. Please provide the monthly trial balances for each month of 2007 that is available. Please provide the requested documents in electronic spreadsheet format (if applicable) with all formulas and linked spreadsheets intact.

Objection: AUF objects to this document request on the grounds that it is vague and ambiguous and requests clarification that the document request is limited only to AUF.

Document Request No. 17: Please provide a copy of the Company's most recent Operation and Maintenance Performance Report and Capacity Analysis Report for the wastewater plants involved in this docket.

Objection: AUF requests clarification as to the specific documents requested by OPC under this document request.

Document Request No. 18: Please provide a copy of any appraisals of property purchased by the Company since the last rate case for each of the systems in this docket that involved an affiliated party.

Objection: AUF objects to this document request on the grounds that it is vague and ambiguous. Depending on what is intended by this question, AUF reserves an objection to this document request on the ground that the information sought is not reasonably calculated to lead to admissible evidence. AUF requests clarification of OPC's use of the terms or phrases "Company," "since the last rate case," and "that involved an affiliated party."

Document Request No. 26: Please provide all correspondence between the Company and its consultants, its lawyers, Aqua America, Inc., for the services shown on Schedule B-10. This would include but not be limited to engagement letters, RFPs, responses to RFPs, etc.

Objection: AUF objects and requests clarification regarding the particular documents requested in connection with Schedule B-10 services. AUF objects to the provision of any documents protected by the attorney-client or work product privileges.

Document Request No. 29: Please provide each and every document containing all materials, supply and service cost studies, and other cost information you have used or intend to use for comparison and analysis of the materials and supply and service costs charged to or incurred by the Company. Your response to this request should include, but it is not limited to, any and all documents that describe the items of materials, supplies and services, and the sources of such studies and other information.

Objection: AUF objects on the grounds that this interrogatory is vague and ambiguous. AUF requests clarification of the documents sought by OPC under this request.

Document Request No. 30: Please provide each and every document related to cost allocation guidelines and related studies utilized or relied on for comparison with or analysis of cost allocation practices affecting the Company in this proceeding.

Objection: AUF objects on the grounds that this interrogatory is vague and ambiguous.

AUF requests clarification of the documents sought by OPC under this request.

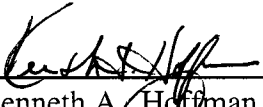
Document Request No. 40: Please provide the minutes of any business development or acquisition committee meetings conducted during the last 18 months.

Objection: AUF objects on the grounds that this document request is not reasonably calculated to lead to admissible evidence and requests information that constitutes proprietary confidential business information.

Document Request No. 42: Please provide all memos, reports, meeting minutes, and other documents prepared by or for Aqua America, Inc. concerning the sale and or purchase of any water or wastewater systems in Florida since 2002.

Objection: AUF objects on the grounds that this interrogatory is overbroad, vague and ambiguous, and is not reasonably calculated to lead to admissible evidence.

Respectfully submitted this 30th day of March, 2007.



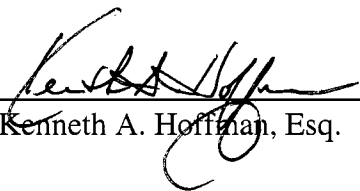
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished Electronically and by U. S. Mail this 30th day of March, 2007 to the following:

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