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October 17, 2008

VIA HAND DELIVERY
COMMISSION CLERK
08 OCT 17 PM 12:24
RECEIVED-FPSC

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

Re: *In Re: Application for increase in water and wastewater rates in Alachua, Brevard, DeSoto, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc., Docket No. 080121-WS*

Dear Ms. Cole:

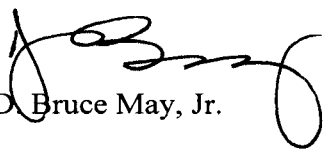
On behalf of Aqua Utilities Florida, Inc. ("AUF"), enclosed for filing are an original and seven copies of AUF's Supplemental Responses to Audit Control No. 08-093-1-1, which includes responses to Findings 1 through 3. AUF filed responses to Findings 4 through 19 on October 14, 2008.

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.

COM _____
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:kjg
Encls.

Sincerely,

HOLLAND & KNIGHT LLP


D. Bruce May, Jr.

cc: Ralph Jaeger, Esq. (w/enc.)
Katherine Fleming, Esq.
Caroline Klancke, Esq.
Erik Sayler, Esq.
Denise Vandiver (w/enc.)
Charles Beck, Esq. (w/enc.)
Cecilia Bradley, Esq. (w/enc.)
Kimberly A. Joyce, Esq.

DOCUMENT NUMBER DATE
09900 OCT 17 08
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for increase in water and)
wastewater rates in Alachua, Brevard, DeSoto,) DOCKET NO. 080121-WS
Highlands, Lake, Lee, Marion, Orange,)
Palm Beach, Pasco, Polk, Putnam,) FILED: October 17, 2008
Seminole, Sumter, Volusia, and Washington)
Counties by Aqua Utilities Florida, Inc.)
_____)

AQUA UTILITIES FLORIDA, INC.'S
SUPPLEMENTAL RESPONSE TO STAFF AUDIT REPORT
(Findings 1, 2 and 3)

Aqua Utilities Florida, Inc. ("AUF"), files its Supplemental Response to Findings 1 through 3 of Staff's Audit Report dated September 18, 2008.¹

RESPONSE

Audit Finding No. 1

Response:

LAKE SUZY - WATER

AUF acquired the Lake Suzy system in 2003, and does not possess detailed supporting documentation of investments for periods prior to its ownership, which includes years 1997 and 1998. Lake Suzy was regulated by Desoto County during 1997 and 1998, and there were no annual report filing requirements during that period. Annual Reports would have shown details of rate base activity during 1997 and 1998.

AUF disagrees with the wholesale exclusion of investments made in 1997 and 1998, and furthermore disagrees with the adjustment amounts proposed in this finding for the following reasons:

The proposed reduction to UPIS in the amount of \$534,219 is incorrect because it represents UPIS balances since the last established rate base (June 30, 1999) plus additions through the acquisition in 2003, not just from years 1997 and 1998. Although AUF believes that it previously provided the auditors with all documents responsive to their specific requests, AUF is now supplying the auditors with additional information for all relevant periods. The actual UPIS additions for years 1997 and 1998 were \$190,351. Therefore, AUF believes the maximum UPIS reduction that should appear in this finding is \$190,351.

¹ AUF filed its Response to Findings 4 – 19 on October 14, 2008.

DOCUMENT NUMBER DATE
09900 OCT 17 8
FPSC-COMMISSION CLERK

The proposed reduction to Accumulated Depreciation in the amount of \$108,901 is incorrect because it also represents Accumulated Depreciation balances since the last established rate base (June 30, 1999) plus additions through the acquisition in 2003, not just from years 1997 and 1998. The actual Accumulated Depreciation reduction for years 1997 and 1998 was \$36,122. Therefore, AUF believes the maximum Accumulated Depreciation reduction in this finding should be \$36,122.

The Depreciation Expense reduction in the finding is also incorrectly stated as \$10,229, since it is based upon the incorrect reduction to UPIS balances. Depreciation expense needs to be adjusted downward to reflect the revised UPIS reduction. Based on the Company's response to the proposed reduction in UPIS, the Depreciation Expense reduction should be approximately \$3,650.

The proposed reduction to CIAC in the amount of \$137,077 is incorrect because it represents CIAC balances since the last established rate base (June 30, 1999) plus additions through the acquisition in 2003, not just from years 1997 and 1998. The actual CIAC reduction for years 1997 and 1998 was \$189,596. Therefore, AUF believes the maximum CIAC reduction in this finding should be \$189,596.

The proposed reduction to Accumulated Amortization of CIAC in the amount of \$8,891 is incorrect because it also represents Accumulated Amortization of CIAC balances since the last established rate base (June 30, 1999) plus additions through the acquisition in 2003, not just from years 1997 and 1998. The actual Accumulated Amortization of CIAC reduction for years 1997 and 1998 was \$14,595. Therefore, AUF believes the maximum Accumulated Amortization of CIAC reduction in this finding should be \$14,595.

EFFECT ON THE GENERAL LEDGER IF THE FINDING IS ACCEPTED: While AUF disagrees with the proposed adjustments, based on the revised data presented above, the following journal entries would be needed to adjust the utility general ledger balances as of December 31, 2007.

NARUC			
Acct. No	Account Description	Debit	Credit
108	Accumulated Depreciation	\$ 36,122	
271	CIAC	\$189,596	
439	Adjustments to Retained Earnings		\$ 20,772
272	Accumulated Amortization of CIAC		\$ 14,595
101	UPIS		\$190,351

EFFECT ON THE FILING IF THE FINDING IS ACCEPTED: The Account 101 Plant in Service year end balance would be reduced by \$190,351, Account 108 Accumulated Depreciation year end balance would be reduced by \$36,122, Account 271 Contributions in Aid of Construction year end balance would be reduced by \$189,596, Account 272 Accumulated Amortization of CIAC year end balance would be reduced by \$14,595. A related adjustment would also be made to the 13-month averages.

Audit Finding No. 2**Response:****LAKE SUZY - WASTEWATER**

AUF acquired the Lake Suzy system in 2003, and does not possess detailed supporting documentation of investments for periods prior to its ownership, which includes years 1997 and 1998. Lake Suzy was regulated by Desoto County during 1997 and 1998, and there were no annual report filing requirements during that period. Annual reports would have shown details of rate base activity during 1997 and 1998.

AUF disagrees with the wholesale exclusion of investments made in 1997 and 1998, and furthermore disagrees with the adjustment amounts proposed in this finding for the following reasons:

The proposed reduction to UPIS in the amount of \$1,119,520 is incorrect because it represents UPIS balances since the last established rate base (June 30, 1999) plus additions through the acquisition in 2003, not just from years 1997 and 1998. The actual UPIS additions for years 1997 and 1998 were \$504,909. Therefore, AUF believes the maximum UPIS reduction that should appear in this finding is \$504,909.

The proposed reduction to Accumulated Depreciation in the amount of \$359,506 is incorrect because it also represents Accumulated Depreciation balances since the last established rate base (June 30, 1999) plus additions through the acquisition in 2003, not just from years 1997 and 1998. Although AUF believes that it previously provided the auditors with all documents responsive to their specific requests, AUF is now supplying the auditors with additional information for all relevant periods. The actual Accumulated Depreciation reduction for years 1997 and 1998 was \$46,122. Therefore, AUF believes the maximum Accumulated Depreciation reduction in this finding should be \$46,122.

The Depreciation Expense reduction in the finding is also incorrectly stated as \$36,147, since it is based upon the incorrect reduction to UPIS balances. Depreciation Expense needs to be adjusted downward to reflect the revised UPIS reduction. Based on the Company's response to the proposed reduction in UPIS, the Depreciation Expense reduction should be approximately \$16,300.

The finding did not include a proposed reduction to CIAC. A significant portion of the proposed reduction in plant additions resulted from contributed property. Therefore, any adjustment to plant additions must be accompanied by an adjustment to CIAC. For the reasons stated above, AUF does not possess supporting documentation for CIAC activity in years 1997 and 1998. The actual increase in CIAC for years 1997 and 1998 was \$733,536. Therefore, AUF believes the maximum CIAC reduction in this finding should be \$733,536.

The finding did not include a proposed reduction to Accumulated Amortization of CIAC. For the reasons stated above, AUF does not possess supporting documentation for CIAC activity in years 1997 and 1998. The actual reduction in Accumulated Amortization of CIAC for years 1997 and 1998 was \$52,113. Therefore, AUF believes the maximum Accumulated Amortization of CIAC reduction in this finding should be \$52,113.

EFFECT ON THE GENERAL LEDGER IF THE FINDING IS ACCEPTED:

While AUF disagrees with the proposed adjustments, based on the revised data presented above, the following journal entries would be needed to adjust the utility general ledger balances as of December 31, 2007.

NARUC			
<u>Acct. No</u>	<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
108	Accumulated Depreciation	\$ 46,122	
271	CIAC	\$733,536	
272	Accumulated Amortization of CIAC		\$ 52,113
439	Adjustments to Retained Earnings		\$222,636
101	UPIS		\$504,909

EFFECT ON THE FILING IF THE FINDING IS ACCEPTED: The account 101 Plant in Service year end balance would be reduced by \$504,909, Account 108 Accumulated Depreciation year end balance would be reduced by \$46,122, Account 271 CIAC would be reduced by \$733,536 and Account 272 Accumulated Amortization of CIAC would be reduced by \$52,113. A related adjustment would also be made to the 13-month averages.

Audit Finding No. 3 - ROSALIE OAKS – WATER/WASTEWATER & VILLAGE WATER – WATER/WASTEWATER

Response:

Summary

The Company acknowledges filing Original Cost Studies for the Rosalie Oaks Water and Wastewater and Village Water- Water and Wastewater systems. The Original Cost Studies were requested by the Florida Public Service Commission Auditors during 2006, at the time of the previous rate case. The four Original Cost Studies were filed with the Auditors in 2006 as a reply to the Audit report and also in 2008 as a reply to discovery questions in the present rate case. In both cases, the Company clearly communicated that variances between the Original Cost Study balances and AUF general ledger balances for these systems were not recorded by AUF on the books and records of the Company. Instead, AUF maintained the “as booked” general ledger amounts, which in all cases were lower than the balances included in the Original Cost Studies (Studies).

The schedule included in the audit report compares the 12/31/07 as booked UPIS balances (excluding allocations) to the 12/31/04 (Rosalie Oaks) and 12/31/05 (Village Water) Original Cost Study balances. It appears the audit assumed that the higher balances from the Studies were recorded on the books and records of the Company. Since the higher balances from the Original Cost Studies were not recorded, the audit finding schedule is based on an incorrect starting balance for UPIS, and compares year end balances at two different points in time, both of which are invalid for purposes of evaluating the Company's filing.

Rosalie Oaks – Water & Wastewater

See Attachment 1 for supporting documentation for the Rosalie Oaks – Water and Wastewater Original Cost Studies. Note again that AUF did not record these balances in the AUF general ledgers. (AUF also notes that there is a difference between the “Booked Cost” amounts as of December 31, 2005 on page 1 of Attachment 2 for Water (\$79,987) and Wastewater (\$52,360), and the 12/31/05 balances for Water (\$78,904) and Wastewater (\$51,278) on page A-4, 2 of 2 in the MFR (Attachment 2, page 5). The differences represent allocated plant balances of \$1,083 and \$1,082, respectively, that are included in the original cost study amount but are not included in the MFR; and are therefore not pertinent to the evaluation of the Company's filing

Village Water – Water

Attachment 2, Pages 1, 3 and 4 of 5 are provided as a response to the statement in this finding that, “there was no available source documentation”. (AUF also notes that there is a \$758 difference between the “As booked” amount of \$101,628 as of December 2004 on page 1 of Attachment 2 and the 12/31/04 balance of \$102,386 on page A-4, 2 of 2 in the MFR (Attachment 2, page 5), representing the amount of land included in the MFR and excluded in the Study.)

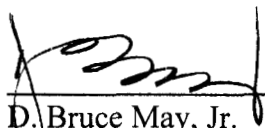
Village Water - Wastewater

Attachment 2, pages 2, 3, and 4 of 5 are provided as a response to the statement in this finding that, “there was no available source documentation.” (AUF also notes that the “As booked” amount as of December 2004 on Attachment 2 page 2 agree within \$1 rounding to the 12/31/04 balance on page A-4, 2 of 2 in the MFR (Attachment 2 page 5.)

EFFECT ON THE GENERAL LEDGER IF THE FINDING IS ACCEPTED: This finding is inaccurate. As previously stated, AUF did not record the higher plant values from the Original Cost Studies. The “Booked Cost” and “As booked” values as of December 31, 2004 shown on Attachment 1, page 1 and Attachment 2, pages 1 and 2, agree to the applicable MFR schedules for these systems, with minor exceptions as noted above.

EFFECT ON THE FILING IF THE FINDING IS ACCEPTED: This finding is not applicable to the AUF filing, and should not affect the “as filed” values presented by AUF. Respectfully submitted this 17th day of October, 2008.

HOLLAND & KNIGHT LLP



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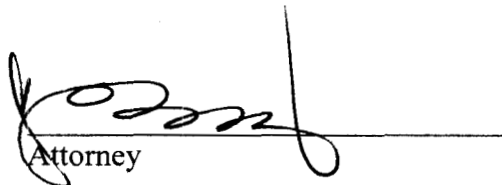
-and-

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Attorneys for Aqua Utilities Florida, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was furnished by hand delivery to **Charles Beck, Esq., Office of Public Counsel**, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400; **Ralph Jaeger, Katherine Fleming, Caroline Klancke and Erik Sayler, Esq., Office of General Counsel, Florida Public Service Commission**, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, and to **Cecilia Bradley, Esq., Office of the Attorney General**, The Capitol-PL01, Tallahassee, FL 32399-1050, this 17th day of October, 2008.



Attorney

Aqua Utilities Florida, Inc.
 Rosalie Oaks Water & Sewer - Original Cost Calculations

Water

Account Number	Account Description	Asset Description	Installation Date	Pricing	Pricing Unit	Quantity	Pricing Year	Cost	Pricing Index 2005	Pricing Index Original	Index Ratio	Original Cost 2005
302.1	Franchises and consents	Franchises and consents	1999	\$ 251	EA	1	1999	\$ 251		Original Cost	1.00	\$ 251
303.3	Land and Land Rights	Treatment	1999	\$ 4,022	EA	1	1999	\$ 4,022		Original Cost	1.00	\$ 4,022
309.2	Supply Mains	Plant Piping	2003	\$ 4,500	EA	1	2003	\$ 4,500		Original Cost	1.00	\$ 4,500
304.3	Structures & Improvements Treat	Facility	2003	\$ 11,060	EA	1	2004	\$ 11,060		Original Cost	1.00	\$ 11,060
311.2	Pump Equipment	Pump CL2, Sterner P1000, 85MH-IP17	2003	\$ 3,973	EA	1	2003	\$ 3,973		Original Cost	1.00	\$ 3,973
311.4	Pump Equipment	Motors: 25 hp	1999	\$ 5,014	EA	1	1999	\$ 5,014		Original Cost	1.00	\$ 5,014
320.3	Water Treatment Equipment	Pump, Chemical Feed Sterner, 85MH	2002	\$ 1,018	EA	1	2002	\$ 1,018		Original Cost	1.00	\$ 1,018
330.4	Dist. Reservoirs and Standpipes	Hydropneumatic Tank	2002	\$ 12,500	EA	1	2005	\$ 12,500		Original Cost	1.00	\$ 12,500
331.4	T&D Mains	2" PVC	2003	\$ 22	LF	600	2005	\$ 13,200	270	242	0.90	\$ 11,831
331.4	T&D Mains	4" PVC	2003	\$ 28	LF	850	2005	\$ 23,800	270	242	0.90	\$ 21,332
331.4	T&D Mains	6" PVC	2003	\$ 36	LF	220	2005	\$ 7,920	270	242	0.90	\$ 7,099
331.4	T&D Mains	8" PVC	2003	\$ 45	LF	1,000	2005	\$ 45,000	270	242	0.90	\$ 40,333
333.4	Services	1" Service	2003	\$ 950	EA	92	2005	\$ 87,400	412	360	0.87	\$ 76,369
334.4	Meters	3/4" Residential	2003	\$ 285	EA	92	2005	\$ 26,220	328	310	0.95	\$ 24,781
335.4	Hydrants	Hydrants	2003	\$ 2,800	EA	4	2005	\$ 11,200	584	553	0.95	\$ 10,605
Total								\$ 257,078				\$ 234,688
Booked Cost as of 12/31/05												\$ 79,987
Difference												\$ 154,701

Sewer

Account Number	Account Description	Asset Description	Installation Date	Pricing	Pricing Unit	Quantity	Pricing Year	Cost	Pricing Index 2005	Pricing Index Original	Index Ratio	Original Cost 2005
352.1	Franchises and consents	Franchises and consents	2003	\$ 251	EA	1		\$ 251		Original Cost	1.00	\$ 251
354.2	Structures & Improvements	Site Improvements & Electric Service	2001	\$ 5,500	EA	1		\$ 5,500		Original Cost	1.00	\$ 5,500
361.2	Collection Sewers - Gravity	8" Gravity Main	2003	\$ 56	LF	4,300		\$ 240,800	430	375	0.87	\$ 210,000
361.2	Collection Sewers - Gravity	Manholes	2003	\$ 2,200	EA	13		\$ 28,600	430	375	0.87	\$ 24,942
363.2	Services	Services	2003	\$ 1,800	EA	92		\$ 165,600	412	360	0.87	\$ 144,699
371.3	Pumping Equipment	Starter, Motor Square "D", Size 1, 3 Pt	2002	\$ 8,963	EA	1		\$ 8,963		Original Cost	1.00	\$ 8,963
380.4	Treatment & Disposal Equipment	Blower and Blower Motor	1999	\$ 7,842	EA	1		\$ 7,842		Original Cost	1.00	\$ 7,842
389.4	Other Plant & Misc Equipment	Aeration Blowers & Switches	2004	\$ 8,963	EA	1		\$ 8,963		Original Cost	1.00	\$ 8,963
Total								\$ 466,519				\$ 411,160
Booked Cost as of 12/31/05												\$ 52,360
Difference												\$ 358,800

Aqua America
 Detailed Asset Listing of Aqua Florida Assets (excluding Sarasota and Ft Water and Sewer)
 As of 12/31/04

Acct#	Utility Account	Major location	quant	Property Group	long description	year	Retirement Unit	accum cos	work order number
302 1	30210 - Franchises and consents	Rosalie Oaks - Water	1	Unclassified	1999 Opening Balance	2003	Unclassified	251.00	
303 3	30330 - Land & Land Rights - Treat	Rosalie Oaks - Water	1	Unclassified	1999 Opening Balance	2003	Unclassified	4,022.00	
304 3	30430 - Struct and Imp - Treat	Rosalie Oaks - Water	1	Unclassified	1999 Opening Balance	2003	Unclassified	11,061.00	
309 2	30920 - Supply Mains	Rosalie Oaks - Water	1	Unclassified	1999 Opening Balance	2003	Unclassified	4,500.00	
311 2	31120 - Pumping Equip - Source	Rosalie Oaks - Water	1	Unclassified	1999 Opening Balance	2003	Unclassified	3,757.00	
320 3	32030 - Water Treatment Equipment	Rosalie Oaks - Water	1	Unclassified	1999 Opening Balance	2003	Unclassified	778.00	
333.4	33340 - Services	Rosalie Oaks - Water	1	Unclassified	1999 Opening Balance	2003	Unclassified	850.00	
340 5	34050 - Office Furniture and Equip	Rosalie Oaks - Water	1	Unclassified	1999 Opening Balance	2003	Unclassified	129.00	
304 3	30430 - Struct and Imp - Treat	Rosalie Oaks - Water	1	Site improvements	FENCE AT PLANT ROSALIE OAKS	2004	Fence or Well system	14,892.64	3365500802
334 4	33440 - Meters and Installations	Rosalie Oaks - Water	1	Unclassified	Meters CIAC	2003	Unclassified	-800.00	
333 4	33340 - Services	Rosalie Oaks - Water	1	Unclassified	Services CIAC	1999	Unclassified	-1,400.00	
333 4	33340 - Services	Rosalie Oaks - Water	1	Unclassified	Services CIAC	2001	Unclassified	-1,000.00	
333.4	33340 - Services	Rosalie Oaks - Water	1	Unclassified	Services CIAC	2005	Unclassified	-50.00	
311.2	31120 - Pumping Equip - Source	Rosalie Oaks - Water	1	Water Treatment Equipment	Pump CL2, Stenner P1000, 85MHP17,sfr	2001	Water Treatment Equipment	216.37	CX001780311
311.4	31140 - Pumping Equip - T & D	Rosalie Oaks - Water	1	Pumping Equipment	Motors: 25 hp	1999	Motors:	5,014.24	Z3211WT8
320.3	32030 - Water Treatment Equipment	Rosalie Oaks - Water	1	Water Treatment Equipment	Pump, Chemical Feed Stenner, 85MHP1	2002	Water Treatment Equipment	240.41	CX003009320
330.4	33040 - Distr Reserv and Standpipes	Rosalie Oaks - Water	1	Collect / Impound Reservoirs	Repipe from Well to Hydrotank	2002	Equipment :	4,660.00	CX001862309
333.4	33340 - Services	Rosalie Oaks - Water	2	Services - Water	Services .	2001	Services :	2,027.02	CX000942393
324.4	32440 - Meters and Installations	Rosalie Oaks - Water	1	Meters and Installations -Water	Meters, customer consumption: Size 3/4 i	1999	Meters, customer consumption: S	86.39	Z3211WT8
325.4	32540 - Hydrants	Rosalie Oaks - Water	2	Hydrants	Hydrants .	2001	Hydrants :	6,454.19	CX000927335
352.1	35210 - Franchise	Rosalie Oaks - Sewer	1	Unclassified	1999 Opening Balance	2003	Unclassified	251.00	
371.3	37130 - Pumping Equip - Pumping	Rosalie Oaks - Sewer	1	Unclassified	1999 Opening Balance	2003	Unclassified	2,379.00	
380.4	38040 - Treat & Disp Equip - Disp	Rosalie Oaks - Sewer	1	Unclassified	1999 Opening Balance	2003	Unclassified	1,839.00	
390.7	39070 - Office Furn and Equip	Rosalie Oaks - Sewer	1	Unclassified	1999 Opening Balance	2003	Unclassified	31.00	
399.5	39950 - Other Misc Plant - Treat	Rosalie Oaks - Sewer	2	Miscellaneous power plant equipm	AERATION BLOWERS & SWITCHES RC	2004	Other Miscellaneous Plant :	12,391.77	33638614507
398.7	39870 - Other Tangible Property	Rosalie Oaks - Sewer	1	General equipment	PREPARE O&M MANUAL ROSALIE OAK	2004	Other Tangible Property :	2,844.41	33656226002
361.2	36120 - Collection Sewers - Gravity	Rosalie Oaks - Sewer	1	Outfall Sewer Lines	Sewer lateral	2003	Piping (general)	1,769.76	99123407961
354.2	35420 - Struct & Improv - Collect	Rosalie Oaks - Sewer	1	Site improvements	Site Improvement;	1999	Site Improvement	3,567.39	Z3211WWW8
354.2	35420 - Struct & Improv - Collect	Rosalie Oaks - Sewer	1	Structures	Electric Service	2002	Site Improvement	1,932.47	CX003259354
354.2	35420 - Struct & Improv - Collect	Rosalie Oaks - Sewer	1	Structures	Electric Service	1999	Site Improvement	-1,800.00	
354.2	35420 - Struct & Improv - Collect	Rosalie Oaks - Sewer	1	Structures	Electric Service	2003	Site Improvement	-900.00	
361.2	36120 - Collection Sewers - Gravity	Rosalie Oaks - Sewer	60	Collections Sewers - Gravity	Piping (By Size), Diameter 06;	2001	Piping (By Size): Diameter 06;	7,484.40	CX001666361
361.2	36120 - Collection Sewers - Gravity	Rosalie Oaks - Sewer	5	Collections Sewers - Force	Pipe, PVC 6"	2002	Piping (By Size): Diameter 06;	1,066.94	CX003010381
361.2	36120 - Collection Sewers - Gravity	Rosalie Oaks - Sewer	0	Collections Sewers - Force	Pipe, PVC 6"	1999	Piping (By Size): Diameter 06;	-1,200.00	
361.2	36120 - Collection Sewers - Gravity	Rosalie Oaks - Sewer	0	Collections Sewers - Force	Pipe, PVC 6"	2001	Piping (By Size): Diameter 06;	-3,600.00	
361.2	36120 - Collection Sewers - Gravity	Rosalie Oaks - Sewer	0	Collections Sewers - Force	Pipe, PVC 6"	2003	Piping (By Size): Diameter 06;	-1,200.00	
393.2	39320 - Services to Customer	Rosalie Oaks - Sewer	2	Services - Wastewater	Services .	2001	Services :	1,599.31	CX001044363
371.3	37130 - Pumping Equip - Pumping	Rosalie Oaks - Sewer	100	Pumping Equipment	Piping (general); 6" PVC	1999	Piping (general)	6,583.94	Z3211WWW8
380.4	38040 - Treat & Disp Equip - Disp	Rosalie Oaks - Sewer	1	Treatment and Disposal Equipme	Equipment . Blower and Blower Motor	1999	Equipment :	4,196.70	Z3211WWW8
380.4	38040 - Treat & Disp Equip - Disp	Rosalie Oaks - Sewer	1	Treatment and Disposal Equipme	Roots Blower Model 36URAI	2002	Equipment :	1,047.49	CX003497380
380.4	38040 - Treat & Disp Equip - Disp	Rosalie Oaks - Sewer	1	Treatment and Disposal Equipme	Starter, Motor Square "O", Size 1, 3 PH	2002	System Complete	758.46	CX003499380

**Schedule of Water and Sewer Plant In Service
Annual Balances Subsequent to Last Established Rate Base**

Florida Public Service Commission

Rosalie Oaks
Docket No. 080121-WS
Projected Test Year Ending 12/31/07

Schedule: A-4
Page: 2 of 2
Preparer: R Griffin

Explanation: Schedule A-4 continued

Line No.	(1) Description	(2) Water Year End Balance	(3) Sewer Year End Balance
	2002		
26	Additions	10,201	16,174
27	Retirements	0	0
28	Adjustments	0	0
29	12/31/02 Balance	58,382	33,704
	2003		
30	Additions	(2)	2,980
31	Retirements	(14,135)	(3,947)
32	Adjustments	0	0
33	12/31/03 Balance	44,245	32,737
	2004		
34	Additions	14,893	16,806
35	Retirements	0	0
36	Adjustments	0	0
37	12/31/04 Balance	59,138	49,543
	2005		
38	Additions	20,006	1,735
39	Retirements	(240)	0
40	Adjustments	0	0
41	12/31/05 Balance	78,904	51,278
	2006		
42	Additions	2,100	204,449
43	Retirements	0	0
44	Adjustments	0	(0)
45	12/31/06 Balance	81,004	255,727
	2007		
46	Additions	7,647	45,409
47	Retirements	(4,059)	(3,011)
48	Adjustments	0	0
49	Allocations	6,358	6,358
50	12/31/07 Balance	90,950	304,483

Supporting Schedules: A-5, A-6

Audit Finding #3

Attachment 1

Page 3 of 3

Aqua Utilities Florida, Inc.
 Village Water - Water Original Cost Comparison
 2004

Utility Account	Work Order Number	Detail	Year	As Booked	Per Original Cost Analysis	Difference
30210 - Franchises and consents	W0051	Aquasource Conversion	1972	\$ 1,583	\$ 1,583	\$ -
30720 - Wells and Springs	W0051	Well-28"7700' casing 1300' depth 1LS	1979	\$ 3,000	\$ 59,300	\$ 56,300
33140 - Mains	99123408025	4" valve in distribution system	2003	\$ 2,719	\$ 2,719	\$ -
33140 - Mains	99123408158	10' poly 3/4" svc. from main to meter	2003	\$ 781	\$ 781	\$ -
33140 - Mains	99123407956	5' of 2" water main & driveway	2003	\$ 4,502	\$ 4,502	\$ -
33140 - Mains	W0051	Piping : Diameter 2; Type PVC;	1979	\$ 28,576	\$ 317,300	\$ 288,724
33140 - Mains	33657100158	WATER LINE BLANKET VILLAGE WATER	2004	\$ 6,230	\$ 6,230	\$ -
33140 - Mains	99123407954	Water main & valve at hydrant (5' of 2")	2003	\$ 803	\$ 803	\$ -
33340 - Services	W0051	Services :	1979	\$ 4,236	\$ 22,600	\$ 18,364
33440 - Meters and Installations	33657100060	METER BLANKET VILLAGE WATER	2004	\$ 2,745	\$ 2,745	\$ -
33440 - Meters and Installations	99123407631	Meters, customer consumption: Type Unknown; Size Unkn	2001	\$ 7,216	\$ 7,216	\$ -
33540 - Hydrants	CX001874335	Hydrants :	2001	\$ 6,264	\$ 6,264	\$ -
33540 - Hydrants	99123407955	Water main & valve at hydrant	2003	\$ 2,082	\$ 2,082	\$ -
33940 - Other Misc Plant - T & D	CX001428339	Metal Detector	2002	\$ 760	\$ 760	\$ -
34550 - Power Operated Equipment	33657125955	PURCHASE 1 TON TRUCK VILLAGE WATER	2004	\$ 30,890	\$ 30,890	\$ -
33440 - Meters and Installations	99123407631	CX000545334(old wo) : Meters and installations	2002	\$ 342	\$ 342	\$ -
33140 - Mains	99123408124	New Detail	2001	\$ (400)	\$ (400)	\$ -
33440 - Meters and Installations	99123408124	Aquasource Conversion	1979	\$ (700)	\$ (700)	\$ -
Total				\$ 101,628	\$ 465,016	\$ 363,388

Conversion Amounts, See Village Water - Water & Sewer Original Cost Calculations Workpaper For Detail.

Aqua Utilities Florida, Inc.
 Village Water - Sewer Original Cost Comparison.
 2004

Utility Account	Work Order Number	Detail	Year	As Booked	Per Original Cost Analysis	Difference
35110 - Organization		Aquasource Conversion	1997	\$ 1,417	\$ 1,417	\$ -
35340 - Land & Land Rights - Dispose	W0051	Sewer Plant Site	1979	\$ 19,000	\$ 19,000	\$ -
35420 - Struct & Improv - Collect	33639017393	10' FENCE VILLAGE WATER	2004	\$ 2,117	\$ 2,117	\$ -
35420 - Struct & Improv - Collect	Z3201WMB	IMPROVEMENTS VILLAGE WATER	2000	\$ 251	\$ 251	\$ -
35440 - Struct & Improv - Dispose	CX002999354	Roadways, Driveways, Parking sys	2002	\$ 13,932	\$ 13,932	\$ -
35470 - Struct & Improv - Gen	99123408124	Rehab to WWTP	2003	\$ 7,189	\$ 7,189	\$ -
36020 - Collection Sewers - Force	33657100158	FORCE SEWER BLANKET VILLAGE WATER	2004	\$ 7,757	\$ 7,757	\$ -
36020 - Collection Sewers - Force	W0051	Piping (By Size): Diameter 03;	1979	\$ 18,332	\$ 91,900	\$ 73,568
36120 - Collection Sewers - Gravity	CX002002361	Cleanouts	2002	\$ 12,768	\$ 12,768	\$ -
36120 - Collection Sewers - Gravity	W0051	MANHOLE, distribution:	1979	\$ 24,508	\$ 271,600	\$ 247,092
36120 - Collection Sewers - Gravity	33657100003	REPLACE MANHOLE RINGS & COVER VILLAGE WATER	2004	\$ 688	\$ 688	\$ -
36320 - Services to Customer	W0051	Services :	1979	\$ 1,188	\$ 11,200	\$ 10,012
37030 - Receiving Wells	99123408170	Lift station maintenance	2003	\$ 1,922	\$ 1,922	\$ -
37130 - Pumping Equip - Pumping	33639017392	HYDROMATIC PUMP VILLAGE WATER	2004	\$ 1,166	\$ 1,166	\$ -
37130 - Pumping Equip - Pumping	W0051	Lift Station	1992	\$ 13,828	\$ 48,100	\$ 34,272
37130 - Pumping Equip - Pumping	99123408086	Lift station pump	2003	\$ 1,811	\$ 1,811	\$ -
37130 - Pumping Equip - Pumping	33639025703	REBUILD LIFT STATION PUMP VILLAGE WATER	2004	\$ 835	\$ 835	\$ -
37130 - Pumping Equip - Pumping	33657100755	REPLACE PARTS & PIECES TO MAIN LIFT STATION PUMP VILLAGE W/	2004	\$ 36,092	\$ 36,092	\$ -
37130 - Pumping Equip - Pumping	33657100754	REPLACE PARTS IN LIFT STATION VILLAGE WASTE WATER	2004	\$ 42,362	\$ 42,362	\$ -
37150 - Pumping Equip - Treat	CX001021371	Pumps : Barney, 40HP, Model #B2EPBLS	2001	\$ 3,171	\$ 3,171	\$ -
38040 - Treat & Disp Equip - Disp	CX000929371	Blower	2001	\$ 2,813	\$ 2,813	\$ -
38140 - Plant Sewers		Aquasource Conversion	1997	\$ 33,367	\$ 201,800	\$ 168,233
38240 - Outfall Sewer Lines	CX002991382	Connaction Spray Irrigation	2002	\$ 282	\$ 282	\$ -
38240 - Outfall Sewer Lines	CX002340382	Piping (general) Effluent Spray Pump Line	2001	\$ 437	\$ 437	\$ -
39870 - Other Tangible Property	99123406770	I & I STUDY VILLAGE WATER	2004	\$ 35	\$ 35	\$ -
39870 - Other Tangible Property	Z3201WMB	OTHER TANGIBLE PROPERTY VILLAGE WATER	2000	\$ 34,064	\$ 34,064	\$ -
Total				\$ 281,132	\$ 814,309	\$ 533,176

Conversion Amounts, See Village Water - Water & Sewer Original Cost Calculations Workpaper For Detail.

Aqua Utilities Florida, Inc.
 Village Water - Water & Sewer Original Cost Calculations

Account Number	Account Description	Asset Description	Unit Cost	Pricing Unit	Quantity	Pricing Year	Cost	Pricing Index	Original Index	Index Ratio	Original Cost
307.2	Wells & Springs	Well-26"/700' casing 1300' depth 1LS	\$ 84,900.00	LS	1	1990	\$ 84,900	234.75	184	0.70	\$ 59,300
331.4	Mains	3/4" PVC	\$ 6.50	LF	1,150	1990	\$ 7,475	197.75	122	0.62	\$ 4,600
331.4	Mains	2" PVC	\$ 8.50	LF	19,800	1990	\$ 168,300	197.75	122	0.62	\$ 103,800
331.4	Mains	4" PVC	\$ 10.00	LF	12,050	1990	\$ 120,500	197.75	122	0.62	\$ 74,300
331.4	Mains	8" PVC	\$ 15.00	LF	14,550	1990	\$ 218,250	197.75	122	0.62	\$ 134,600
333.4	Services	1" Service	\$ 225.00	EA	120	1990	\$ 27,000	228.50	156	0.69	\$ 18,600
333.4	Services	2" Service	\$ 575.00	EA	10	1990	\$ 5,750	228.50	156	0.69	\$ 4,000
360.2	Collection Sewers - Force	3" Force Main	\$ 9.00	EA	1,750	1990	\$ 15,750	197.75	122	0.62	\$ 9,700
360.2	Collection Sewers - Force	4" Force Main	\$ 11.00	EA	7,600	1990	\$ 83,600	197.75	122	0.62	\$ 51,600
360.2	Collection Sewers - Force	6" Force Main	\$ 15.50	EA	3,200	1990	\$ 49,600	197.75	122	0.62	\$ 30,600
361.2	Collection Sewers - Gravity	8" Gravity Main	\$ 20.00	EA	19,700	1990	\$ 394,000	197.75	122	0.62	\$ 243,100
361.2	Collection Sewers - Gravity	Manholes	\$ 1,400.00	EA	33	1990	\$ 46,200	197.75	122	0.62	\$ 28,500
363.2	Services	Services	\$ 405.00	EA	40	1990	\$ 16,200	228.50	156	0.69	\$ 11,200
371.3	Pumping Equipment	Lift Station	\$ 38,000.00	EA	2	1990	\$ 76,000	291.75	184.5	0.63	\$ 48,100
381.4	Plant Sewer	Treatment	\$ 5.00	GPD	75,000	1994	\$ 375,000	343.25	184.5	0.54	\$ 201,600

399,200

624,600

Aqua America - Village Water
Detailed Asset Listing of Aqua Florida Assets (excluding Sarasota and Ft Water and Sewer)
As of 12/31/04

Utility Account	Asset Location	Description	quantity	Retirement Unit	W/S	Detail	Year
30210 - Franchises and consents	Village Water	Aquasource Conversion	1	Land In Fee:	Water	Aquasource Conversion	1972
30720 - Wells and Springs	Village Water	Aquasource Conversion	1	Wells - Water	Water	Well-26"/700' Casting 1300' Depth 1Ls	1979
33140 - Mains	Village Water	Aquasource Conversion	20210	Piping : Diameter 2; T	Water	Piping : Diameter 2; Type Pvc;	1979
33140 - Mains	Village Water	Water Main & Valve	1	Equipment :	Water	Water Main & Valve At Hydrant (5' Of 2')	2003
33140 - Mains	Village Water	5' Of 2" Water Main & Driveway	1	Equipment :	Water	5' Of 2" Water Main & Driveway	2003
33140 - Mains	Village Water	4" Valve In Distribution System	1	Equipment :	Water	4" Valve In Distribution System	2003
33140 - Mains	Village Water	10' Poly 3/4" Svc. From Main To Met	1	Equipment :	Water	10' Poly 3/4" Svc. From Main To Meter	2003
33140 - Mains	Village Water	Water Line Blanket Village Water	1	Equipment :	Water	Water Line Blanket Village Water	2004
33340 - Services	Village Water	Aquasource Conversion	130	Services :	Water	Services :	1979
33440 - Meters and Installations	Village Water	Work Order Addition	2	Meters, customer cons	Water	Meters, Customer Consumption: Type Unknown; Size	2001
33440 - Meters and Installations	Village Water	Meter Blanket Village Water	1	Meters, customer cons	Water	Meter Blanket Village Water	2004
33540 - Hydrants	Village Water	Work Order Addition	1	Hydrants :	Water	Hydrants :	2001
33540 - Hydrants	Village Water	Water Main & Valve At Hydrant	1	Hydrants :	Water	Water Main & Valve At Hydrant	2003
33640 - Other Misc Plant - T & D	Village Water	Work Order Addition	0	Other Miscellaneous P	Water	Metal Detector	2002
34550 - Power Operated Equipment	Village Water	Purchase 1 Ton Truck Village Water	1	Power operated equipr	Water	Purchase 1 Ton Truck Village Water	2004
35110 - Organization	Village Water	Aquasource Conversion	1	Land In Fee:	Sewer	Aquasource Conversion	1997
35340 - Land & Land Rights - Dispose	Village Water	Aquasource Conversion	13.5	Land In Fee:	Sewer	Sewer Plant Site	1979
35420 - Struct & Improv - Collect	Village Water	Improvements Village Water	1	Site Improvement	Sewer	Improvements Village Water	2000
35440 - Struct & Improv - Dispose	Village Water	Work Order Addition	1	Roadways, Driveways, Sewer		Roadways, Driveways, Parking Sys	2002
35470 - Struct & Improv - Gen	Village Water	Rehab To Wwtp	1	Machinery and Equipm	Sewer	Rehab To Wwtp	2003
35420 - Struct & Improv - Collect	Village Water	10' Fence Village Water	1	Fence or Wall system	Sewer	10' Fence Village Water	2004
36020 - Collection Sewers - Force	Village Water	Aquasource Conversion	1910	Piping (By Size): Dian	Sewer	Piping (By Size): Diameter 03;	1979
36020 - Collection Sewers - Force	Village Water	Force Sewer Blanket Village Water	1	Piping (general)	Sewer	Force Sewer Blanket Village Water	2004
36120 - Collection Sewers - Gravity	Village Water	Aquasource Conversion	36	MANHOLE, distributk	Sewer	Manhole, Distribution:	1979
36120 - Collection Sewers - Gravity	Village Water	Work Order Addition	1	Cleanouts	Sewer	Cleanouts	2002
36120 - Collection Sewers - Gravity	Village Water	Replace Manhole Rings & Cover Villa	2	MANHOLE:	Sewer	Replace Manhole Rings & Cover Village Water	2004
36320 - Services to Customer	Village Water	Aquasource Conversion	46	Services :	Sewer	Services :	1979
37030 - Receiving Wells	Village Water	Lift Station Maintenance	1	Wells - Water	Sewer	Lift Station Maintenance	2003
37130 - Pumping Equip - Pumping	Village Water	New Addition	2	Piping (general)	Sewer	Lift Station	1982
37150 - Pumping Equip - Treat	Village Water	Spray Irrigation System	1	Pumps : Type Unknow	Sewer	Pumps : Barney, 40Hp, Model #B2Epbis	2001
37130 - Pumping Equip - Pumping	Village Water	Lift Station Pump	1	Pumps : Horsepower L	Sewer	Lift Station Pump	2003
37130 - Pumping Equip - Pumping	Village Water	Hydromatic Pump Village Water	1	Pumps : Horsepower L	Sewer	Hydromatic Pump Village Water	2004
37130 - Pumping Equip - Pumping	Village Water	Rebuild Lift Station Pump Village W	1	Pumps : Horsepower L	Sewer	Rebuild Lift Station Pump Village Water	2004
37130 - Pumping Equip - Pumping	Village Water	Replace Parts In Lift Station Villa	26	Pumps : Type Accesso	Sewer	Replace Parts In Lift Station Village Waste Water	2004
37130 - Pumping Equip - Pumping	Village Water	Replace Parts & Pieces To Main Lift	18	Pumps : Horsepower L	Sewer	Replace Parts & Pieces To Main Lift Station Pump Vill	2004
38040 - Treat & Disp Equip - Disp	Village Water	Work Order Addition	1	Equipment :	Sewer	Blower	2001
38140 - Plant Sewers	Village Water	Aquasource Conversion	1	Land In Fee:	Sewer	Aquasource Conversion	1997
38240 - Outfall Sewer Lines	Village Water	Work Order Addition	1	Piping (general)	Sewer	Piping (General) Effluent Spray Pump Line	2001
38240 - Outfall Sewer Lines	Village Water	Work Order Addition	1	Piping (general)	Sewer	Connection Spray Irrigation	2002
39870 - Other Tangible Property	Village Water	Other Tangible Property Village Wat	1	Other Tangible Propert	Sewer	Other Tangible Property Village Water	2000
39870 - Other Tangible Property	Village Water	I & I Study Village Water	1	Other Tangible Propert	Sewer	I & I Study Village Water	2004

**Schedule of Water and Sewer Plant In Service
Annual Balances Subsequent to Last Established Rate Base**

Florida Public Service Commission

Village Water
Docket No. 080121-WS
Projected Test Year Ending 12/31/07

Schedule: A-4
Page: 2 of 2
Preparer: R Griffin

Explanation: Schedule A-4 continued

Line No.	(1) Description	(2) Water Year End Balance	(3) Sewer Year End Balance
2002			
26	Additions	11,805	37,186
27	Retirements	(28,268)	(26,760)
28	Adjustments	0	0
29	12/31/02 Balance	58,016	162,668
2003			
30	Additions	0	0
31	Retirements	(6,723)	(17,625)
32	Adjustments	0	0
33	12/31/03 Balance	51,293	145,043
2004			
34	Additions	51,093	136,090
35	Retirements	0	0
36	Adjustments	0	0
37	12/31/04 Balance	102,386	281,133
2005			
38	Additions	105,631	3,740
39	Retirements	0	0
40	Adjustments	0	0
41	12/31/05 Balance	208,017	284,873
2006			
42	Additions	43,765	505
43	Retirements	(6)	0
44	Adjustments	0	(0)
45	12/31/06 Balance	251,776	285,378
2007			
46	Additions	51,784	819,515
47	Retirements	(286)	(16,786)
48	Adjustments	0	0
49	Allocations	12,060	2,294
50	12/31/07 Balance	315,335	1,090,400

Supporting Schedules: A-5, A-6

Audit Finding #3
Attachment 2

Page 5 of 5