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May 21, 2007

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Ms. Ann Cole, Director
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 110
Tallahassee, Florida 32399-0850

Re: Docket No. 060368-WS
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.

Dear Ms. Cole:

Attached to this electronic transmission please find the following documents for filing on behalf of Aqua Utilities, Florida, Inc., in the above-referenced docket:

Aqua Utilities Florida, Inc.'s Objections to OPC's Third Set of Interrogatories (Nos. 100-139) and Third Request for Production of Documents (Nos. 127-169)

Parties to this docket are being served by email and U.S. Mail as indicated on the certificate of service. As always, thank you for your assistance with this filing and please do not hesitate to contact me if you have any questions.

Sincerely,



Marsha E. Rule

MER/tc

May 21, 2007

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Cc:

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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: May 21, 2007

**AQUA UTILITIES FLORIDA, INC.'S OBJECTIONS
TO OPC'S THIRD SET OF INTERROGATORIES
(NOS. 100-139) AND THIRD REQUEST FOR
PRODUCTION OF DOCUMENTS (NOS. 127-169)**

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 OPC's Third Set of Interrogatories and Third 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.

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.

Specific Objections

A. OPC's 3rd Set of Interrogatories (Nos. 100-139)

Interrogatory No. 106:

For purposes of this request, please refer to the information provided in response to OPC Interrogatory 42. The information provided did not include acquired systems other than systems acquired in Florida. The interrogatory was not limited to just Florida companies but extended to all states in which Aqua America operates through its subsidiaries. Please provide the information as originally requested.

Objection: AUF objects on the grounds that this interrogatory is overly broad and unduly burdensome insofar as it requires information regarding systems outside Florida. In addition, depending on what is intended by this question, AUF reserves an objection to this interrogatory on the ground that the information sought is not reasonably calculated to lead to admissible evidence and requests information that constitutes proprietary confidential business information. Subject to and without waiving this objection, in response to this Interrogatory No. 106, AUF will identify the systems acquired by Aqua America, Inc. or any of its affiliates and the date of acquisition.

Interrogatory No. 110:

For purposes of this request please refer to the attachment provided in Company's response to OPC's Interrogatory 20.

- a. Please identify each affiliate that is not charged for the insurance costs and explain why these costs are not charged to each affiliate identified.
- b. Please explain what insurance-GL and insurance-WC stand for, and please explain why under insurance-WC, the total says bonuses.
- c. Please explain why auto insurance is allocated from Aqua America and what automobiles are being insured. Please provide the names and titles of the individuals that drive the automobiles and the reason for the use of the automobiles.
- d. Is the cost of the automobiles charged to AUF?
- e. If yes, please state the amount allocated to AUF by system for the years 2005 and as projected for 2006 and 2007 and the account the amounts are charged to.

Objection: AUF objects to Part (c) on the grounds that it is overly broad and vague in that there is no time frame indicated and it requests information for every automobile within Aqua America. Subject to and without waiving this objection, AUF will provide the names and assigned automobiles for Florida beginning in early 2006.

Interrogatory No. 121:

For purposes of this request, please refer to the information provided in response to OPC POD 35.

- a. Please explain why Aqua Services, Inc. has no Operating Revenues for 2004, 2005, and 2006.
- b. Please explain why Aqua Services, Inc. has negative Operations and Maintenance expenses for 2004, 2005, and 2006.
- c. Please explain why the Parent company has negative Operations and Maintenance, Depreciation, and Amortization expenses and positive taxes other than income taxes for 2004, 2005, and 2006.
- d. Please state by non-regulated company the cash flows from operating activities that are captured in the category "Other" for 2004, 2005, and 2006.
- e. Please explain the purchase or sale of fixed assets by Aqua Services, Aqua Resources, and Aqua America, Inc., for 2004, 2005, and 2006. In particular, please explain what assets were purchased or sold, when they were purchased or sold, if the sold assets were included in rate base in any fashion, and the net gain, after tax, of any assets sold.
- f. Please explain what gave rise to the cash flows from investing activities captured in the description "Other" by Aqua America, Inc. for 2006.
- g. Please explain why SES does not have any property, plant, and equipment for 2004, 2005, and 2006.
- h. Please explain why Aqua America, Inc. has negative utility plant in service for 2004, 2005, and 2006.
- i. Please explain by non-regulated company what encompasses the balance sheet category Trade for each of the years provided.
- j. Please explain what is included in other assets shown on Aqua America's balance sheet.

Objection: AUF objects to Part (e) on the grounds that it is overly broad. Subject to and without waiving this objection, in response to this Interrogatory No. 121, AUF will provide the information as it relates to Florida.

Interrogatory No. 134:

For the purposes of this request, please refer to the response to OPC POD 2. For each adjustment shown in this spreadsheet, please explain how the adjustment increase or decreased NOI.

Objection: AUF requests clarification as to which spreadsheet the question refers to.

Interrogatory No. 129:

Provide all costs included in the 2005, projected 2006, and projected 2007 test years associated with employee relocations. Identify the amount of employee relocations costs incurred by the Company for the years 2003 and 2004. Please identify all employee relocations and where the employees were relocated from. To the extent that employee relocations expenses are a result of allocations from any Aqua affiliate, please identify the affiliate and the amount charged to the Company.

Objection: AUF objects to the interrogatory as overly broad. Without waiving this objection, in response to this Interrogatory No. 129, AUF will provide the information as it relates to Florida and to the extent that employee relocation expenses are a result of allocations from any Aqua affiliate, will identify the affiliate and the amount charged to the Company.

B. OPC's 3rd Request for Production (Nos. 127-169)

Document Request No. 128:

To the extent not previously provided, please provide the workpapers, calculations, and other necessary documents that would allow an individual to recompute the amounts allocated to AUF by each and every affiliate, for each of the test years 2005 and as projected for 2006 and 2007. The information provided should allow one to recompute the allocation factors and redistribute all costs that have been charged to AUF by Aqua Services any other affiliate that charges costs to AUF. The information provided should allow one to recompute allocations and then carry any associated adjustments, by system, to the expense and rate base items included in the instant rate proceeding. To the extent the Company has provided the requested information, please identify where it has been provided.

Objection: AUF objects to this request to the extent it requires the Company to prepare information in a particular format or perform calculations, studies or analyses not previously prepared or performed. The information requested is not available in Excel format nor can the Company provide the information to allow one to recompute the allocation factors and redistribute costs off site.

Document Request No. 130:

For purposes of this request, please refer OPC Interrogatory 27. The response provided did not include the requested information in electronic spreadsheet format with all formulas and links intact. Please provide the electronic spreadsheet with all formulas and links intact of Attachment 27.

Objection: AUF objects to this request to the extent it requires the Company to prepare information in a particular format or perform calculations, studies or analyses not previously prepared or performed. The information requested is not available in Excel format nor can the Company provide the information to allow one to recompute the data off site.

Document Request No. 133:

For purposes of this request, please refer to General Ledger Allocations Training Manual in response to OPC POD 10, Page 5 of 10. Please provide a list by system, of activities employees billed to each system and the amounts booked for 2005 and 2006. Also provide the accounts those expenses were booked to. Please provide the requested information in electronic spreadsheet format with all formulas and linked files intact.

Objection: AUF objects to this request to the extent it requires the Company to prepare information in a particular format or perform calculations, studies or analyses not previously prepared or performed. Subject to and without waiving this objection, the Company will provide a list of activities employees billed; however the list is not by system.

Document Request No. 134:

For purposes of this request, please refer to General Ledger Allocations Training Manual in response to OPC POD 10, Page 8 of 10. Please provide copies of the reports providing backup support for the charges that are allocated to the states. Please provide the requested information in electronic spreadsheet format with all formulas and linked files intact for the years 2004, 2005, and 2006.

Objection: AUF objects to this request to the extent it requires the Company to prepare information in a particular format or perform calculations, studies or analyses not previously prepared or performed.

Document Request No. 143:

Please provide by general ledger account the total amounts charged directly and allocated by Aqua Services, Inc., to each Aqua system for the years 2004, 2005, 2006 and 2007 to-date, and as projected for 2006 and 2007. Please provide the requested in electronic spreadsheet format (i.e. Excel spreadsheet) with all formulas and linked files intact.

Objection: AUF objects to this request to the extent it requires the Company to prepare information in a particular format or perform calculations, studies or analyses not previously prepared or performed.

Document Request No. 153:

For purposes of this request, please refer to the Company's response to OPC Interrogatory 21. Please provide all documents and workpapers (in electronic spreadsheet format with all formulas and links intact) in your possession, custody or control, which demonstrate that the overhead and common costs associated with providing services to these contract companies have been appropriately assigned.

Objection: AUF objects to this request as being vague and ambiguous and requests clarification as to the information being requested.

Respectfully submitted this 21st day of May, 2007.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished by email and by U. S. Mail this 21st day of May, 2007 to the following:

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A handwritten signature in black ink, appearing to read 'W. P. ...', written over a horizontal line.

Attorney