

15 November 2008

Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd  
Tallahassee, Florida 32339-0850

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08 NOV 17 AM 9: 05

COMMISSION  
CLERK

FPSC, CLK - CORRESPONDENCE
<input type="checkbox"/> Administrative <input type="checkbox"/> Parties <input checked="" type="checkbox"/> Consumer
DOCUMENT NO. 06349-08
DISTRIBUTION: ECR, 6/1

Ref Docket No 060368-WS

Dear Sir or Madam:

Reference to above proceeding final hearing dates December 8 – 11, 2008 to be held at the Florida Public Service Commission in Tallahassee, Fl.

Aqua Utilities Florida, Inc is the provider of water and sewage services for the Palm Port subdivision located in East Palatka, Fl. This company has advised our residents that they have applied to the FPC for a rate increase for the services they provide for our subdivision. The previous owners of this utility service Florida Water Services had also made this request a number of times in the past. These increase requests had very little opposition as they were small increases and were expected as a cost of living increase. This increase, as verified by Aquas representative via telephone 11/13/2008, amounts to a 74% increase for the family that uses an average of 2000 gallons per month which is totally beyond our expectations. The interim rate increase amounts to a 48% increase over our existing rate which is unreasonable and I would recommend your agency not approve these increases as requested by Aqua Utilities Florida.

According to Business Wire date 11/05/2008 copies attached, Aqua America, Inc. (NYSE):WTR today reported net income for the quarter ended Sept 30, 2008 an increase of 20% over same quarter in 2007 or \$0.26 per share earnings compared to \$0.22 in the same quarter of 2007. Also the board voted to increase quarterly dividends by 8% to share holders payable December 1, 2008.

Aqua America is truly a well managed company increasing earnings year after year, even in the worst economy this country has seen in over 50 years.

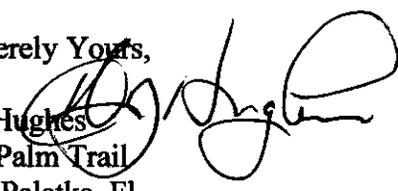
This company request this small subdivision pay an increase for the production and treatment of water of 74% and I see this as an inflationary totally motivated by unwarranted greed.

Please review the attached company performance records and deny this increase as requested by Aqua Utilities Florida.

Thank you for your immediate attention to this matter. I remain

Sincerely Yours,

H J Hughes  
132 Palm Trail  
East Palatka, Fl





November 05, 2008 07:30 AM Eastern Time 

## **Aqua America Reports 20 Percent Increase in Net Income for Third Quarter**

Dividend to increase by 8 percent

BRYN MAWR, Pa.—(BUSINESS WIRE)—Aqua America, Inc. (NYSE: WTR) today reported net income for the quarter ended September 30, 2008 of \$35.4 million compared to \$29.5 million in the third quarter of 2007, an increase of 20 percent. Corresponding diluted earnings per share for the quarter were \$0.26, compared to \$0.22 in the same quarter of 2007 on 1 percent more shares outstanding. Revenue for the quarter was \$177.1 million compared to \$165.5 million in the same period of 2007, an increase of 7 percent.

The company's Board of Directors has voted to increase the quarterly common stock cash dividend payable December 1, 2008 to shareholders of record on November 17, 2008 by 8 percent to \$0.135 per share, an annualized rate of \$0.54 per share. This is the tenth consecutive year in which Aqua America has increased its dividend above its stated 5 percent target and the eighteenth dividend increase in 17 years. Aqua has paid a consecutive dividend for more than 60 years.

*Aqua America Chairman and CEO Nicholas DeBenedictis said, "This quarter's financial performance is a reflection of the great deal of time and effort that management has spent focused on investing in water quality infrastructure and key rate case awards over the past year. I am pleased that our hard work and dedication to alleviating prior regulatory lag is starting to show in our financial results. The majority of this quarter's revenue growth was due to rate awards granted for previous capital investments and for increased operating expenses, therefore, directly impacting net income. Management expects to see the positive impact on revenue of our rate relief effort continue into 2009."*

Investment recovery through rate relief continues to be a major focus of management for 2008 under the company's program to address the previous lack of timely returns on invested capital (regulatory lag), which has affected previous financial results. To date in 2008, the company has received rate awards that are designed to provide \$60 million in additional annualized revenue, the majority of which was awarded in recent Pennsylvania and New Jersey rate cases that granted the company nearly \$39 million in annualized rate awards beginning in the third quarter. Included in the 2008 rate relief are recent awards in several Illinois divisions, Indiana, and Sarasota, Florida totaling approximately \$9 million in annualized revenue. The company currently has pending rate requests seeking approximately \$20 million in annualized revenue, predominantly in Florida and North Carolina, that are expected to positively impact 2009.

The company expects to file rate requests seeking more than \$70 million in 2009, including cases in Pennsylvania, New Jersey, New York, and Ohio. The timing and extent to which rate increases might be granted by the applicable regulatory agencies will vary by state. Included in these projections are the company's DSIC filings, which allow the company to collect revenue on certain capital investments without having to file full rate cases, helping to limit regulatory lag. Most cases that will be filed in 2009 will not impact revenues until 2010, given that a typical case takes 9 to 12 months to complete. "Looking at the filings that we are projecting in 2009, we anticipate revenue growth through 2010 as we continue investing in necessary capital projects to improve service and reliability for our customers," said DeBenedictis.

During the quarter, operations and maintenance expenses were flat while depreciation and amortization increased 10.8 percent compared to the same period in 2007. Net income for the quarter was positively affected by a gain of \$4.1 million for the sale of the company's Woodhaven system, which was offset by \$2.5 million of one-time non-cash charges related to the processing of initial rate requests. DeBenedictis added, "Expenses continue to be influenced by year-over-year increases in production costs primarily due to fuel and power price increases, bad debt expense and needed operating expense to support growth."

The following table shows selected operating data for the quarter and nine months ended September 30, 2008 and 2007 (in thousands, except per share data) for Aqua America, Inc. and subsidiaries.

	(Unaudited) Quarter Ended September 30,		(Unaudited) Nine Months Ended September 30,	
	→ 2008	→ 2007	2008	2007
Operating revenues	<u>\$177,098</u>	<u>\$165,491</u>	<u>\$467,132</u>	<u>\$453,416</u>
Net income	<u>\$ 35,380</u>	<u>\$ 29,518</u>	<u>72,253</u>	<u>70,103</u>
Basic net income per common share	<u>\$ → 0.26</u>	<u>\$ → 0.22</u>	<u>\$ 0.54</u>	<u>\$ 0.53</u>
Diluted net income per common share	<u>\$ 0.26</u>	<u>\$ 0.22</u>	<u>\$ 0.54</u>	<u>\$ 0.53</u>
Average common shares outstanding:				
Basic	<u>134,932</u>	<u>133,003</u>	<u>134,013</u>	<u>132,675</u>
Diluted	<u>135,279</u>	<u>133,834</u>	<u>134,423</u>	<u>133,527</u>

Aqua America, Inc. and Subsidiaries  
Consolidated Statements of Income and Comprehensive Income  
(In thousands, except per share amounts)  
(Unaudited)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Operating revenues	\$177,098	\$165,491	\$467,132	\$453,416
Cost & expenses:				
Operations and maintenance	66,743	67,069	196,193	190,698
Depreciation	22,809	21,065	64,909	61,657
Amortization	1,815	1,161	4,000	3,603
Taxes other than income taxes	11,157	10,849	34,111	33,596
Total	<u>102,524</u>	<u>100,144</u>	<u>299,213</u>	<u>289,554</u>
Operating income	74,574	65,347	167,919	163,862
Other expense (income):				
Interest expense, net	17,014	17,103	51,207	50,093
Allowance for funds used during construction	(976)	(655)	(3,032)	(2,118)
Gain on sale of other assets	(532)	(260)	(1,085)	(648)
Income before income taxes	59,068	49,159	120,829	116,535
Provision for income taxes	23,688	19,641	48,576	46,432
Net income	<u>\$ 35,380</u>	<u>\$ 29,518</u>	<u>\$ 72,253</u>	<u>\$ 70,103</u>
Net income	\$ 35,380	\$ 29,518	\$ 72,253	\$ 70,103
Other comprehensive income, net of tax:				

October 17, 2008

RECEIVED-FPSC

08 OCT 20 AM 10:15

STATE PUBLIC SERVICE CENTER  
08 OCT 20 AM 7:49

Office of Commission Clerk  
Florida Public Service  
Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FI 32399-0850

COMMISSION  
CLERK

Re: Docket #060368-WS

FPSC, CLK - CORRESPONDENCE		
<input type="checkbox"/> Administrative	<input type="checkbox"/> Parties	<input checked="" type="checkbox"/> Consumer
DOCUMENT NO. 06349-08		
DISTRIBUTION: ECR164		

To Whom it may Concern;

I am a resident of Palm Port, East Palatka, Florida (Putnam County) and have been since 1987. Our water and sewer is serviced by a private company AQUA UTILITIES FLORIDA , this is the latest owner.

We have been notified our rates are going up by more than 100%. I know they need an increase, due to the rising cost of everything. However, this is a bit much. I work for the State of Florida and have not had a raise in three years, but with 23 years of service it is hard to leave now. My point is no one can afford this kind of an increase. East Palatka, is putting in water and sewer to residents around us, and they will not be paying this kind of fee. When making your decision, please take into consideration this increase is unreasonable.

Thank you for your time.

*Patricia Strickland Smith*

Patricia Strickland Smith  
111 Orange Drive  
East Palatka, FI 32131

# AUSLEY & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

227 SOUTH CALHOUN STREET  
P.O. BOX 391 (ZIP 32302)  
TALLAHASSEE, FLORIDA 32301  
(850) 224-9115 FAX (850) 222-7560

July 22, 2008

HAND DELIVERED

RECEIVED FPSC  
08 JUL 22 PM 2:20  
COMMISSION  
CLERK

Ms. Ann Cole, Director  
Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Petition by Tampa Electric Company for Approval to Modify its Renewable Energy Program; Docket No. 080367-EG

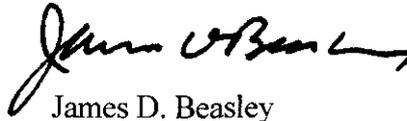
Dear Ms. Cole:

Enclosed for filing on behalf of Tampa Electric Company are the original and five copies of Tampa Electric's responses to Staff's Data Requests contained in Jean Hartman's letter of July 15, 2008.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to this writer.

Thank you for your assistance in connection with this matter.

Sincerely,



James D. Beasley

COM \_\_\_\_\_  
ECR \_\_\_\_\_  
GCL  IDB/pp  
OPC \_\_\_\_\_  
RCP \_\_\_\_\_ cc: Ms. Jean Hartman (w/enc.)  
SSC \_\_\_\_\_  
SGA \_\_\_\_\_  
ADM \_\_\_\_\_  
CLK \_\_\_\_\_

DOCUMENT NUMBER-DATE

06349 JUL 22 08

FPSC-COMMISSION CLERK

**TAMPA ELECTRIC COMPANY  
DOCKET NO. 080367-EG  
STAFF'S FIRST DATA REQUEST  
REQUEST NO. 1  
PAGE 1 OF 1  
FILED: JULY 22, 2008**

1. Please provide a list of TECO's current and planned company-owned renewable energy sources and the amount of energy produced from these sources.
  - A. Tampa Electric currently owns four photovoltaic ('PV') systems with a net capacity of 39.5 kW. In addition, the company owns a 30 kW microturbine, which was used to generate renewable energy from landfill gas. The microturbine was removed in 2007 after the landfill had matured such that the quantity and quality of the landfill gas no longer allowed the utilization of the site. Tampa Electric is presently seeking another renewable fuel to power this unit.

Future generation plans include a 15 kW PV system to be installed at the City of Tampa's Lowry Park Zoo. The company is moving forward with this working demonstration project in conjunction with Lowry Park Zoo and the University of South Florida for the purpose of producing renewable energy and providing a hands-on, interactive educational display for public awareness, education and the promotion of renewable energy.

The table below identifies the current and planned company-owned renewable energy sources along with the estimated annual energy produced.

Project Description	Fuel Type	Net Capacity (kW)	Estimated Annual Production (kWh)	In-Service Date
Museum of Science & Industry	Sun	18	24,552	Dec 2000
Walker Middle School	Sun	4	5,456	May 2004
Manatee Viewing Center	Sun	7	9,548	Nov 2006
Middleton High School	Sun	10.5	14,322	May 2007
Lowry Park Zoo	Sun	15	20,460	Planned 2009
	Total	54.5	74,338	

TAMPA ELECTRIC COMPANY  
DOCKET NO. 080367-EG  
STAFF'S FIRST DATA REQUEST  
REQUEST NO. 2  
PAGE 1 OF 1  
FILED: JULY 22, 2008

2. Does TECO purchase renewables from other providers for this program? If so, please list the source, type, amount, and price of such renewables?
- A. Yes. Tampa Electric makes incremental renewable energy purchases from other providers within its own service area as well as within the state of Florida. Purchases made from inception of program permanency in January 2007 through June 2008 are provided in the table below.

Source	Fuel Type	Amount of Energy (kWh)	Price of Energy
South Florida Biomass Facility	Biomass - Bagasse	30,297,000	\$762,359
Central Florida Landfill Gas Facility	Landfill Gas	417,000	\$22,614
Customer-owned PV Arrays	Sun	8,177	\$979
	Total	30,722,177	\$785,952

**TAMPA ELECTRIC COMPANY  
DOCKET NO. 080367-EG  
STAFF'S FIRST DATA REQUEST  
REQUEST NO. 3  
PAGE 1 OF 1  
FILED: JULY 22, 2008**

3. Please provide expense and revenue figures for the Renewable Energy Program from January 2007 to date.
  - A. Revenue from January 2007 through June 2008 totaled \$260,593. Expenses for the same time frame were \$176,720.

TAMPA ELECTRIC COMPANY  
DOCKET NO. 080367-EG  
STAFF'S FIRST DATA REQUEST  
REQUEST NO. 4  
PAGE 1 OF 1  
FILED: JULY 22, 2008

4. Have any maintenance costs accrued since the Renewable Program became permanent in December 2006? If so, please describe and list costs.
  - A. Tampa Electric performs maintenance on an as-needed basis. In 2006, the company spent \$21,689 for maintenance on the Museum of Science and Industry which was for inverter replacement, cleaning, wiring, and rust control. In 2007, the company performed maintenance of the landfill microturbine at a cost of \$17,150. Tampa Electric has not accrued maintenance expenses; however, based on historical costs for maintenance, the company earmarks approximately \$5,500 of its Commission approved deferred revenue per year for maintenance.

TAMPA ELECTRIC COMPANY  
DOCKET NO. 080367-EG  
STAFF'S FIRST DATA REQUEST  
REQUEST NO. 5  
PAGE 1 OF 1  
FILED: JULY 22, 2008

5. Are all the revenues received through the renewable energy program spent on the energy, administration fees, and marketing and advertising? Please provide detail on how these costs are spread amongst the categories.
- A. Yes. In Docket No. 060678-E, Order No. PSC-06-1063-TRF-EG, issued December 26, 2006, the Commission agreed that Tampa Electric should use excess revenues from the program toward investigating the potential of new renewable resources, efforts to increase program participation, reduction of monthly fees to participants, program administration, marketing, and continued education of customers on the attributes of renewable energy.

Expenses for the Renewable Energy Program are summarized below from the inception of the program in January 2001 through June 2008. Expenses in the energy category include the installation of PV arrays, the purchase of biomass for co-firing and incremental renewable energy purchases.

Energy	\$287,899
Administration	281,600
Advertising & Marketing	<u>135,785</u>
Total	<u>\$705,284</u>

**TAMPA ELECTRIC COMPANY**  
**DOCKET NO. 080367-EG**  
**STAFF'S FIRST DATA REQUEST**  
**REQUEST NO. 6**  
**PAGE 1 OF 1**  
**FILED: JULY 22, 2008**

6. Since removing the one year participation requirement pertains to residential customers as well, please provide a spreadsheet showing the average amount of energy purchased from residential customers on a per month basis since the Renewable Energy Program became permanent.

A. As discussed in response to Request No. 2, Tampa Electric makes periodic purchases from resources in its own service area as well as the state of Florida to supplement the renewable energy produced with its own resources. These purchases are made to secure enough energy to provide sustained quantities of renewable energy based on the consumption indicated in the table below. This table represents residential purchases only.

2007	Residential Customers	Blocks	Total Energy Purchased Monthly (kWh)	Average Energy Purchased Monthly per Customer (kWh)
Jan	1,471	1,867	373,400	254
Feb	1,491	1,964	392,800	263
Mar	1,497	1,988	397,600	266
Apr	1,512	2,008	401,600	266
May	1,516	2,026	405,200	267
Jun	1,597	2,138	427,600	268
Jul	1,712	2,285	457,000	267
Aug	1,744	2,351	470,200	270
Sep	1,903	2,577	515,400	271
Oct	2,076	2,763	552,600	266
Nov	2,166	2,852	570,400	263
Dec	2,331	3,036	607,200	260
2008				
Jan	2,579	3,327	665,400	258
Feb	2,748	3,427	685,400	249
Mar	2,973	3,706	741,200	249
Apr	3,100	3,842	768,400	248
May	3,121	3,752	750,400	240
Jun	3,102	3,837	767,400	247

TAMPA ELECTRIC COMPANY  
DOCKET NO. 080367-EG  
STAFF'S FIRST DATA REQUEST  
REQUEST NO. 7  
PAGE 1 OF 1  
FILED: JULY 22, 2008

7. Does TECO have any estimates about how much renewable energy would be purchased from the potentially new customers (residential and commercial) who inquired about making one time purchases?
  - A. Based on inquiries received by the company, Tampa Electric anticipates customer interest the first year for one time purchases will be minimal for residential customers and approximately 2,000 blocks for commercial customers. Inquiries to date have included the St. Pete Times Forum, Tampa's Convention Center, the NFL Super Bowl Committee and a few large, full service hotels. Other customers that have been identified as potential participants include the Florida State Fairgrounds, Ford Amphitheater, Hard Rock Hotel and other major hotels and conference centers in the company's area.

**TAMPA ELECTRIC COMPANY  
DOCKET NO. 080367-EG  
STAFF'S FIRST DATA REQUEST  
REQUEST NO. 8  
PAGE 1 OF 1  
FILED: JULY 22, 2008**

8. Is it possible that removing the one year requirement could have a negative effect on participation (residential and commercial) and revenues from the program, causing the program to once again not be self-sustaining? Please explain and provide any analyses conducted for this topic.
- A. Tampa Electric does not believe that removing the one year requirement could have a negative effect on participation. A review of the company's renewable energy customers indicates that Tampa Electric has experienced less than five percent of participating customers have requested to be removed from the program, mainly due to moving from the service area or economic hardship. With this level of sustainability, the company does not believe that there will be a negative impact due to this change. In addition, from a customer service and marketing perspective, Tampa Electric believes that removing this requirement will improve marketability of the program and in turn increase participation.