

STATE OF FLORIDA

COMMISSIONERS:
BRAULIO L. BAEZ, CHAIRMAN
J. TERRY DEASON
LILA A. JABER
RUDOLPH "RUDY" BRADLEY
CHARLES M. DAVIDSON



TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

May 4, 2004

F. Marshall Deterding, Esq.
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, FL 32301

Re: North Peninsula Utilities Corporation 2002 Earnings Review, Docket No. 030601-SU

Dear Marty::

Staff has reviewed the 2003 Annual Report of North Peninsula Utilities Corporation and would appreciate your answering the following questions regarding plant and expenses for 2003 and 2004:

1. Please provide invoices for the \$20,423 in plant additions for 2003.
2. According to your September 16, 2003 letter, you estimated that \$30,564 in plant additions would be required in 2003 and \$40,549 in 2004. The 2003 Annual Report shows that the utility added only \$20,423. Please provide an updated description and estimates for plant additions for 2004.
3. Please provide estimates for plant retirements for 2004.
4. Please provide a breakdown and invoices for the \$41,421 in repairs by Wetherell, \$5,816 by Stephen Baker, and \$9,298 by Herb Weems. Please identify how often each repair is necessary, i.e., an appropriate amortization period.
5. Please provide an update of the repairs estimated for 2004, including a description, the cost, copies of any estimates or proposals, and how often each repair is necessary.
6. Please provide a description of the \$70,497 in management services provided by Peninsula Management and the calculation of that amount. Was the \$70,497 based on \$9.34 per customer as described in the 1997 Management Agreement and 560 customers? If not, what was the basis?
7. Why has Regulatory Commission Expense increased from \$1,250 to \$4,426? Please provide documentation.

CMP _____
 COM _____
 CTR _____
 ECR _____
 GCL _____
 OPC _____
 MMS _____
 RCA _____
 SCR _____
 SEC 1
 OTH _____

DOCUMENT NUMBER - DATE

05134 MAY-4-04

FPSC-COMMISSION CLERK

F. Marshall Deterding, Esq.

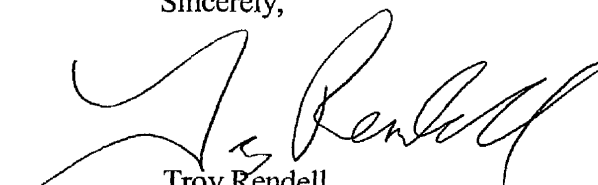
Page 2

May 4, 2004

8. Please provide a breakdown and estimate of rate case expense through the end of this proceeding.
9. How many customers do you have at the present time? How many new connections do you expect by December 31, 2004?
10. Please provide a breakdown of the \$7,465 in Miscellaneous Expense. What caused the increase from \$6,128 in 2002 to \$7,465 in 2003?

Please provide responses to these questions by May 24, 2004. Please feel free to call me at (850) 413-6934 if you have any questions.

Sincerely,



Troy Rendell
Public Utilities Supervisor

TR:sm

cc: Mr. Tyree F. Wilson, Jr.

Mr. Robert Hillman

Division of Economic Regulation (Fleming, Merta)

Division of Commission Clerk and Administrative Services (030601-SU)