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September 18, 2007

Ms. Ann Cole, 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

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COMMISSION
CLERK

Re: Docket No. 060368-WS

Dear Ms. Cole:

Enclosed for filing on behalf of Aqua Utilities Florida, Inc. ("AUF") is an original and fifteen copies of this letter confirming AUF's request that the Commission hold a Commission workshop prior to December 31, 2007 addressing and considering various forms of rate consolidation for AUF.

At the August 28, 2007 Agenda Conference, the Commission acknowledged AUF's Notice of Voluntary Dismissal Without Prejudice, ordered refunds of interim rates, and accepted and approved the Settlement reached by and between AUF, the Office of Public Counsel ("OPC") and the Attorney General, State of Florida ("Attorney General") concerning the potential issuance of a show cause order as described in the August 16, 2007 Staff Recommendation. In addition, the Commission acknowledged AUF's request for a Commission workshop on rate consolidation issues, a request that was not contested by OPC and the Attorney General, and advised AUF that a Commission workshop would be forthcoming upon the filing of a formal request for workshop by AUF.

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AUF believes that it is critical to begin the establishment of a regulatory road map for future rate cases by moving away from the rate regime where rates are established separately for AUF's 80 Commission-regulated water and wastewater systems. Rate Consolidation has been approved in various forms by this Commission for the water and wastewater industry. AUF believes that, like other major utility service providers, water and wastewater services can also be provided through consolidated costs of services and tariffs. Aqua America services customers in thirteen states with varying forms of rate consolidation in use in many of those jurisdictions and

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has seen numerous public benefits with its various forms. These benefits include recognition of the economies of scale that a large multi-system company such as AUF can bring to its customers, providing a platform for acquisition of small or troubled systems in furtherance of public health and the public interest, mitigating potential future rate shock as capital investments are made for relatively small systems, and enhancing rate stability. But perhaps the most significant benefit derived from rate consolidation is that it allows a multi-system utility such as AUF to make the required significant level of investment for water supply and treatment and/or wastewater treatment and disposal for a specific group of customers (residing within a particular system) without driving rates to a level of unaffordability or disconnection.

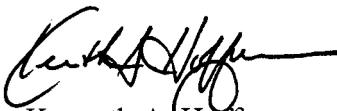
Rate consolidation takes different forms and means different things to regulators and the industries that they regulate. In that regard, AUF requests that the agenda established by the Commission for the requested workshop include discussion and consideration of the following issues:

1. What are the different forms, structures or mechanisms for rate consolidation that may be appropriate for AUF? Should rate consolidation be a one step or multi-step process?
2. What factors should be considered by the Commission in determining whether it is appropriate to implement rate consolidation for AUF and what forms or structures for rate consolidation would be preferable for AUF (i.e. proximity of location, similar rates, similar cost of service, similar level of service, balancing of benefits vs. potential disadvantages)?
3. How should consolidated rates be implemented for regulatory purposes? Does consolidation eliminate all future cost of service accounting requirements for the individual consolidated systems? Does consolidation permit reduction from multiple tariffs to one tariff and multiple rate zones to one rate zone?
4. Should the Commission undertake a rate structure proceeding for AUF where the Commission would consider various proposals for establishing a consolidated rate structure for AUF separate and apart from the filing by AUF of a request to increase revenue requirements.

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As always, thank you for your assistance with this filing. Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the copy to me. Please do not hesitate to contact me if you have any questions.

Sincerely,



Kenneth A. Hoffman

KAH/rl

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