

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Notice of Intention of
AQUA UTILITIES FLORIDA, INC., to
increase its water and wastewater rates for
its Valencia Terrace Systems in Lake County,
Florida pursuant to the 2004 price index.

NOTICE OF INTENTION TO INCREASE RATES

AQUA UTILITIES FLORIDA, INC., by and through its undersigned attorneys, hereby notifies the Commission of its intent to increase its water and wastewater rates for its Valencia Terrace Systems in Lake County pursuant to Section 367.081 (4), Florida Statutes, and Order No. PSC-04-0119-PAA-WS.

1. The exact name of the Company and the address of its principal business office is:

AQUA UTILITIES FLORIDA, INC.
6960 Professional Parkway East
Suite 400
Sarasota, Florida 34240

2. The name and address of the person authorized to receive notices and communications in respect to this application is:

Martin S. Friedman, Esquire
Valerie L. Lord, Esquire
Rose, Sundstrom & Bentley, LLP
600 S. North Lake Boulevard, Suite 160
Altamonte Springs, FL 32701

3. The schedule showing the computation of the percentage increase in rates upon the application of the 2004 price index is attached hereto as Exhibit "A".

4. The affirmation required by Section 367.081(4)(c), Florida Statutes, is

DOCUMENT NUMBER-DATE

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attached hereto as Exhibit "B".

5. The letter advising each customer of the authorized increase and the reasons therefore is attached hereto as Exhibit "C".

6. The revised tariff pages reflecting the increased rates are attached hereto as Composite Exhibit "D".

7. Pursuant to Rule 25-30.420(2)(h) and (i), Florida Administrative Code, the Statement of Quality of Service is attached hereto as Exhibit "E".

8. The notice of this increase will be sent to customers prior to customers beginning consumption at the increased rate.

9. The joint application for approval of the sale of this system by Florida Water Services Corporation to Aqua Utilities Florida, Inc., is currently pending in Docket No. 040952-WS.

Respectfully submitted on this
10th day of January, 2005, by:

ROSE, SUNDSTROM & BENTLEY, LLP
600 S. North Lake Boulevard
Suite 160
Altamonte Springs, Florida 32701
(407) 830-6331

BY: 

MARTIN S. FRIEDMAN
VALERIE L. LORD
For the Firm

EXHIBIT "A"

APPENDIX A

2004 PRICE INDEX APPLICATION
TEST YEAR ENDED DECEMBER 31, 2003

DEP PWSID NO.	<u>FL3351421</u>	<u>WATER</u>	<u>WASTEWATER</u>
DEP WWTP ID NO.	<u>FLA010599</u>		
2003 Operation and Maintenance Expenses		\$ 60,020	\$ 67,742
LESS:			
(a) Pass-through items:			
(1) Purchased Power		3,855	10,373
(2) Purchased Water		-	-
(3) Purchased Wastewater Treatment			8,701
(4) DEP Required Water Testing			
(5) DEP Required Wastewater Testing			
(6) NPDES Fees			
(b) Rate Case Expense Included in 2003 Expenses			
(c) Adjustments to O & M Expenses from Last Rate Case, if Applicable:			
(1)			
(2)			
Costs to be Indexed		<u>56,165</u>	<u>48,668</u>
Multiply by Change in GDP Implicit Price Deflator Index		<u>1.60%</u>	<u>1.60%</u>
Indexed Costs		898.64	778.69
Add Pass-Through Items:			
(1) DEP Required Testing			
(2)			
Divide Index and Pass-Through Sum by Expansion Factor for Regulatory Assessment Fees		<u>95.5%</u>	<u>95.5%</u>
Increase in Revenue		941	815
Divide by Annualized 2003 Revenue		\$ 87,410	\$ 120,313
Percentage Increase in Rates		<u>1.08%</u>	<u>0.68%</u>

EXHIBIT "A"

ANNUALIZED REVENUE WORKSHEET

Have the rates charged for customer services changed since January 1, 2003?

- () If no, the utility should use actual revenues. This form may be disregarded.
 (x) If yes, the utility must annualize its revenues. Read the remainder of this form.

Annualizing calculates the revenues the utility would have earned based upon 2003 customer consumption at the most current rates in effect. To complete this calculation, the utility will need consumption data for 2003 to apply to the existing rate schedule.

**CALCULATION OF ANNUALIZED REVENUES *
Consumption Date for 2003**

		Number of Bill/Gal. Sold x	Current Rates	Annualized Revenues
Residential Service:				
Bills:	5/8" x 3/4" meters	3,900	\$ 9.61	\$ 37,479.00
	3/4" meters		14.43	
	1" meters	-	24.04	-
	1 1/2" meters		48.05	-
	2" meters		76.90	-
	3" meters		153.80	-
	4" meters		240.30	-
	6" meters		480.61	-
Gallons Sold		16,176	2.08	33,646.08
General Service:				
Bills:	5/8" x 3/4" meters	36	\$ 9.61	345.96
	3/4" meters		14.43	
	1" meters	72	24.04	1,730.88
	1 1/2" meters	36	48.05	1,729.80
	2" meters	24	76.90	1,845.60
	3" meters		153.80	-
	4" meters		240.30	-
	6" meters		480.61	-
Gallons Sold		5,112	\$ 2.08	10,632.96
Total Annualized Water Revenues for 2003				\$ <u>87,410.28</u>

* Annualized revenues must be calculated separately if the utility consists of both a water system and a wastewater system. This form is designed specifically for utilities using a base facility charge rate structure. If annualized revenues must be calculated and further assistance is needed, contact the Commission Staff at (850) 413-6900

ANNUALIZED REVENUE WORKSHEET

Have the rates charged for customer services changed since January 1, 2003?

- () If no, the utility should use actual revenues. This form may be disregarded.
 (x) If yes, the utility must annualize its revenues. Read the remainder of this form.

Annualizing calculates the revenues the utility would have earned based upon 2003 customer consumption at the most current rates in effect. To complete this calculation, the utility will need consumption data for 2003 to apply to the existing rate schedule.

**CALCULATION OF ANNUALIZED REVENUES *
Consumption Date for 2003**

		Number of Bill/Gal. Sold x	Current Rates	Annualized Revenues
Residential Service:				
Bills:	5/8" x 3/4" meters	3,912	\$ 15.99	\$ 62,552.88
	3/4" meters		23.96	
	1" meters	-	39.96	
	1 1/2" meters	-	79.89	
	2" meters	-	127.82	
	3" meters	-	255.63	
	4" meters	-	399.42	
	6" meters	-	798.84	
Gallons Sold		10,212	3.24	33,086.88
Flat Rate (Res-Sewer Only)			\$ 28.40	\$
General Service:				
Bills:	5/8" x 3/4" meters	24	\$ 15.99	383.76
	3/4" meters		23.96	-
	1" meters	72	39.96	2,877.12
	1 1/2" meters		79.89	-
	2" meters	24	127.82	3,067.68
	3" meters		255.63	
	4" meters		399.42	
	6" meters		798.84	
Gallons Sold		4,728	3.88	18,344.64
Total Annualized Wastewater Revenues for 2003				\$ <u>120,312.96</u>

* Annualized revenues must be calculated separately if the utility consists of both a water system and a wastewater system. This form is designed specifically for utilities using a base facility charge rate structure. If annualized revenues must be calculated and further assistance is needed, contact the Commission Staff at (850) 413-6900

Aqua Utilities Florida, Inc.
Valencia Terrace

	Current Rates	Rates After Indexing
<u>Water</u>		
Residential and General Service		
Base Facility Charge:		
Meter Size:		
5/8" x 3/4"	\$ 9.61	\$ 9.71
3/4"	14.43	14.59
1"	24.04	24.30
1 1/2"	48.05	48.57
2"	76.90	77.73
3"	153.80	155.46
4"	240.30	242.89
6"	480.61	485.78
Gallorage Charge per 1,000 G.	\$ 2.08	\$ 2.10
<u>Wastewater</u>		
Residential and General Service		
Base Facility Charge:		
Meter Size:		
5/8" x 3/4"	\$ 15.99	\$ 16.10
3/4"	23.96	24.12
1"	39.96	40.23
1 1/2"	79.89	80.43
2"	127.82	128.69
3"	255.63	257.36
4"	399.42	402.13
6"	798.84	804.25
Residential Gallorage Charge per 1,000 G.	\$ 3.24	\$ 3.26
General Gallorage Charge per 1,000 G	\$ 3.88	\$ 3.91
Residential - Flat Rate Wastewater Only Service	\$ 28.40	\$ 28.59

EXHIBIT "B"


AFFIRMATION

I, Kathy L. Pape, hereby affirm that the figures and calculations upon which the change in rates is based are accurate and that the change will not cause Valencia Terrace to exceed the range of its last authorized return on equity, which is 9.94%.

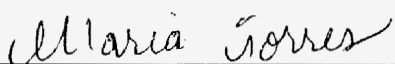
I, the undersigned of the above-named utility, have read the foregoing and declare that, to the best of my knowledge and belief, the information contained in this application is true and correct.

This affirmation is made pursuant to my request for a 2004 price index rate increase, in conformance with Section 367.081 (4) (c), Florida Statutes.

Further, I am aware that pursuant to Section 837.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree.

Signature: 
Kathy L. Pape, Esq.
Title: VP, Treasurer & Rate Counsel
Telephone Number: 610-645-1142
Fax Number: 610-519-0989

Sworn to and subscribed before me this 20th day of December, 2004, by Kathy L. Pape, who is personally known to me.


Signature of Notary Public

NOTARIAL SEAL
Maria C. Torres, Notary Public
Lower Merion Twp., County of Montgomery
My Commission Expires July 11, 2006

EXHIBIT
"B"

EXHIBIT "C"

NOTICE TO CUSTOMERS

Pursuant to Section 367.081(4) (a), Florida Statutes, water and wastewater utilities are permitted to adjust the rates and charges to its customers without those customers bearing the additional expense of a public hearing. These adjustments in rates would depend on increases or decreases in non-controllable expenses subject to inflationary pressures such as chemicals, and other general operation and maintenance costs.

On January 10, 2005, Aqua Utilities Florida, Inc., filed its Notice of Intention with the Florida Public Service Commission to increase water and wastewater rates for its Valencia Terrace Systems in Lake County pursuant to this Statute. The filing is subject to review by the Commission Staff for accuracy and completeness. Water rates will increase by 1.08% and wastewater rates will increase by 0.68%. These rates should be reflected on your bill for service rendered on and after March 14, 2005.

If you have any questions, please contact the local utility office at 1-800-250-7532. Be sure to have your account number handy for quick response.

AQUA UTILITIES FLORIDA, INC.
Valencia Terrace Systems

EXHIBIT "C"

COMPOSITE EXHIBIT "D"
TARIFFS

RATE SCHEDULE: VALENCIA TERRACE - RG & MF
RESIDENTIAL, GENERAL & MULTIFAMILY MASTER METER SERVICES

AVAILABILITY:

Available throughout the area served by the following plants:

<u>Plant</u>	<u>County</u>	<u>Previous Sheet No.</u>	<u>Previous Effective Date</u>	<u>Previous Order No.</u>
VALENCIA TERRACE	LAKE	N/A	N/A	N/A

APPLICABILITY:

To any Customers for which no other rate schedule applies.

LIMITATIONS:

Subject to all of the Company's Rules and Regulations of this tariff, all applicable service agreement conditions and all applicable riders.

All of the rates, conditions and regulations referred to herein are subject to approval, amendment and change by any regulatory body having jurisdiction thereof.

TERMS OF PAYMENT:

Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days' written notice is mailed to the Customer separate and apart from any other bill, service may then be discontinued.

TYPE OF FILING:

Filing Description:	Price Index Increase
Rate Description:	Rates reflecting 2004 Index Factor
Filing Date:	January 10, 2005
Authority No.:	Refer to stamp on reverse side.
Docket No.:	N/A
Order No.:	N/A
Order Date:	N/A

NOTES:

Effective Date: March 14, 2005

By: _____
Kathy L. Pape, President and Treasurer

RATE SCHEDULE: VALENCIA TERRACE - RG & MF
RESIDENTIAL, GENERAL & MULTI-FAMILY MASTER METER SERVICES

BILLING PERIOD: -
Monthly billing cycle.

RATE:

Base Facility Charge:

<u>Meter Size</u>	<u>Charge Per Billing Period</u>
5/8 " x 3/4"	\$ 9.71
3/4"	\$ 14.59
1"	\$ 24.30
1 1/2"	\$ 48.57
2"	\$ 77.73
3"	\$ 155.46
4"	\$ 242.89
6"	\$ 485.78

Gallage Charge:

All Gallage \$ 2.10 per 1,000 gallons

Minimum Charge: Base Facility Charge

Utility Tax Rider:
See Section VII

OTHER CHARGES:

Allowance for Funds Prudently Invested (APFI) Charges	See Section VI
Customer Deposits	See Section VII
Meter Test Deposits	See Section VII
Miscellaneous Service Charges	See Section VII
Service Availabilty Charges	See Section VI

Effective Date: March 14, 2005

By:

Kathy L. Pape, Vice President and
Treasurer

Filing: 2004 Price Index

RATE SCHEDULE: VALENCIA TERRACE - RS
RESIDENTIAL SERVICE

AVAILABILITY:

Available throughout the area served by the following plants:

<u>Plant</u>	<u>County</u>	<u>Previous Sheet No.</u>	<u>Previous Effective Date</u>	<u>Previous Order No.</u>
VALENCIA TERRACE	LAKE	N/A	N/A	N/A

APPLICABILITY:

For all purposes in private residences or individually metered apartment units.

LIMITATIONS:

Subject to all of the Company's Rules and Regulations of this tariff, all applicable service agreement conditions and all applicable riders.

All of the rates, conditions and regulations referred to herein are subject to approval, amendment and change by any regulatory body having jurisdiction thereof.

TERMS OF PAYMENT:

Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days' written notice is mailed to the Customer separate and apart from any other bill, service may then be discontinued.

TYPE OF FILING:

Filing Description:	Price Index Increase
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Docket No.:	N/A
Order No.:	N/A
Order Date:	N/A

NOTES:

Effective Date: March 14, 2004

By:

Kathy L. Pape, President and Treasurer

**RATE SCHEDULE: VALLENCIA TERRACE - RS
RESIDENTIAL SERVICE**

RATE SCHEDULE GS

BILLING PERIOD:
Monthly billing cycle.

RATE:

Base Facility Charge:

<u>Meter Size</u>	<u>Charge Per Billing Period</u>
5/8 " x 3/4"	\$ 16.10
3/4"	\$ 16.10
1"	\$ 16.10
1 1/2"	\$ 16.10
2"	\$ 16.10
3"	\$ 16.10
4"	\$ 16.10
6"	\$ 16.10

Gallage Charge:

0 - 6,000 \$ 3.26 per 1,000 gallons
All Excess Gallons No Charge

Minimum Charge:

Base Facility Charge

Utility Tax Rider:

Not Applicable

OTHER CHARGES:

Allowance for Funds Prudently Invested (AFPI) Charges

Customer Deposits

See Section VI

Miscellaneous Service Charges

See Section VII

Service Availability Charges

See Section VII

See Section VI

Effective Date: March 14, 2005

By:

Kathy L. Pape, Vice President and
Treasurer

Filing: 2004 Price Index

RATE SCHEDULE: VALENCIA TERRACE - RWO
RESIDENTIAL WASTEWATER ONLY SERVICE

AVAILABILITY:

Available throughout the area served by the following plants:

<u>Plant</u>	<u>County</u>	<u>Previous Sheet No.</u>	<u>Previous Effective Date</u>	<u>Previous Order No.</u>
VALENCIA TERRACE	LAKE	N/A	N/A	N/A

APPLICABILITY:

For all purposes in private residences or individually metered apartment units with sewer service only.

LIMITATIONS:

Subject to all of the Company's Rules and Regulations of this tariff, all applicable service agreement conditions and all applicable riders.

All of the rates, conditions and regulations referred to herein are subject to approval, amendment and change by any regulatory body having jurisdiction thereof.

TERMS OF PAYMENT:

Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days' written notice is mailed to the Customer separate and apart from any other bill, service may then be discontinued.

TYPE OF FILING:

Filing Description:	Price Index Increase
Rate Description:	Rates reflecting 2004 Index Factor
Filing Date:	January 10, 2005
Authority No.:	Refer to stamp on reverse side.
Docket No.:	N/A
Order No.:	N/A
Order Date:	N/A

NOTES:

Effective Date: March 14, 2004

By: _____
Kathy L. Pape, President and Treasurer

**RATE SCHEDULE: VALENCIA TERRACE - RWO
RESIDENTIAL WASTEWATER ONLY SERVICE**

BILLING PERIOD:

Monthly billing cycle.

RATE:

Base Facility Charge:

Meter Size

Charge Per Billing Period

All

\$

28.59

Gallongage Charge:

Not Applicable

Minimum Charge:

Fate Rate

Utility Tax Rider:

Not Applicable

OTHER CHARGES:

Allowance for Funds Prudently Invested (AFPI) Charges

Customer Deposits

See Section VI

Miscellaneous Service Charges

See Section VII

Service Availability Charges

See Section VII

See Section VI

Effective Date: March 14, 2005

By:

Filing: 2004 Price Index

**Kathy L. Pape, Vice President and
Treasurer**

RATE SCHEDULE: VALENCIA TERRACE - GS & MF
GENERAL & MULTIFAMILY MASTER METER SERVICES

AVAILABILITY:

Available throughout the area served by the following plants:

<u>Plant</u>	<u>County</u>	<u>Previous Sheet No.</u>	<u>Previous Effective Date</u>	<u>Previous Order No.</u>
VALENCIA TERRACE	LAKE	N/A	N/A	N/A

APPLICABILITY:

To any Customers for which no other rate schedule applies.

LIMITATIONS:

Subject to all of the Company's Rules and Regulations of this tariff, all applicable service agreement conditions and all applicable riders.

All of the rates, conditions and regulations referred to herein are subject to approval, amendment and change by any regulatory body having jurisdiction thereof.

TERMS OF PAYMENT:

Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days' written notice is mailed to the Customer separate and apart from any other bill, service may then be discontinued.

TYPE OF FILING:

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Order Date:	N/A

NOTES:

Effective Date: March 14, 2004

By: _____
Kathy L. Pape, President and Treasurer

**RATE SCHEDULE: VALENCIA TERRACE - GS & MF
GENERAL AND MULTI-FAMILY MASTER METER SERVICES**

RATE SCHEDULE GS

BILLING PERIOD:
Monthly billing cycle.

RATE:

Base Facility Charge:

<u>Meter Size</u>	<u>Charge Per Billing Period</u>
5/8 " x 3/4"	\$ 16.10
3/4"	\$ 24.12
1"	\$ 40.23
1 1/2"	\$ 80.43
2"	\$ 128.69
3"	\$ 257.36
4"	\$ 402.13
6"	\$ 804.25

Gallonage Charge:

All Gallonage \$ 3.91 Per 1,000 gallons

Minimum Charge:

Base Facility Charge

Utility Tax Rider:

Not Applicable

OTHER CHARGES:

Allowance for Funds Prudently Invested (AFPI) Charges
Customer Deposits
Miscellaneous Service Charges
Service Availability Charges

See Section VI
See Section VII
See Section VII
See Section VI

Effective Date: March 14, 2005

Filing: 2004 Price Index

By:

**Kathy L. Pape, Vice President and
Treasurer**

EXHIBIT "E"
STATEMENT OF QUALITY OF SERVICE

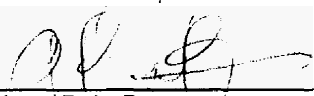
STATEMENT OF QUALITY OF SERVICE

Pursuant to Rule 25-30.420 (2) (h) and (i), Florida Administrative Code, Valencia Terrace,

() does not have any active written complaints, corrective orders, consent orders, or outstanding citations with the Department of Environmental Protection (DEP) or the County Health Departments.

() does have the attached active written complaint(s), corrective order(s), consent order(s). The attachment(s) includes the specific system(s) involved with DEP permit number and the nature of the active complaint, corrective order, consent order, or outstanding citation.

This statement is intended such that the Florida Public Service Commission can make a determination of quality of service pursuant to Section 367.081(4)(a), Florida Statutes, and Rule 25-303420(4)(a), Florida Administrative Code.

Name:	 Glenn P. LaBrecque
Title:	V.P. and Chief Operating Officer
Telephone Number:	941-907-7420
Fax Number:	941-907-7401
Date:	May 31, 2004