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STATE OF FLORIDA



DIVISION OF
ACCOUNTING AND FINANCE
MARSHALL WILLIS
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Public Service Commission

April 23, 2013

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COMMISSION
CLERK

Mr. Reginald J. Burge
Aquarina Utilities, Inc.
1726 N.E. Darlich Avenue
Jensen Beach, Florida 34957

Re: Docket No. 110061-WS, Application for authority to transfer assets and Certificate Nos. 517-W and 450-S of Service Management Systems, Inc. to Aquarina Utilities, Inc., in Brevard County

Dear Mr. Burge:

Attached Order No. PSC-12-0577-PAA-WS serves as Certificate Nos. 517-W and 450-S which have been issued for Aquarina Utilities, Inc. This order should be retained in the utility's office. The utility's approved tariffs will be sent under a separate cover letter.

Shown below are the links to the following documents:

1. **Florida Statutes** <http://www.leg.state.fl.us/statutes/index.cfm>. Specifically Chapter 367, Florida Statutes, (F.S.), detailing the Commission's jurisdiction over private water and wastewater utilities.
2. **Florida Administrative Code** <https://www.flrules.org/Default.asp>. Specifically Chapters 25-9, 25-22, and 25-30.
3. **Uniform System of Accounts for Class B Water and Wastewater Utilities** <http://www.naruc.org/Store/>.

Please note that Section 367.161, F.S., provides that violation of any Commission rule, statute, or order could result in penalties of up to \$5,000 per day. Therefore, it is important to review this material and to be aware of your responsibilities as a regulated utility. The Commission does not furnish utilities with changes to the Florida Statutes, but you may obtain the latest copy of the Florida Statutes at www.leg.state.fl.us and Commission rules online at www.flrules.org.

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I would like to direct you to certain areas within the rules and statute which will affect your day to day operations as a utility:

1. If, in the future, you want to serve additional territory, you must file an application for amendment of your certificated territory. See Rule 25-30.036, F.A.C., for the current filing requirements for an application for amendment. For guidance related to territory amendments, you may contact the Division of Engineering at (850) 413-6910.
2. If you find you need to revise a rate or charge, you should refer to Chapter 25-30.410 through 25-30.475, F.A.C., which contains the necessary steps for rate adjustment changes. Chapters 25-30.510 through 25-30.585, F.A.C., contain the steps necessary to change service availability charges or policies. For guidance related to rate adjustments, you may contact the Division of Accounting and Finance at (850) 413-6900. For guidance relating to service availability charges or policies, you may contact the Division of Economics at (850) 413-6410.
3. The Commission establishes a price index for major categories of operating costs on or before March 31 each year and utilities are allowed to increase rates using this price index mechanism. In addition, utilities are allowed to pass through certain expenses such as purchased power and property tax. Rules 25-30.420 and 25-30.425, F.A.C., contain the criterion for the application of the price index or pass-through rate adjustments. For guidance related to a price index or pass-through, you may contact the Division of Accounting and Finance at (850) 413-6900.
4. Regulated water and wastewater utilities are also required to file two related reports with the Commission on an annual basis:
 - A. **Annual Report.** Each utility is required to submit an annual report which contains certain financial and operational data relating to the utility. (See Rule 25-30.110, F.A.C.)
 - B. **Regulatory Assessment Fee Form.** Each utility is required to remit an annual regulatory assessment fee (RAF). RAFs are currently 4.5 percent of gross operating revenue and are designed to cover the Commission's costs of regulating water and wastewater utilities. (See Rule 25-30.120, F.A.C.)

The annual report and RAF forms, as well as the payment for RAFs, are due to the Commission by March 31 of each year for the previous calendar year. For your convenience, the Commission will send the applicable report forms by February 15 of each year. However, failure to receive the forms does not abrogate the utility of its responsibility to timely file an annual report and remit the appropriate amount of RAFs.

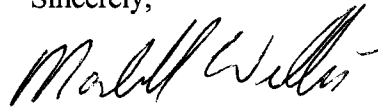
Mr. Reginald J. Burge

Page 3

April 23, 2013

We welcome and encourage regulated water and wastewater utilities under the Commission's jurisdiction to contact our staff and maintain working liaisons with us. This leads to better relations between the Commission staff and utilities and provides for faster and more efficient completion of regulatory requirements. If we can be of any assistance to you, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "Marshall Willis". The signature is fluid and cursive, with a long horizontal stroke at the end.

Marshall Willis
Director

MW/mg:lr
Attachment

cc: Mr. Martin S. Friedman (with attachment)
Division of Accounting and Finance (Golden)
Division of Economics (Daniel)
Division of Engineering (McRoy)
Office of the General Counsel (Young)
Office of Commission Clerk (Docket No. 110061-WS)
Division of Administrative Services