## **Dorothy Menasco**

From:

Michele Parks [michele@RSBattorneys.com]

Sent:

Tuesday, March 11, 2008 4:09 PM

To:

Filings@psc.state.fl.us

Subject:

Docket No. 070739; Application for Approval of Transfer of Fairways/Mt. Plymouth, Ltd.'s Water and

Wastewater Systems to Aqua Utilities, Inc.

Attachments: PSC Clerk 01.ltr.pdf

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- b. Docket No.: 070739-WS; Application for Approval of Transfer of Fairways/Mt. Plymouth, Ltd.'s Water and Wastewater Systems to Aqua Utilities, Inc.
- c. Fairways/Mt. Plymouth, Ltd.
- d. 2 pages
- e. Response to Staff's February 12, 2008, Request for Additional Information

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REPLY TO CENTRAL FLORIDA OFFICE

March 11, 2008

MARTIN S. FRIEDMAN, P.A. BRIAN J. STREET

VIA E-FILING

CHRISTIAN W. MARCELLI, OF COUNSEL (LICENSED IN NEW YORK ONLY)

Ann Cole, Commission Clerk Office of Commission Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399

RE: Docket No. 070739-WS; Application for Approval of Transfer of Fairway/Mt. Plymouth, Ltd's Water and Wastewater Systems to Aqua Utilities, Inc., and Amendment of Certificate Nos. 106-W and 120-S
Our File No.: 41097.02

Dear Ms. Cole

This correspondence is in response to the Staff's February 12, 2008, correspondence requesting additional information regarding the above-referenced Application. On behalf of the Seller, Fairways/Mt. Plymouth, Ltd., we provide the following additional information:

- 1. In 1999, Fairways/Mt. Plymouth believed that since it was providing water and wastewater service only to its own development that it was not a public utility. It subsequently learned that such interpretation was incorrect which lead to Fairways/Mt. Plymouth's discussions for Florida Water Services Corp., to be the water and wastewater provider to the development.
- 2. Between 2001 and the date Fairways/Mt. Plymouth became operational in 2002, FWSC decided to sell its utility systems in Florida and terminated discussions to purchase the water and wastewater systems of Fairways/Mt. Plymouth.
- 3. At the time FWSC terminated discussions, it was Fairways/Mt. Plymouth's belief that until it reached 100 customers it would not be regulated and it was its intent to sell the system at that point in time. Fairways/Mt. Plymouth did not monitor the customer connections and its requirement to be certificated by the PSC was overlooked as development progressed.
- 4. Although customers were connected to the water and wastewater system in 2002, Fairways/Mt. Plymouth did not begin billing customers until May of 2003.

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- 5. To the best of Fairways/Mt. Plymouth's recollection, there was one change in rates that took place in late 2005 or early 2006 at the request of the Water Management District in order to encourage conservation.
- 6. The PSC Auditor will be visiting Fairways/Mt. Plymouth's offices next week to obtain this information and presumably copies provided to you.

7.	<u>Year</u>	Connections
	2002	estimate 65
	2003	estimate 66
	2004	49
	2005	32
	2006	28
	2007	0

- 8. Fairways/Mt. Plymouth did not break down expenses into categories. The expenses for 2006 and 2007 were approximately \$109,657 and \$87,756 respectively, exclusive of depreciation expense.
- 9. In accordance with the Staff's suggestions, the tax returns for Fairways/Mt. Plymouth are available for review by the Staff at its convenience. The Auditor may wish to do so during his visit next week.
- 10. Fairways/Mt. Plymouth did not receive any donated property or cash contributions in aid of construction.

Should you require any additional information, please do not hesitate to contact me.

Very truly yours

MARTIN S. FRIEDMAN

For the Firm

MSF/mp Enclosures

cc: Steve Neveleff, President, Stewart Realty Advisors Kenneth Hoffman, Esquire Ms. Pat Brady (via e-mail)