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STATE OF FLORIDA



Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
(850) 413-6046

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COMMISSION
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Public Service Commission

August 4, 2011

Mr. D. Bruce May, Jr.
Holland & Knight LLP
315 South Calhoun Street, Suite 600
Tallahassee, Florida 32301

Re: Docket No. 110226-WS – Application for Increase in Water and Wastewater Rates by Aqua Utilities Florida, Inc. for Chuluota Systems in Seminole County

Dear Mr. May:

The Florida Public Service Commission received your July 15, 2011, letter regarding a proposed rate case by Aqua Utilities Florida, Inc. (AUF or Utility) for its Chuluota systems in Seminole County. In that letter, AUF requested to use a historical test year ended March 31, 2011, for establishing final rates.

Because you did not request to process this filing using the Proposed Agency Action (PAA) process, the Utility's application will be scheduled directly for a formal hearing. Pursuant to Rule 25-30.430, Florida Administrative Code (F.A.C.), AUF's test year request as outlined above is hereby approved for purposes of filing its Minimum Filing Requirements (MFRs). Since this case will be set directly for hearing, AUF's pre-filed direct testimony must be filed with the MFRs pursuant to Rule 25-30.436(2), FAC. Docket No. 110226-WS has been assigned to the forthcoming case. Your petition will be deemed filed on the date the Office of Commission Clerk receives the complete petition, the MFRs, pre-filed direct testimony and the filing fee. To process this case expeditiously, we request that you file the above no later than October 7, 2011.

Please note that many schedules included in the MFRs are designed with a column titled "Balance Per Books." This column must reflect the balances on the general ledger and be reconciled with the balances reported in the Utility's Annual Report on file with the Commission. This requirement is applicable to all primary account balances as required by the NARUC Uniform System of Accounts. Pursuant to Rule 25-30.110(2), F.A.C., all data the Commission requests and requires to be submitted in determining a utility's rates "shall be consistent with and reconcilable with the utility's annual report to the Commission."

In addition, AUF should satisfactorily document that it has recorded all adjustments to the Utility's general ledger and accounts that have been ordered by the Commission in any prior proceeding relating to these systems. If adjustments were ordered for prior periods that have an

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impact on subsequent years, the related adjustments shall also be made to reflect the impact for the appropriate period up to and including the approved test year. Further, AUF should be prepared to justify its requested test year operation and maintenance expenses, particularly those which have increased above the level of customer growth and inflation for the year ended five years prior to the test year.

The Utility is instructed to file all information it wishes the Commission to consider when arriving at a decision on its rate case application with its original filing. Because of the time limitations contained in Section 367.081, F.S., and the lengthy auditing and investigation required, the Commission may disregard any information not filed with the original application. Approval of the test year for filing purposes does not mean that an issue regarding the appropriateness of the test period could not be raised at any time during the proceeding. If you have any questions, please contact Bart Fletcher at (850) 413-7017 or bart.fletcher@psc.state.fl.us.

Sincerely,



Art Graham
Chairman

AG/bf:jd

cc: Mr. J.R. Kelly, Office of Public Counsel
Mr. Charles Hill, Deputy Executive Director
Mr. S. Curtis Kiser, General Counsel
Division of Economic Regulation (Willis, Bulecza-Banks, Maurey, Stallcup, Fletcher, Cicchetti, Daniel)
Office of Auditing and Performance Analysis (Prestwood)
Office of the General Counsel (Crawford)
Office of Commission Clerk (Docket No. 110226-WS)