

**Property Owners of Harbor Hills, Inc.**  
*A Voice for All Harbor Hills Residents*  
**P.O. Box 118, Lady Lake, FL 32158**

February 11, 2011

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COMMISSION  
CLERK

Ms. Ann Cole  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Docket No. 110019-WS – Aqua Utilities Florida, Inc.’s Application for Approval of Transfer of Harbor Hills Utilities, L.P.’s Water System to Aqua Utilities Florida, Inc. and Amendment of Certificate in Lake County, FL, and Aqua Utilities Florida, Inc.’s Application for Original Certificate for an Existing Wastewater System, Request for Initial Rates and Charges, and Amendment of Certificate in Lake County, FL

Dear Commissioners:

On behalf of its members, the Property Owners of Harbor Hills, Inc. (“POHH”) is writing to timely<sup>1</sup> provide comment on the pending applications filed by Aqua Utilities Florida (“AUF”), Docket No. 110091, seeking the Florida Public Service Commission’s (“Commission”) approval of the transfer of Harbor Hills Utilities, L.P.’s (“Harbor Hills”) water system and amendment of certificate in Lake County, Florida, and approval of an original certificate for an existing wastewater system, initial rate request, and amendment of certificate in Lake County, Florida (hereafter “Applications”). POHH has approximately 260 members, all of whom are residents of the Harbor Hills community, and all of whom are water utility customers of, and obtain their wastewater utility service from, Harbor Hills.

We respectfully request the Commission to closely scrutinize and conduct a thorough review of AUF’s Applications in order to ensure that the public interest is served and that AUF will fulfill the commitments, obligations, and representations of Harbor Hills as required by Section 367.071, Florida Statutes, and that the initial rates established for the wastewater utility

<sup>1</sup> According to Affidavits submitted by Aqua Utilities Florida, the Notice of Application for each of the above-referenced Application was mailed to customers of Harbor Hills Utilities, L.P., on January 10, 2011, and Notice of Application for each of the above-referenced Applications was published in The Villages *Daily Sun* on January 13, 2011. Under Section 367.045(3), Florida Statutes, and Florida Public Service Commission Rule 25-30.031, Florida Administrative Code, written objections must be filed within 30 days after the last day that the Notice is mailed or published by the applicant, whichever is later. Thus, written objection on the above-referenced Applications must be filed within 30 days after January 13, 2011. Pursuant to Uniform Rule of Procedure 28-106.103, Florida Administrative Code, the day of the act from which the time period begins to run is not included in computing the running of an applicable period of time. Here, the 30-day period for submitting written objections commenced on January 14, 2011 and ended on February 12, 2011, a Saturday. Rule 28-106.103 provides that “[t]he last day of the period is included, unless it is a Saturday, Sunday, or legal holiday, in which event the period shall run until the next day that is not a Saturday, Sunday, or legal holiday.” That day is Monday, February 14, 2011.

(no attachments included)  
M McLean  
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are just, reasonable, compensatory, and not unfairly discriminatory as required by Section 367.081, Florida Statutes. POHH is well aware of AUF's reputation for providing poor quality water and poor customer service while charging exorbitant rates for its water and wastewater services in communities throughout Florida. POHH is extremely concerned that AUF will provide the same deficient services and engage in the same deficient conduct with respect to POHH's members if the Commission approves the requested water utility transfer and initial certificate for the wastewater utility.

Among our specific concerns are the following:

(1) The transfer of the water system to AUF is not in the public interest. The Application for transfer of the Harbor Hills water system to AUF states that the transfer is in the public interest because AUF's parent company, Aqua America, Ltd., is large publicly-traded water and wastewater utility company with extensive experience in providing high quality water and wastewater services at reasonable prices. POHH submits that AUF's track record in Florida shows that regardless of its parent company's size or experience, AUF does not have the capability to provide high quality water at reasonable prices. In support of this position, please find attached Composite Exhibit "A", which consists of news coverage of AUF's service in other communities and comments submitted by the Office of Public Counsel in another docket involving AUF (Docket No. 080121-WS) regarding AUF's and other Aqua America subsidiaries' substantial deficiencies in providing adequate water and wastewater utility services in Florida and in other states. In meeting its burden to demonstrate the transfer is in the public interest, AUF should not be allowed to rely on an unsubstantiated statement that is patently contradicted by AUF's service record in the state. The Commission should give due consideration to AUF's history of providing inadequate service at excessive rates in determining whether it is in the public interest to transfer the Harbor Hills water system to AUF, and to authorize AUF to assume ownership of, and operate, the Harbor Hills water system.

(2) The proposed wastewater service rate depicted in Exhibit J of the application for initial rate for wastewater service is inaccurate. Exhibit J of the wastewater transfer and initial rate establishment Application projects an inaccurately low proposed residential monthly bill at 5,000 gallons in the year 2014 based on the unsubstantiated assumption that there will be an increase in equivalent residential units ("ERCs") over the years 2011 through 2015. In fact, the more reasonable assumption, given current and projected economic conditions in Florida over the next four years, is that there will be no increase in ERCs between 2011 and 2015. AUF's overestimation of ERCs in the future results in a substantial underestimation of the wastewater service rate and charges imposed on AUF's wastewater service customers. In support, please find attached as Exhibit "B" the written objections submitted by Ellen B. Wilcox, dated February 7, 2011, discussing this issue in greater detail. POHH requests that the Commission require AUF to adequately substantiate every assumption on which its requested rate is based in order to meet its statutory burden to demonstrate that the proposed rate is just, reasonable, compensatory, and not unfairly discriminatory.

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We appreciate the opportunity to submit these comments. We also respectfully request that the Commission considering holding a customer meeting on the Applications within the service area, so that our members will be afforded an opportunity to voice their concerns directly to the Commissioners.

Sincerely,



Ellen B. Wilcox  
President,  
Property Owners of Harbor Hills, Inc.

Attachments:           Composite Exhibit "A"  
                              Exhibit "B"

cc:     D. Bruce May, Esq.  
          Holland & Knight