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

COMMISSION
CLERK

February 2, 2011

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 Sixteenth Data Request

Dear Ms. Fleming:

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

1. Please explain or describe whether AUF monitors for irregularities in billing that could signal a leak on the customer's side of the meter.

RESPONSE:

AUF does not perform monthly monitoring of irregularities in billing related to high consumption. High consumption complaints are handled on a case by case basis. If a leak is witnessed by an AUF employee, attempts are made to notify customers of possible leaks on their properties. Also, when a customer contacts a customer service representative (CSR), the CSR informs the customer of possible ways to detect leaks and how to check for possible leaks.

2. Please explain or describe whether the customer is responsible for all the leaks that occur on their side of the meter.

RESPONSE:

AUF does have a leak adjustment procedure. This procedure is attached hereto to this response. Upon verification the customer has repaired a leak on their side of the meter, through submitted documentation, a leak adjustment is calculated for a customer's account. This is based on fifty percent

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An Aqua America Company
www.aquautilitiesflorida.com

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(50%) of the difference in the consumption during the month with the leak and the average of three monthly billed consumption.

3. For leaks occurring on the customer's side of the meter, please explain or describe whether AUF has a policy for handling the leak adjustments.

RESPONSE:

Find attached hereto a copy of Aqua's customer leak adjustment procedure.

4. If the response to Question 3 is yes, please respond to the following:

- a. Please explain or describe AUF's policy for leak adjustments occurring on the customer's side of the meter.
- b. Please explain or describe whether the policy is in writing.
- c. If the response to 4b is positive, please provide the names of any and all documents in which the policy has been committed to writing.
- d. If the response to 4b is positive, please provide the pages (including the corresponding title pages) from the most current copies of each document in which AUF's leak adjustment policy is discussed.

RESPONSE:

- a. Yes, see attached document. For customer leaks, the customer is informed that documentation of the repair is required. Upon receipt and verification of the repair, Aqua analyzes the customer's average three month usage. An adjustment is calculated based upon fifty percent (50%) of the difference of the high usage (leak) and the next highest consumption. This calculated amount is then applied as an abatement to the customer's account.
 - b. Yes, see attached document.
 - c. See attached document.
 - d. See attached document
5. Please explain or describe whether AUF performs leak adjustments on customer's bills.
- a. If the response to 5 is yes, please provide, by county, for each month during the test year, both the number of leak adjustments and the resulting kgal adjustments made by the utility during the test year.
 - b. Please describe how the leak adjustment is made on AUF's books, both in terms of accounted for/unaccounted for water and revenues.

RESPONSE:

- a. Consumption amounts are not adjusted. When an abatement is received, the AUF controller books the abatement amount as a credit to revenues. This will reduce the revenue amount. However, no adjustments to consumption data are made. Therefore, the consumption amounts will reflect the actual amount that is recorded on the water meter. If adjustments were made to the gallons used in the test year, it would have the result of reducing the consumption amount and raise the gallonage charge proposed. Thus the customers are receiving a benefit by not reducing the consumption amount.
 - b. See answer to a, above.
6. If AUF does not have a policy for handling leak adjustments, please explain or describe how the utility handles leaks that occur on the customer's side of the meter.

RESPONSE:

Not applicable – see above responses.

7. Please explain or describe whether AUF provides any type of credit or adjustment to the customer's bill when a leak occur on the customer's side of the meter.

RESPONSE:

See response above. The calculated amount is applied to the customer's account as an abatement credit.

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
Patricia Christensen, Office of Public Counsel
Kimberly A. Joyce, Aqua America, Inc.

Leak Adjustments

A customer may request we make a credit adjustment to their bill because a water leak on the customer's side of the meter caused consumption that was higher than normal. We notify the customer they must have the leak repaired and provide us with a copy of the paid repair bill (or some documentation if they made the repair themselves) before a decision will be made. We will ask the customer to fax the repair bill to 1-866-780-8292.

Leak adjustments are granted on a case by case basis provided the customer has sent in proof of the repair being made. Adjustments are done on one month's highest bill only minus the base rate.

Example Below

One month's high bill	\$741.21
Base Rate	\$13.49
Total (Usage)	\$727.72

Average bill	\$26.49
Base Rate	\$13.49
Total (Usage)	\$13.00

Subtract the average bill from the high bill minus the base rate.

High bill	\$727.72
Average bill	\$13.00
Difference	\$714.72
50%	\$357.36

Average bills are determined by calculating the average of usage for a 3 month period.

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