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D. Bruce May, Jr.
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June 3, 2008

Via E-Mail

Charles Beck
Deputy Public Counsel
c/o The Florida Legislature
111 W Madison St, Room 812
Tallahassee, FL 32399-1400

Re: *In Re: Application for increase in water and wastewater rates in Alachua, Brevard, DeSoto, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc., Docket No. 080121-WS*

Dear Charlie:

Aqua Utilities Florida, Inc. ("Aqua") has received your recent discovery requests, including: Citizens' First Set of Interrogatories dated May 29, 2008 (consisting of over 200 interrogatories including subparts); and Citizens' First and Second Requests for Production of Documents ("PODs") dated respectively May 28, 2008 and May 29, 2008 (consisting of 125 PODs including subparts). At this juncture, Florida Administrative Code Rule 28-106.206 requires that discovery in this case be governed by the Florida Rules of Civil Procedure ("FRCP"). As you know, the FRCP require that a party seeking to propound more than 30 interrogatories must show good cause and obtain order from the pre-hearing officer. Neither of those conditions has been met here. Nevertheless, while the propounded discovery is not compliant with the Rules, we want to be as cooperative as possible concerning your discovery.

In light of the volume of discovery propounded already, we hope to reach an agreement with you on an orderly and reasonable discovery process so that all parties may respond thoroughly and cost-effectively to all proper discovery propounded in this case. We understand this rate case involves multiple systems, but we also have a duty to manage this case in a manner that balances the rights of the parties during discovery with the responsibility to mitigate the rate case expense that will be passed to Aqua's customers.

To that end, we would propose to establish a discovery protocol for this rate case using the parameters in two recent FPSC cases involving utilities much larger than Aqua. See *In re: Petition to determine need for Turkey Point Nuclear Units 6 and 7 electrical power plant, by Florida Power & Light Company*, Docket No. 070650-EI, Order No. PSC-07-0869-PCO-EI

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(Dec. 30, 2007), a multi-billion dollar nuclear power plant need case, and *In re: Petition for rate increase by Florida Public Utilities Co.*, Docket No. 070304-EI, Order No. PSC-07-0811-PCO-EI (Oct. 8, 2007), a rate case involving an electric utility with in excess of 94,000 customers. Using those two cases as benchmarks, we propose the following terms to govern discovery in this case:

1. Interrogatories should be limited to 250, including all subparts. *See In re: Fla. Power & Light Co.*, Order No. PSC-07-0869-PCO-EI (permitting 300 interrogatories, including subparts); *In re: Fla. Pub. Utils. Co.*, Order No. PSC-07-0811-PCO-EI (permitting 200 interrogatories, including subparts); *see also* Fla. R. Civ. P. 1.340(a) ("The interrogatories [under the Civil Procedure Rules] shall not exceed 30, including all subparts, unless the court permits a larger number on motion and notice and for good cause.").
2. Requests for production of documents, including all subparts, be limited to 250. *See In re: Fla. Power & Light Co.*, Order No. PSC-07-0869-PCO-EI (permitting 300 requests for production, including subparts); *In re: Fla. Pub. Utils. Co.*, Order No. PSC-07-0811-PCO-EI (permitting 200 requests for production, including subparts).
3. Requests for admissions, including all subparts, be limited to 100. *See id.* (permitting 100 requests for admissions, including subparts); *see also* Fla. R. Civ. P. 1.370(a) (limiting request for admission to 30 requests, including all subparts).
4. Time to respond to any and all discovery requests be extended to 45 days.
5. Time to object to any and all discovery requests be 30 days. *See* Fla. R. Civ. P. 1.340(a) (permitting 30 days to object to interrogatories); Fla. R. Civ. P. 1.350(b) (permitting 30 days to serve written response to request for production); Fla. R. Civ. P. 1.370(a) (permitting 30 days to object to request for admission).

We look forward to hearing any comments you have regarding this proposal. It is our hope that we can mutually agree on an appropriate discovery protocol for this case and avoid having to spend the time and expense of addressing these issues before the pre-hearing officer. If we're able to reach agreement on the terms of discovery, which I certainly hope we are, we can memorialize the agreement and present it jointly in a motion to the pre-hearing

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officer. We would like to schedule a conference call at your convenience to discuss these matters. Please let me know what time works best for you. Thank you for your consideration.

Sincerely,

HOLLAND & KNIGHT LLP



D. Bruce May, Jr.

DBM:kjg

cc: Ralph Jaeger, Esq.
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