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July 5, 2011

Via Hand-Delivery

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

Re: Docket No. PSC-100330-WS

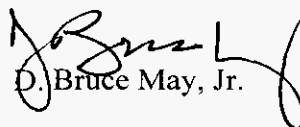
Dear Ms. Cole:

On behalf of our client, Aqua Utilities Florida, Inc. ("AUF"), attached are AUF's responses to customers who attended the Agenda Conference on May 24, 2011, and spoke on billing and water quality issues.

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 consideration and assistance.

Sincerely,

HOLLAND & KNIGHT LLP


D. Bruce May, Jr.

DBM:kjg
Enclosure

cc: Caroline Klancke
Ralph Jaeger
Patricia Christensen
Kenneth Curtin

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Kelly Sullivan
Troy Rendell
Kim Joyce

Aqua Utilities Florida, Inc.

Docket No. 100330-WS

PSC Agenda Conference – May 24, 2011

Overview: The PSC Agenda Conference was held on May 24, 2011 and approximately 37 customers provided comments prior to the PSC's consideration of AUF's PAA rate request. AUF's responses to those customers who spoke regarding billing and water quality issues at the Agenda Conference are set forth below.¹

Benjamin Anderson – 7117 SW Archer Road, Lot 2629, Gainesville, FL – Arredondo Farms

Mr. Anderson raised questions concerning the hardness of the water and his belief that there is calcium in the water. Review of his account shows that Mr. Anderson contacted AUF twice -- on March 28, 2011, and again on April 21, 2011. Mr. Anderson stated that there were deposits in the water and the water was murky.

Mr. Anderson was informed that indigenous constituents in the ground water cause hard water, and that hard water does not pose health issues. Since AUF acquired the Arredondo Farms Water System in 2003, the system has provided water meeting all primary and secondary federal and state drinking water standards. Nonetheless, AUF is evaluating system-level alternatives to address the hardness issue at Arredondo Farms and these alternatives will be presented as soon as the first phase projects of AUF's Aesthetic Water Quality Project have been completed. Some of the options being evaluated at this time include adding a sequestering agent similar to that recently added to the Tangerine and Zephyr Shores water systems. AUF's ultimate goal is to find a balanced solution that will maximize benefits to customers and minimize upward pressure on rates.

Gerald Novak – 4912 Bobby Avenue, Zephyrhills, FL –

Mr. Novak asserted that rates impact property values. A review of AUF records indicates that Mr. Novak is no longer an AUF customer at this address. The account at this address is an inactive account that was turned off in October 2008 when it was discovered water was being used at the property but there was no customer of record.

¹ AUF has not provided responses to those customers who limited their remarks to the amount of the proposed rate increase.

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Julie Knox – 35303 Condo Boulevard, Zephyrhills, FL –

Ms. Knox raised a question about two bills that were both due in May, 2011. Ms. Knox receives bills for water and sewer on a monthly basis. Ms. Knox's meter is read at the beginning of each month and payment is due twenty-one days after the bill is issued. Review of Ms. Knox's account shows that her bill was issued on April 7, 2011 for 27 days of service, which bill was due on May 2, 2011. Her next bill was issued on May 5, 2011 for 29 days of service and was due on May 30, 2011. Although Ms. Knox received two bills with due dates in May, she was not double billed for service.

At the hearing Ms. Knox also mentioned an issue with damaged clothing. An AUF representative spoke with Ms. Knox and explained that she could contact the Company to submit a claim for any damaged items.

Please note that Ms. Knox recently filed a complaint with the PSC about her concerns with the water quality. An AUF representative spoke with Ms. Knox on June 15, 2011 to discuss her concerns. She stated that AUF had not yet installed an auto flusher that had been previously discussed. However, it was explained to her that the flusher was still scheduled to be installed and that the installation would be completed on June 21, 2011. Prior to the installation of the auto flusher, AUF was scheduled to flush the line in her area on June 16, 2011. An AUF area coordinator met again with Ms. Knox on June 17, 2011, and the auto flusher has now been installed.

At the meeting on June 15, 2011, Ms. Knox was also informed that AUF would be performing directional flushing for the entire system on July 7, 2011. The homeowner association has requested that the AUF representative attend its next meeting on July 7, 2011, which coincides with the date of the directional flushing to explain the event to the residents. Pursuant to that request, an AUF representative will attend the meeting and will fully explain the flushing program which has been implemented in the Zephyr Shores system.

Janice Ellis – 4600 Clarice Avenue, Zephyrhills, FL

Ms. Ellis discussed an issue that she previously had with AUF in 2009 regarding her claim that water had stained her clothing. After receiving the claim in 2009, AUF provided the customer with Iron Out for the clothing. The customer later advised that the Iron Out did not resolve the issue and AUF paid Ms. Ellis' claim to her for the damaged clothing. The customer has not called AUF since 2009.

Lou Vellei – 7741 Graybireh Terrace, Port Richey, FL

Mr. Vellei asserted that AUF has had 10 rate increases since 2004 and 5 since 2008. Although there have been increases for indexes and pass throughs, AUF has not had 10 rate increases since 2004. AUF's last full rate case in Docket No. 080121-WS was the

first full base rate increase granted by the PSC since 1996. Mr. Vellei mentioned a broken sewer pipe but a review of his account does not indicate any service orders for a broken pipe.

Linda Gadd – 6110 Doe Circle East, Lakeland, FL

Ms. Gadd raised an issue regarding her monthly consumption. She stated that she read her meter on April 29th and again on May 23rd and calculated that she used 495 gallons. Subsequently, AUF has informed Ms. Gadd that she actually uses 5,000 gallons.

A review of Ms. Gadd's account confirms that her monthly usage fluctuates between 4,500 and 6,000 gallons each month. In reading her meter, Ms. Gadd did not account for fact that there is a 0 on the meter dial. Therefore, her usage between April 29th and May 23rd would be 4,950 which is in line with her average monthly consumption.

Ms. Gadd also raised an issue relating to service termination at her property on two occasions and claims that she was not given notice prior to the termination and that AUF took four days to restore her service. A review of Ms. Gadd's account indicates that she was placed into collections for past due balances on two occasions -- once in May 2010 and again in October 2010.

Her service was terminated on May 24, 2010 after she was given written notice on May 7, 2010 that her account was past due. On May 26, 2010, she contacted AUF for the restoration requirements. She was given the restoration requirement of \$197.25 and provided locations at which payments could be made. She stated she would call with the confirmation number once it was paid. On May 27, 2010 she called and said she would make a payment at a payment location. She called later the same day and said that she mailed the payment and would call the next day to see if the payment posted. On May 28, 2010 she called to see if the payment she mailed posted to the account. The payment was posted on the account on May 28, 2010 and service was restored that day.

It should be noted that Ms. Gadd filed a complaint with the FPSC concerning the October, 2010 service termination. AUF provided the following information to the PSC on Ms. Gadd's complaint. On October 8, 2010, Ms. Gadd was given a 10 day written notice of termination service for the balance due on her account of \$121.60. Subsequently, on October 15, 2010, Ms. Gadd received a call reminding her of her that she needed to make the payment or service would be turned off. On October 22, 2010, the customer's service was terminated for nonpayment. On October 27, 2010, Ms. Gadd telephoned the business office stating her service was terminated. The AUF representative attempted to share steps to have service restored; however, Ms. Gadd was noticeably upset and disconnected the call by hanging up.

On November 3, 2010 Ms. Gadd contacted AUF for the restoration requirements. On November 4, 2010 she called to state that she had paid her past due bill at a payment location and provided the appropriate confirmation information. Her service was restored on November 5, 2010, within 24 hours of notifying AUF of the payment. AUF notes that

there is no requirement in the current PSC rules relating to the timing of restoration of service after a disconnect for nonpayment.

AUF attempted to contact Ms. Gadd via telephone on November 23rd and November 29th to discuss her complaint with the PSC. However, both times voice messages were left. Therefore, a letter was mailed. The PSC closed the complaint on December 10, 2010.

Phyllis Johnson – 5918 Doe Circle West, Lakeland, FL

Ms. Johnson stated that high water bills caused her to stop watering her lawn and that she requested a separate meter for irrigation. However, a review of her account does not show any contact with AUF regarding a high bill or any inquiry regarding an irrigation meter. On June 15, 2011, an AUF representative spoke with Ms. Johnson and discussed the option of an irrigation meter. The customer declined the option of installing an irrigation meter due to the cost.

Gus Alexakos – 4625 Windy Lane, Zephyrhills, FL

On June 14, 2011, an AUF representative spoke with Mr. Alexakos concerning water quality issues and explained that AUF would like to assist with the water issues in his area. AUF notes that it has spoken to Mr. Alexakos numerous times over the past years and has worked closely with him to address any issue he has previously raised. Mr. Alexakos was informed that AUF would be performing directional flushing on July 7, 2011. The AUF representative scheduled a meeting for June 17, 2011 to further discuss Ms. Alexakos concerns.

On June 17, 2011, an AUF area coordinator met with Mr. Alexakos and gave Mr. Alexakos sample water testing bottles in case he experienced discolored water in the future so that AUF could test the samples. In addition, Mr. Alexakos and the AUF representative arranged for AUF to meet with the homeowner's association to discuss the flushing schedule for the upcoming year and any other customer concerns.

The association has requested that the AUF representative attend its next meeting on July 7, 2011, which coincides with the date of the directional flushing to explain the event to their residents. As stated above, an AUF representative will attend that meeting and will explain the flushing program which has been implemented in the Zephyr Shores system.

At the May 24th hearing, Mr. Alexakos mentioned an issue with his neighbor's meter which he said was locked but still registering usage. AUF has investigated the issue and determined that one of AUF's valves was broken at the neighbor's property causing water usage to register. AUF has repaired the valve and subsequently spoke to the neighbor to ensure that the account is credited appropriately.

Deborah DiBona – 10331 Willow Drive, Port Richey, FL

Ms. DiBona stated that she has a pool and raised an issue regarding sewer rates. Ms. DiBona is a water and sewer customer. It should be noted that while residential wastewater bills are based on water usage, there is a 6,000-gallon cap on the amount of water used to calculate the wastewater bills for all rate bands. For customers whose typical monthly water usage is below the cap, their water usage sometimes exceeds the cap in those months when their pools are filled, but those customers are not charged for more than the capped amount.

Nancy Jane Kraft – 7905 Mimosa Drive, Port Richey, FL

Ms. Kraft stated that she paid \$1,039 for water in 2009. Throughout 2010 her annual bills totaled \$1,077 and she has paid \$342 so far in 2011. It should be noted these costs are for both water and sewer service, not just water.

Christopher Ruiz – 11124 Tamarix Avenue, Port Richey, FL

Mr. Ruiz raised an issue regarding AUF's boil water notices. A review of his account shows that calls were made to AUF in November 2010 and on May 19, 2011. In November 2010, boil water notices issued to customers and a Swift Reach phone campaign was also initiated for a planned outage for valve replacements. On May 19, 2011, boil water notices were distributed to all customers and rescinded on May 21, 2011.

Lynda Wittkopp – 10531 Azalea Drive, Port Richey, FL

Ms. Wittkopp commented on the water rates and that she uses bottled water. A review of her account shows that her average bill is approximately \$56 per month and there have been no water quality or service calls since 2009.

Mike Rock – 7430 Rhineback Drive, Port Richey, FL

Mr. Rock attended the October 20, 2010 customer meeting that was held in New Port Richey. At that time, and again at the PSC Agenda Conference, Mr. Rock inquired as to damage caused due to flooding.

As reported to the PSC after the October customer meeting, on September 13, 2010, Pasco County Utilities hit and broke AUF's 2" line at this address. The County notified AUF and AUF's technician was dispatched. The County fixed the leak and made restoration based on this leak in all areas that were appropriate.

AUF received a Sunshine State One Call document concerning this line break on September 15, 2010. The County commenced the storm water pipe replacement on September 13, 2010, which was two days before AUF received the request for the line

locate. When the AUF service technician arrived to locate and mark the water lines, Pasco County was already in the process of digging the ground for the storm pipe replacement. Again, this was two days prior to AUF receiving the One Call request to locate the line.

Harold Todd – 7831 Judith Crescent, Port Richey, FL

Mr. Todd commented on an issue relating to his granddaughter's service. At the hearing, however, he did not mention the customer's name or address. On June 15, 2010, AUF contacted Mr. Todd's granddaughter and she did not have any current water quality concerns. AUF also asked the granddaughter about the incident referenced by Mr. Todd and the granddaughter did not have details and expressed no concern about past water quality problems.

Marie Skelton – 9438 US 19 #235, Port Richey, FL

Ms. Skelton raised an issue concerning a 2010 backbill as a result of zero usage on the account beginning in May 2009. There was a meter exchange in October 2009 and Ms. Skelton did receive a backbill. However, in accordance with Florida law, Ms. Skelton was not billed for more than 365 days of service. It should be noted that the balance on the account after the revised bill was \$200.05.

Ms. Skelton did write to AUF regarding complaints with her Zipcheck bill payments and AUF responded to Ms. Skelton's letter and resolved the issue. The account was abated \$3.20 for the Zipcheck fee. After the customer contacted AUF, AUF reviewed her bill and confirmed that Ms. Skelton was billed at the appropriate rates. AUF does not have a record of Ms. Skelton contacting the Company in 2009 about the meter readings.

Diane Manzo – 7932 Lotus Drive, Port Richey, FL

Ms. Manzo attended the October 20, 2010 customer meeting in New Port Richey. At that time, and again at the PSC Agenda Conference, Ms. Manzo discussed her usage variations. As reported to the PSC after the October customer meeting, a review of her usage from January 2009 through November 2010 confirms that her usage has remained relatively constant except for a few months when usage went up. Ms. Manzo asserted that AUF bills in 1,000 gallon increments and stated that she should not be charged for 2,000 gallons if she only uses 1,010 gallons. Ms. Manzo is incorrect. AUF bills in 100 (not 1,000) gallon increments.

Lesley Marano – 7915 Foxbloom, Port Richey, FL

Ms. Marano raised a question regarding a collection issue and claimed that she was told that it would be okay to pay the balance on Friday but her service was terminated on Wednesday. She also discussed a broken pipe in the backyard that she asserts that it took four days to repair. Ms. Marano did not provide an address, but AUF believes that it has identified her account. On November 15, 2010 a notice was sent concerning a past due balance. The customer did call for payment requirements and did make a payment on Wednesday, November 17, 2010, and another payment on Friday, November 19, 2010. A review of the account, however, does not indicate that service was shut off for non-payment on Wednesday, November 17, 2010. Records do show that the customer called about no water on Wednesday, November 17, 2010. On November 17, 2010 there was an outage on the Palm Terrace system due to a broken valve. This was an emergency shut down and water was restored the same day. Although Ms. Marano was without service for a portion of the day on November 17, 2010, it was not due to termination for nonpayment; rather, it was due to an outage in the area at the time.

In May, 2010 there was a broken pipe at the address and a claim was paid to the customer for a broken water heater.