



Aqua Utilities Florida, Inc.
2228 Capital Circle NE, Ste. 2A
Tallahassee, FL 32308

December 2, 2010

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COMMISSION
CLERK

Katherine E. Fleming
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 100330-WS - Application for increase in water/wastewater rates in Alachua, Brevard, DeSoto, Hardee, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc. - Staff Fourth Data Request

Dear Ms. Fleming:

By this letter, Aqua Utilities Florida, Inc. (AUF or Company) provides its response to the Staff's Fourth Data Request.

1. Please provide a list of all wholesale water and wastewater service providers, the rates currently charged to AUF, and any rate changes that have occurred since January 1, 2008.

RESPONSE:

See Company's response to OPC Interrogatory No. 39.

2. Please detail the average amount of bad debt expense incurred by AUF from May 1, 2007 to April 30, 2008, May 1, 2008 to April 30, 2009, May 1, 2009 to April 30, 2010, and the bad debt expense to date. Please provide the details broken down by bands and stand alone systems. Also, provide a detailed description of the bad debt collection process and bad debt expense write-off process.

RESPONSE:

COM _____
 APA _____
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 CLK _____

Please see attached file Bad Debt Expense AUF only 2007-2008-2009-2010.xls which includes the bad debt information requested for AUF from May 1, 2007 to April 30, 2008, May 1, 2008 to April 30, 2009, May 1, 2009 to April 30, 2010, and the bad debt expense to date. The files are broken down by rate bands and stand alone systems. Also attached is file: Collections write off summary 2008.doc which provides a description of our bad debt collection process and write off process.

→ copy of Cd also fwd to B. Fletcher

DOCUMENT NUMBER: DATE
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An Aqua America Company
 www.aquautilitiesflorida.com

FPSC-COMMISSION CLERK

3. Please explain or describe all Third Party consulting and management services provided to AUF and its subsidiaries. As part of this response, please explain or describe whether these costs are charged directly or allocated.

RESPONSE:

See Company's response to OPC Request for Production of Documents No. 31.

4. Please provide the current customer counts for all AAI companies that are used to allocate costs.

RESPONSE:

The utility customer count for Aqua America, Inc. as of 12/31/2009 is the basis for the allocation currently being used for Aqua Services, Inc which includes the Service Company allocations and the Aqua Customer Operations (ACO). For the ACO customer allocations, the customer counts for 2010 include phase-ins for customers added to the Customer Information System (CIS) for Aqua Indiana, Inc. in May, 2010 and New York Water Service in October, 2010.

Please find the current customer count allocation worksheet on excel workbook "Cust counts-2010_Allocations.xls." Workbook tab "Aqua_serv_allocation" reflects the calculation for the Service Company allocation and tab "ACO_serv_allocation" reflects the calculation for the ACO allocation.

5. Please list any and all incentive and bonus program costs incurred by AAI and its subsidiaries, and whether these costs are charged directly or allocated.

RESPONSE:

Aqua Services, Inc.
Services Allocations - 5/1/2009 - 4/30/2010

IS CATEGORY	ACCT CAT	ACCOUNT	ACCOUNT_DESC	Data	
				Total	Alloc to FL
IS SERVICE	Labor	603820	WT-A & G Labor-Bonuses	\$ 1,083,546	\$ 33,766
		603830	WT-A & G Labor-Dividend Equiv	309,735	6,651
		603840	WT-A & G Labor-Stock Option Compensation	948,074	28,655
		603841	WT-A & G Restricted Stock Amortization	936,008	17,033
IS SERVICE Total				\$ 3,277,363	\$ 86,105

Aqua Services, Inc. - ACO
Services Allocations - 5/1/2009 - 4/30/2010

IS CATEGORY	ACCT CAT	ACCOUNT	ACCOUNT_DESC	Data	
				Total	Alloc to FL
ACO	Labor	603820	WT-A & G Labor-Bonuses	\$ 191,958	\$ 7,672
		603830	WT-A & G Labor-Dividend Equiv	16,247	650
		603840	WT-A & G Labor-Stock Option Compensation	129,817	5,205
		603841	WT-A & G Restricted Stock Amortization	7,306	289
ACO Total				\$ 345,328	\$ 13,816

Aqua America, Inc.
5/1/2009 - 4/30/2010

IS CATEGORY	ACCT CAT	ACCOUNT	ACCOUNT_DESC	Total	Direct to FL
		603841	WT-A & G Restricted Stock Amortization	\$ 836,064	\$ 6,337

6. Please detail any and all policies and procedures for AAI and its subsidiaries that are focused on achieving operational efficiencies.

RESPONSE:

Please see AUF's Phase II monitoring reports, which track customer service and call center efficiencies. In addition, AAI routinely monitors overall efficiency through O&M expense/Revenue ratios, as shown in the following 3Q 2010 monitoring report:

AQUA AMERICA, INC.

Efficiency Ratio -O&M expense / Revenue %

	YTD 9/30/2010.	YTD 9/30/2009
Pennsylvania	29.9%	31.3%
New Jersey	38.1%	42.4%
Maine	48.8%	51.8%
New York	37.1%	44.1%
Total Northeast	31.5%	33.4%
Ohio	41.4%	47.1%

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Illinois	39.6%	41.7%
Indiana	44.7%	45.4%
Missouri	68.8%	79.8%
Total Midwest	41.9%	45.2%
Texas	47.3%	46.9%
Florida	63.9%	67.9%
Virginia	50.8%	58.8%
North Carolina	58.9%	64.1%
South Carolina	83.5%	32.5%
Georgia	761.5%	n/a
Total South	54.3%	57.1%
Total Midwest and South	48.8%	51.7%
Aqua Resources	79.1%	80.9%
Consolidated	38.4%	40.8%

7. Please list any and all travel expense for AUF employees, including: the name of the employee, destination, dates of travel, reason for travel, and allocation method used to allocate the travel costs.

RESPONSE:

Please refer to the attached spreadsheet which contains the general ledger details for all travel expenses and a summary of those travel expenses by rate band for the test year May 2009 to April 2010.

8. Please provide the status of the server migration – VMware corporate IT project, including: invoices for the project, a list off all hardware retirements, and a detailed breakdown of all cost savings (i.e. reduced purchased power and associated overhead costs) including all increases in operational efficiencies.

RESPONSE:

The invoices for the VMware project are included on the CD attached to this response labeled “Staff Fourth Data Request.” Also attached is the project summary for the Florida portion of this project. With this project there were no asset retirements. The cost saving for maintenance are \$77,000 annually and for power approximately \$20,000 annually for the entire Aqua Service Company. Of this maintenance savings, \$65,000 was realized during the test year; therefore, these saving are already reflected in the test year charges from Aqua Service Company (management fees) to the states.

Another \$12,000 of annual savings are expected to be realized after the test year end date of 4/30/10. This additional savings of \$12,000.00 for all of Aqua Service results in an annual savings to AUF operations in this case of \$260.57. AUF did not include this savings in its pro forma filings because it did not include miscellaneous price increases to other Sundry matters subsequent to the test year in its pro forma filings. All power savings were realized prior to 5/1/09; therefore, those savings are again already reflected in the test year as are most of the maintenance savings discussed above.

9. Please provide a list of any and all AUF customers which receive separate bills for different classes of service that they receive, including the type of services they receive and the number of separate bills they are sent, for the test year and prior 24 month period. Also, please explain why the Utility has chosen to issue separate monthly bills instead of a single, combined monthly bill.

RESPONSE:

AUF has 241 customers who have this situation, that reside in the Fairways system. AUF is currently experiencing a migration of these customers from two meters to one meter. The customers in Fairways have two separate water services, one for potable and one for irrigation service. The customers currently receive a separate bill for the irrigation service.

The current billing system does not have the capability of providing two water accounts on one bill. If a customer does receive multiple bills they can include both bill stubs in one envelope with one check for both accounts.

Please acknowledge receipt of this filing by stamping the extra copy of this letter “filed” and returning the copy to me. Thank you for your assistance.

Sincerely,



Troy Rendell
Rates Manager

cc: Bruce May, Holland & Knight
Office of Commission Clerk
Charles Beck, Office of Public Counsel
Kimberly A. Joyce, Aqua America, Inc.