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STATE OF FLORIDA



MARSHALL WILLIS, DIRECTOR  
DIVISION OF ECONOMIC REGULATION  
(850) 413-6900

# Public Service Commission

November 15, 2010

Jack Lihvarcik,  
Aqua Utilities Florida, Inc.  
1100 Thomas Avenue  
Leesburg, FL 34748

Re: 976682C

Dear Mr. Lihvarcik,

Please find enclosed a letter sent to the Florida Public Service Commission from Mr. R. G. Leary, County Administrator for Putnam County. With his letter, he enclosed two letters addressed to you, dated March 3, 2010 and September 8, 2010, in which he proposed providing bulk water to the River Grove water system from lines adjacent to that system.

Could you please review Mr. Leary's letters and provide a response regarding Aqua Utilities Florida, Inc.'s position on purchasing bulk water from Putnam County. Please address both the current quality of water provided to the River Grove customers and your understanding of the cost impact to those customers if an interconnection was made and bulk water was purchased from the County.

Sincerely,

A handwritten signature in cursive script that reads "Patti Daniel".

Patti Daniel

SR:lr

Enclosures

cc: Division of Economic Regulation (Willis, Bulecza-Banks, Kummer, Maurey, Fletcher, Rieger)  
Office of the General Counsel (Jaeger, Klancke, Sayler)  
Office of Commission Clerk (Docket 100337-WS and Docket 080121-WS)  
R.G. Leary, Putnam County  
Bruce May, Holland & Knight  
Troy Rendell, Aqua Utilities Florida, Inc.

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DOCUMENT NUMBER - DATE

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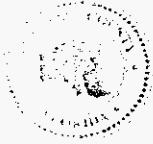
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Internet E-mail: [contact@psc.state.fl.us](mailto:contact@psc.state.fl.us)



# PUTNAM COUNTY

P.O. BOX 758  
PALATKA, FLORIDA 32177  
(386) 329-0212

BOARD OF COUNTY COMMISSIONERS

R. G. Leary  
County Administrator

October 21, 2010

Mr. Marshall Willis, Director  
Division of Economic Regulation  
Public Service Commission  
2450 Shumard Oak Blvd.  
Tallahassee, FL 32399

REGISTRATION  
PUBLIC SERVICE

Dear Mr. Willis:

Putnam County has received a copy of Aqua Utilities Florida's application to the Florida Public Service Commission for a rate increase. Aqua provides water service to the River Grove subdivision in the East Palatka area of Putnam County. This is not a comment on the rate increase request, but I do want to share information with you about utility service in that area.

Putnam County initiated water service in the East Palatka area on November 1, 2009, following a two year construction period to build a reverse osmosis water treatment plant and installation of wells, transmission lines and distribution lines. One of those lines is adjacent to the River Grove subdivision, and I have made many overtures, mostly to no avail, to Mr. John Lihvarcik, President and COO of Aqua Utilities Florida, to attempt to initiate discussion about the possibility of Putnam County providing water from our system to the River Grove subdivision through a master meter at a bulk rate. In all fairness, I did have a brief phone conversation with Mr. Lihvarcik on September 29, 2010, regarding this subject, and while he did seem interested, he promised to follow up but has not done so.

I believe that an arrangement between Putnam County and Aqua would be mutually beneficial. The County would boost its water sales, and Aqua would receive a potable water product superior to that which it currently provides through its own plant. The real beneficiaries would be the customers of Aqua who reside in the River Grove subdivision, many of whom have complained about the current quality of water. Additionally, I believe that this could be accomplished without adverse financial impact on the consumer.

I am attaching copies of my previous correspondence to Mr. Lihvarcik for your review. I will appreciate any assistance you can provide in urging the company to engage in serious dialogue with the County on the proposal discussed above.

Thank you for your consideration. Please contact me for any additional information you may require.

**RECEIVED**

OCT 27 2010

Florida Public Service Commission  
of FPCA

Sincerely,

R.G. Leary  
County Administrator



# PUTNAM COUNTY

PO BOX 758

PALATKA, FLORIDA 32178

(386) 329-0212

BOARD OF COUNTY COMMISSIONERS

R. G. Leary

County Administrator

September 8, 2010

Mr. John Lihvarcik  
Aqua Utilities Florida, Inc.  
PO Box 2480  
Lady Lake, FL 32158-2480

Dear Mr. Lihvarcik:

Thank you for the copy of Aqua Utilities Florida's application to the Florida Public Service Commission for a rate increase. I have appealed to you in the past, most recently in a letter dated March 3, 2010, (copy attached) and via phone message before that, for an opportunity to discuss water service to some of your customers in Putnam County which service may be beneficial to both the County and your company.

Putnam County initiated water service in East Palatka on November 1, 2009. Our reverse osmosis water treatment plant is located on Putnam County Boulevard, and we have transmission and distribution lines throughout East Palatka. One of those lines is adjacent to the River Grove subdivision which is one of your service areas. We would like to discuss with you the possibility of providing water from our system through a master meter at a bulk rate. I believe that you will find the quality of water available through our system to be superior to that which is currently provided to customers in River Grove.

We would welcome the opportunity to open some dialogue with you on this subject. Please contact me at (386)329-0212. I look forward to hearing from you.

Sincerely,

R.G. Leary  
County Administrator

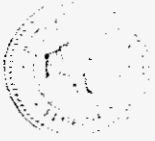
RGL/tl

Cc: Kimberly A. Joyce, Esquire w/ attachment

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OCT 27 2010

Florida Public Service Commission  
Division of PSC



# PUTNAM COUNTY

FLORIDA

PALATKA, FLORIDA 32178

(386) 329-0212

BOARD OF COUNTY COMMISSIONERS

R. G. Leary

County Administrator

March 3, 2010

Mr. John Lihvarcik  
Aqua Utilities Florida, Inc.  
1100 Thomas Avenue  
Leesburg, FL 34748

Dear Mr. Lihvarcik:

I have noted that your company was recently granted a permit by the St. Johns River Water Management District for groundwater to serve the River Grove subdivision in East Palatka here in Putnam County. We learned of this permit issuance from correspondence which was dated January 11, 2010, that we received a copy of on February 26, 2010.

Putnam County recently initiated water service in that area on November 1, 2009. Our reverse osmosis water treatment plant is located on Putnam County Boulevard, and we have transmission and distribution lines throughout the East Palatka area. One of those lines is adjacent to the River Grove subdivision. We would like to discuss with you the possibility of providing water to you through a master meter at a bulk rate. I believe that you will find the quality of water available through our system to be superior to that which is currently provided to customers in River Grove.

We would welcome the opportunity to open some dialogue with you on this subject. Please contact me at (386)329-0212. I look forward to hearing from you.

Sincerely,

R.G. Leary  
County Administrator

RGL/at

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OCT 27 2010

Public Service Commission  
Division of RCA

# Holland & Knight

315 South Calhoun Street, Suite 600 | Tallahassee, FL 32301 | T 850.224.7000 | F 850.224.8832  
Holland & Knight LLP | www.hklaw.com

D. Bruce May, Jr.  
(850) 425-5607  
bruce.may@hklaw.com

October 7, 2010

*Via Hand Delivery*

Ms. Ann Cole, Director  
Commission Clerk  
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, Hardee, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc., Docket No. 100330-WS*

Dear Ms. Cole:

Aqua Utilities Florida, Inc. ("AUF" or the "Company") respectfully submits its response to the letter dated September 22, 2010, to the undersigned from Mr. Marshall Willis, Director, Division of Economic Regulation ("Staff Letter"). For ease of reference, the ~~deficiency list set forth~~ in the Staff Letter is repeated verbatim herein, with AUF's response immediately following each item.

1. Schedule D-2, Reconciliation of Capital Structure to Requested Rate Base

For all rate bands and stand-alone systems, Schedule D-2 does not show the specific or pro rata adjustments in reconciling to the requested rate bases for AUF's respected rate bands and stand-alone systems as required by the MFR instructions. Schedule D-2 needs to include the capital structure and the specific and pro rata adjustments to arrive at each rate band's and stand-alone system's capital structure. Pursuant to Rule 25-30.437, Florida Administrative Code (F.A.C.), please provide a reconciliation of the 13-month average capital structure to the requested rate base of each rate band and stand-alone system.

DOCUMENT NUMBER 08395

08395 OCT-7 09

FPSC-COMMISSION CLERK

# AQUA

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

November 12, 2010

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

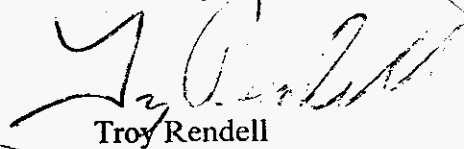
*In Re: Application for increase in water and wastewater rates in Alachua, Brevard, DeSoto, Hardee, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc., Docket No. 100330-WS*

Dear Ms. Cole:

Enclosed for filing on behalf of Aqua Utilities Florida, Inc.'s ("AUF") are the original and seven (7) copies of AUF's response to the Sunny Hills Customer meeting held on September 14, 2010 in the above referenced docket.

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

Enclosure

cc: Bruce May, Holland & Knight  
Charles Beck, Esq.  
Kimberly A. Joyce, Esq.

DOCUMENT NUMBER-DATE

09303 NOV 12 2010

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