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Public Service Commission

August 21, 2008

Mr. Michael B. Twomey, Esq.
P.O. Box 5256
Tallahassee, Florida 32314-5256

Re: Docket No 080517-WS Aqua Utilities Florida, Inc.'s Application for Approval of Transfer of Horizon Homes of Central Florida, Inc. Five Land Group LLC's Water and Wastewater Systems and Amendment of Certificates in Sumter County, Florida.

Dear Mr. Twomey:

After reviewing the application in the above referenced docket, staff has identified the following items that need further clarification and additional information to complete our review and processing of the application.

Additional Information

1. Operating without certificates. Please provide a statement explaining when and under what circumstances Jumper Creek began providing water and wastewater service prior to obtaining a certificate of authorization.
2. Asset Purchase Agreement. Exhibit D of the application did not include pages 12 and 13 of the asset purchase agreement. Please submit the missing pages of the asset purchase agreement.
3. Permits. Please provide the numbers and dates of any construction or operating permits issued for the systems by the Department of Environmental Protection.
4. Managing the Utility. Has Aqua taken over operations of the utility and, if so, when did Aqua take over operation of the utility?
5. Number of Customers. Please submit a schedule showing the number of customers currently served, by class (residential, general, and irrigation) and meter size, as well as the number of customers projected to be served when the service territory is fully occupied.
6. Source of Irrigation. Do the customers of Jumper Creek used potable water for irrigation or is there a reuse system? Are there separate meters for irrigation?
7. Land. Please provide confirmation that the deed is accurate for the water and wastewater land as shown on Exhibits O and R. Exhibit O appears to be an affidavit and a legal description for one lot. This lot cannot be located on the service area map

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provided. The legal description attached to Exhibit R is the entire service area requested.

8. Rates and Charges. Please provide a statement listing the date and under what authority the current rates and charges were established.
9. Historical Costs. Please provide support for the proposed rates, service availability charges, and miscellaneous charges, including schedules showing the original cost of the water and wastewater utility assets, depreciation, contributions in aid of construction, capital structure and the operating expenses for Jumper Creek under the prior owners management using the National Association of Regulatory Utility Commissioners Uniform system of accounts (NARUC USOA).
10. Projected Cost. Please provide a schedule showing the gallons of water pumped and wastewater treated and the revenues and expenses for the utility operations for the most recent twelve month period available. If the most recent twelve month period of expenses and revenues are reflective of the prior owners of Jumper Creek operations, then please provide the projected expenses and revenues expected under the management of Aqua Utilities Florida, Inc. using the NARUC USOA.
11. Acquisition Adjustment. A negative acquisition adjustment is required when the purchase price is less than 80 percent of the net book value pursuant to Rule 25-30.0371(3)(b), Florida Administrative Code. Please provide documentation regarding the utility's net book value amount and a calculation of the negative acquisition adjustment,.
12. Service Availability Charges. The proposed tariff includes a meter installation charge for water, but no other service availability charges. Please provide a schedule showing whether the proposed service availability policy and charges comply with the provision of Rule 25-30.580, Florida Administrative Code.
13. Service availability policy. Please submit a copy of the utility's proposed service availability policy. The policy should describe who is responsible for the construction of on-site and off-site lines, hydrants, and meter installations.
14. Tariff. Please explain why the proposed tariff included a provision for AFPI, since the Jumper Creek system is not requesting AFPI charges.
15. Operating without certificates. Please provide a statement explaining when and under what circumstances Jumper Creek began providing water and wastewater service prior to obtaining a certificate of authorization.

