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Public Service Commission

June 7, 2006

Mr. Martin S. Friedman
Rose, Sundstrom & Bentley, LLP
Sanlando Center
2180 W. State Road 434, Suite 2118
Longwood, FL 32779

Re: Docket No. 060285-SU; Application for increase in wastewater rates in Charlotte County by Utilities, Inc. of Sandalhaven

Dear Mr. Friedman:

We have reviewed the minimum filing requirements (MFRs) submitted on May 15, 2006, on behalf of Utilities, Inc. of Sandalhaven (Sandelhaven or utility). After reviewing this information, we find the MFRs to be deficient. The specific deficiencies are identified below.

Rule 25-30.436(4) (a), Florida Administrative Code (F.A.C.) requires that each schedule shall be cross referenced to identify related schedules as either supporting schedules or recap schedules. The following schedules are deficient pursuant to this rule.

1. Schedule A-2 Rate Base

CMP _____ This schedule does not does not tie to Schedule A-3 Proforma Adjustments.

COM _____
CTR _____ 2. Schedule A-8 Annual Accumulated Depreciation Additions and Balances

ECR _____ The 12/31/2005 balance does not cross reference to Schedule A-18.

GCL _____
OPC _____ Rule 25-30.110(2), F.A.C. states each utility shall furnish to the Commission at such time and in such forms as the Commission may require, the results of any required tests and summaries of any required records. The utility shall also furnish the Commission with any information concerning the utility's facilities or operation that the Commission may request and require for determining rates or judging the practices of the utility. All such data, unless otherwise specified, shall be consistent with and reconcilable with the utility's annual report to the Commission. The following schedules are deficient pursuant to this rule.

SGA _____
SEC | _____
OTH _____ 3. Schedule A-6 Plant In Service

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The utility's Prior Year 12/31/2004 balance does not match what is listed in the utility's 2004 or the 2005 annual report. Pursuant to Rule 25-30.110, F.A.C., please provide the reconciliation of the balances in the 2004 and 2005 Annual Reports and the MFR Schedule A-6.

4. Schedule A-8 Annual Accumulated Depreciation Additions and Balances

The utility's Prior Year 12/31/2004 balance does not match the total balance on page S-4(a) of the 2004 Annual Report. Pursuant to Rule 25-30.110, F.A.C., please provide the reconciliation of the balances in the 2004 Annual Report and the MFR Schedule A-8.

5. Schedule A-10 Accumulate Depreciation

The utility's Prior Year 12/31/2004 balance does not match what is listed in the utility's 2004 Annual Report. Pursuant to Rule 25-30.110, F.A.C., please provide the reconciliation of the balances in the 2004 Annual Report and the MFR Schedule A-10.

Rule 25-30.437, F.A.C., requires that each utility applying for a rate increase shall provide the information required by Commission Form PSC/ECR 19 (11/93), entitled "Class B Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum Filing Requirements." Numbers 6 - 9 of the following list are deficiencies pursuant to this rule.

6. Schedule B-8 , Comparative O & M Expenses

The instructions for this schedule require the utility to provide an explanation of all differences which are not attributable to the change in customer growth and the CPI-U. The utility did not provide the explanation for Miscellaneous Expenses.

7. Schedule F-6, Used and Useful calculations

The instructions for this schedule require the utility to provide all calculations, analyses and governmental requirements used to determine the used and useful Percentages. The utility did not calculate the infiltration and inflow in its used and useful and assumed it would be zero. Please provide all calculations used to support 0% infiltration and inflow.

8. Schedule B-12, Schedule of Allocated Expenses

The instructions for this schedule require the utility to provide a schedule detailing expenses which are subject to allocation between systems showing allocation percentages, gross amounts, amounts allocated, and detailed description of the method of allocation. The total allocated amount from Water Service Corp. listed on this schedule does not agree with the total allocated amount reflected in Utilities, Inc.'s cost allocation manuals for June 30, 2005, September 30, 2005, and December 31, 2005.

Mr. Martin S. Friedman, Esquire

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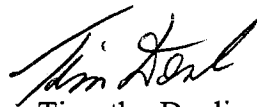
9. Rule 25-30.440(1)(a), F.A.C., requires that each applicant for a rate increase shall provide to the Commission one copy of a detailed map showing the location and size of the applicant's distribution and collection lines as well as its plant sites. The utility provided a map that does not show the size of the distribution and collection lines. Please provide a map showing additional information as detailed in the rule.

10. Rule 25-30.440(2), F.A.C., requires that each applicant for a rate increase shall provide to the Commission one copy of a list of chemicals used for water and wastewater treatment, by type, showing the dollar amount and quantity purchased, the unit prices paid and the dosage rates utilized. The utility provided a list of chemicals used for wastewater treatment that does not have the dosage rates utilized for treatment. Please provide a list of chemicals that has the dosage rates utilized for wastewater treatment as required by this rule.

11. Rule 25-30.440(8), F.A.C., requires that each applicant for a rate increase shall provide to Commission one copy of a list of all field employees, their duties, responsibilities, and certificates held, and an explanation of each employee's salary allocation method to the utility's capital or expense accounts. The utility provided a list of employees that does not have an explanation of each employee's salary allocation method to the utility's capital or expense accounts. Please provide a list that has an explanation of each employee's salary allocation method to the utility's capital or expense accounts as required by this rule.

If any above corrections require a corresponding change to any MFR schedules, those corrected schedules must also be submitted. Your petition will not be deemed filed until the deficiencies identified in this letter have been corrected. These corrections should be submitted no later than July 7, 2006.

Sincerely,



Timothy Devlin
Director

cc: ~~Division of Commission Clerk and Administrative Services~~
Office of the General Counsel (Brown)
Division of Economic Regulation (Willis, Rendell, Massoudi, Biggins)