

ORIGINAL

LISA POLAK EDGAR  
CHAIRMAN

STATE OF FLORIDA



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Public Service Commission

May 23, 2006

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COMMISSION  
CLERK

Mr. Kenneth Hoffman  
Rutledge, Ecenia, Purnell, & Hoffman  
P.O. Box 551  
Tallahassee, FL 32301-0551

**Re: Docket No. 060368-WS - Request by Aqua Utilities Florida, Inc., et al for Approval of File and Suspend Rate Increase in Alachua, Brevard, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia and Washington Counties**

Dear Mr. Hoffman:

The Florida Public Service Commission has received your letter dated May 10, 2006, requesting approval for Aqua Utilities Florida, Inc., et al (Aqua Utilities) to use a projected test year ended December 31, 2007, for establishing final rates. You state that the utility does not intend to file its application using the Proposed Agency Action (PAA) provision in Section 367.081(8), Florida Statutes. Pursuant to Rule 25-30.430, F.A.C., the utility's test year request as outlined above is hereby approved. You should also be aware that prefiled direct testimony must be filed with the MFRs if you do not elect to request the PAA process, pursuant to Rule 25-30.436(2), F.A.C.

For administrative purposes only, Docket No. 060368-WS has been assigned to the forthcoming case. Your petition will be deemed filed on the date the Division of the Commission Clerk and Administrative Services receives the complete petition, the MFRs, testimony, and the filing fee. To process this case expeditiously, we request that you file the above no later than October 10, 2006.

Pursuant to Section 367.083, F.S., the official filing date will be the date that complete corrections to any deficiencies, if any, are filed. 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, the utility 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 this system. If adjustments were ordered for prior periods that have any impact

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DOCUMENT NUMBER 04569  
MAY 25 2006  
FPSC-COMMISSION CLERK

Mr. Kenneth Hoffman  
Page 2  
May 23, 2006

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, the utility 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, information not filed with the original application may not be considered.

Sincerely,



Lisa Polak Edgar  
Chairman

LPE:wtr

cc: Dr. Mary Bane, Executive Director  
Charles H. Hill, Deputy Executive Director  
Betty Ashby  
Division of Economic Regulation (Willis, Rendell)  
Office of the General Counsel (Helton)  
✓ Division of the Commission Clerk and Administrative Services  
Harold McLean, Office of Public Counsel