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REPLY TO CENTRAL FLORIDA OFFICE

MARTIN S. FRIEDMAN, P.A.
VALERIE L. LORD
BRIAN J. STREET

July 7, 2006

VIA HAND DELIVERY

Ms. Blanca Bayo
Commission Clerk & Administrative Services Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RECEIVED-FPSC
06 JUL - 7 PM 2:52
COMMISSION
CLERK

RE: Docket No.: 060254-SU; Mid-County Services, Inc.'s Application for Rate Increase in Pinellas County, Florida
Our File No.: 30057.109

Dear Ms. Bayo:

The following are the Utility's responses to the Commission Staff's June 8, 2006, correspondence identifying deficiencies in the MFRs:

Rule 25-30.437. Florida Administrative Code (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 A Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum Filing Requirements." Numbers 1-6 fo the following list are deficiencies pursuant to this Rule.

1. Schedule B-12, Schedule of Allocated Expenses.

CMP _____
COM _____
CTR _____
ECR _____
GCL _____
OPC _____
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 descriptions 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. Further, the total allocated amount from Utilities, Inc. of Florida 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.

RCA _____
SCR _____
RESPONSE: Please refer to Exhibit "A" attached hereto, which consists of 15 copies of revised MFR schedule B-12.

SGA _____
SEC 1 _____
JTH _____

DOCUMENT NUMBER-DATE
06032 JUL -7 8
FPSC-COMMISSION CLERK

2. Schedule B-15, Taxes Other Than Income.

The Utility is required to provide details for all taxes other than income incurred during the test year. The Utility did not provide the calculation for the adjustment to property tax for pro forma and non used and useful plant on line 11.

RESPONSE: The calculation is as follows:

Adjusted Net Plant net of Net CIAC (Sch. A-2, Col. 4) -1 x TY Prop. Tax (Sch B-15, col. 4)
Net Plant net of Net CIAC excl. CWIP (Sch. A-2, Col. 2.)

$\frac{\$2,503,578}{\$2,265,325} = 1.105 - 1 = .105 \times \$13,401 = \$1,409$

3. Schedule C-2, State and Federal Income Tax Calculation-Current.

The Utility did not provide a calculation for the Utility's adjustment for Net Utility Operating Income, line 1.

RESPONSE: The \$(132,636) adjustment to net operating income at Sch. C-2, line 1 is found at Sch. B-2, col. 3, line 8.

4. Schedule F-6, Used and Useful Calculations.

The instructions for the schedule require the utility to provide all calculations, analyses and governmental requirements used to determine the used and useful percentages. The utility assumes that the infiltration and inflow would be zero because of manhole repairs and replacing or relining of mains, etc. The Utility's used and useful calculation does not calculate infiltration and inflow. The Utility did not provide all calculations used to support 0% infiltration and inflow.

RESPONSE: The utility did not assume 0% infiltration and inflow (I&I). The utility provided an I&I calculation in the last case - Docket No. 030466-SU. That calculation showed 0% excess I&I. As indicated on Sch. F-6, the treated flows are 14% less than the last case, but the billed gallons are virtually the same. The utility then logically concluded that if the treated flows are less and the billed gallons are the same as the last case, the I&I would have to be less than in the last case. Since there was 0% excess I&I in the last case, it was also logical to conclude that there would be 0% excess I&I in this case. Nevertheless, a new I&I calculation is attached. See attached Exhibit "B".

5. Schedule F-10, Equivalent Residential Connections - Wastewater.

The instructions for this schedule require the utility to provide a variety of information in order to calculate the average growth in ERCs for the last five years, including the test year.

Specifically, Columns 5, 6 & 7 require the utility to provide the total amount of SFR Gallons Treated, Gallons/SFR, and Total Gallons Treated. Columns 5, 6 & 7 are blank for this utility. The utility did not provide the information necessary to complete this schedule.

RESPONSE: The utility completed this schedule exactly as it did in the last case, Docket No. 030446-SU, and included an explanatory note as it had in that case. The schedule response was found deficient in that case and a response was provided (and accepted). An updated response is provide below.

In Schedule F-10, the utility explained the reason that the requested information was not provided. Specifically, the schedule states: "Billing information for this system must be obtained from the Pinellas County water utility. Pinellas County has indicated that they only keep records of this information for the current year and two previous years. Therefore, the information the information necessary to complete this schedule is not available. In lieu of this information, the utility has used the number of water meters by type and number of meter equivalents, as they appear in the annual reports at Schedule S-11. This appears to be the best indicator of year to year growth."

The meter equivalent method is believed to be a good indicator because, as evident from Schedule E-2, there are so many master metered multi-unit customers. The utility cannot provide what is not available. Schedule F-10, as filed, is consistent with the filing in the last case and is believed to adequately fulfill the purpose of the schedule.

Rule 25-30.440, F.A.C., requires that each Utility applying for a rate increase shall provide two copies of the following engineering information to the Commission, with the exception of item (6) of which only one copy is required. Number 14-17 of the following list are deficiencies pursuant to this Rule. Numbers 7-9 of the following list are deficiencies pursuant to this Rule:

6. 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 location of the plant sites as required by this Rule.

RESPONSE: The map submitted identified the location of the plant sites. All lines are the standard 8-inch.

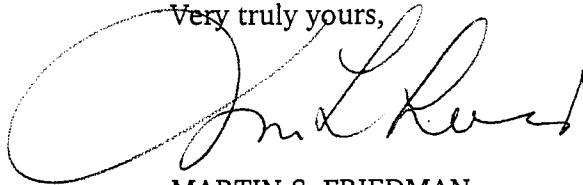
7. Rule 25-30.440 (2), F.A.C., requires that each applicant for a rate increase shall provide to the Commission a list of chemicals used for water and wastewater treatment, by type, showing the dollar amount and quantity purchased, the unit prices paid and the dosage rates utilized. The Utility provided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

RESPONSE: Please refer to Exhibit "C" attached hereto.

8. Rule 25-30.440 (8), F.A.C., requires that each applicant for a rate increase shall provide to the 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 completely reconcile to the employees reflected in Utilities, Inc.'s cost allocation manuals for June 30, 2005, September 30, 2005, and December 31, 2005. Further, the total salaries from the 2005 Cost Allocation Manuals are greater than the total water and wastewater salaries reflected in the MFR Schedules B-7 and/or B-8. Staff believes the difference between them may be the amount that was capitalized by the Utility. However, the Cost Allocation Manuals and the list provided by the Utility do not reflect which employee's salaries were capitalized. Thus, please provide a list explaining each employee's salary allocation method to the Utility's capital or expense accounts required by this Rule.

RESPONSE: Please refer to Exhibit "D" attached hereto.

Very truly yours,

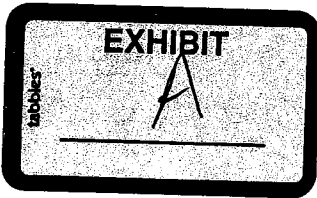


MARTIN S. FRIEDMAN
VALERIE L. LORD
For the Firm

VLL/mp
Enclosures

cc: Rosanne Gervasi, Esquire, Office of General Counsel (w/o enclosures) (by hand delivery)
Mr. Marshall Willis, Division of Economic Regulation (w/enclosures) (by hand delivery)
Mr. Troy Rendell, Division of Economic Regulation (w/enclosures) (by hand delivery)
Ms. Mahnaz Massoudi, Division of Economic Regulation (w/enclosures) (by hand delivery)
Mr. Steve Lubertozzi (w/enclosures)
Ms. Holly Roth, Director (w/enclosures)
Mr. John Hoy (w/enclosures)
Mr. Patrick C. Flynn (w/enclosures)
Mr. Frank Seidman (w/enclosures)

U:\MID-COUNTY\(.109) 2005 RATE CASE\PSC Clerk (deficiency responses) 02.wpd



Allocation of Expenses

Florida Public Service Commission

Company: Mid-County
 Docket No.: 060254-SU
 Schedule: Year Ended: 12/31/2005
 Interim Final
 Historical Projected

Schedule B-12
 Page 1 of 4
 Preparer: Steven Diñel
 and Seidman, F.

Explanation: Provide a schedule detailing expenses which are subject to allocation between systems (water, sewer & gas, etc.) showing allocation percentages, gross amounts, amounts allocated, and a detailed description of the method of allocation. Provide a description of all systems other than water and sewer.

Line No.	G/L Acct. No.	Description	Allocation Percentages			Amounts Allocated			Allocation Percentage		
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
			Allocation Percentages			Description of Allocation	Amounts Allocated			Mid-County	
Other Companies/Systems	Total		Mid-County	Other Co's/Sys	Total		0.00% Water	100.00% Sewer			
Water Service Corp Allocated Expenses											
1	601	Salaries - Office	1.25%	98.75%	100.00%		\$32,759	\$2,596,807	\$2,629,566	\$0	\$32,759
2	63x	Outside Services	1.14%	98.86%	100.00%		\$5,380	\$468,448	\$473,828	\$0	\$5,380
3	604	Pension & Benefits	1.25%	98.75%	100.00%		\$7,935	\$628,170	\$636,105	\$0	\$7,935
4	650	Transportation Expenses	0.00%	100.00%	100.00%		\$0	\$215	\$215	\$0	\$0
5	659	Insurance	0.54%	99.46%	100.00%		\$11,331	\$2,103,164	\$2,114,495	\$0	\$11,331
6	675	Office Supplies	0.65%	99.35%	100.00%		\$2,827	\$430,599	\$433,426	\$0	\$2,827
7	675	Office Utilities	1.11%	98.89%	100.00%		\$473	\$42,024	\$42,497	\$0	\$473
8	675	Office Maintenance	1.11%	98.89%	100.00%		\$1,301	\$115,597	\$116,898	\$0	\$1,301
9	675,670, 620,704,775	Miscellaneous	1.39%	98.61%	100.00%		\$4,285	\$304,479	\$308,764	\$0	\$4,285
10		Sub-Total O & M Expenses					\$66,291	\$6,689,503	\$6,755,794	\$0	\$66,291
11	403	Depreciation	1.11%	98.89%	100.00%		\$3,165	\$281,284	\$284,449	\$0	\$3,165
12	408	Franchise/R.E. Tax	1.12%	98.88%	100.00%		\$3,239	\$286,098	\$289,337	\$0	\$3,239
13	409	Fed/State Taxes	1.13%	98.87%	100.00%		\$302	\$26,469	\$26,771	\$0	\$302
14	410	Deferred Fed Taxes	1.11%	98.89%	100.00%		\$107	\$9,567	\$9,674	\$0	\$107
15	413,426	Other Income	1.41%	98.59%	100.00%		(\$41)	(\$2,859)	(\$2,900)	\$0	(\$41)
16	419,427	Interest Expense	0.93%	99.07%	100.00%		\$2,623	\$278,957	\$281,580	\$0	\$2,623
17		Total Expenses					\$75,686	\$7,569,019	\$7,644,705	\$0	\$75,686
Utilities, Inc. of Florida Allocated Expenses											
18	601	Salaries - Office	0.00%	0.00%	0.00%		\$0	\$0	\$0	\$0	\$0
19	63x	Outside Services	3.72%	96.28%	100.00%		\$1,064	\$27,554	\$28,618	\$0	\$1,064
20	650	Transportation Expenses	0.00%	100.00%	100.00%		\$0	\$109,070	\$109,070	\$0	\$0
21	675	Office Maintenance	4.93%	95.07%	100.00%		\$755	\$14,549	\$15,304	\$0	\$755
22	675	Office Supplies	4.93%	95.07%	100.00%		\$3,685	\$71,124	\$74,809	\$0	\$3,685
23	675	Office Utilities	4.93%	95.07%	100.00%		\$602	\$11,604	\$12,206	\$0	\$602
24	675	Miscellaneous	4.93%	95.07%	100.00%		\$47	\$907	\$954	\$0	\$47
25	620,675	Operators Expense	4.89%	95.11%	100.00%		\$252	\$4,897	\$5,149	\$0	\$252
26	675,670, 620,704,775	Miscellaneous	4.94%	95.06%	100.00%		\$1,015	\$19,526	\$20,541	\$0	\$1,015
27		Sub-Total O & M Expenses					\$7,420	\$259,230	\$266,650	\$0	\$7,420
28	408	Taxes Other Than Income	0.00%	0.00%	0.00%		\$0	\$0	\$0	\$0	\$0
29	403	Depreciation	2.15%	97.85%	100.00%		\$2,986	\$136,202	\$139,188	\$0	\$2,986
30		Total Expenses					\$10,406	\$395,432	\$405,838	\$0	\$10,406

Note: Allocation methodology is based predominantly on customer equivalents.

Allocation of Expenses

Florida Public Service Commission

Company: Mid-County
 Docket No.: 060254-SU
 Schedule: 6 Months Ended: 06/30/05
 Interim Final
 Historical Projected

Schedule B-12
 Page 2 of 4

Preparer: Steven Dihel
 and Seidman, F.

Explanation: Provide a schedule detailing expenses which are subject to allocation between systems (water, sewer & gas, etc.) showing allocation percentages, gross amounts, amounts allocated, and a detailed description of the method of allocation. Provide a description of all systems other than water and sewer.

Line No.	G/L Acct. No.	Description	Allocation Percentages			Description of Allocation	Amounts Allocated			Allocation Percentage		
			(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	
				Other Companies/ Systems	Total			Mid-County	Other Co's/Sys	Total	0.00% Water	100.00% Sewer
Water Service Corp. Allocated Expenses												
1	601	Salaries - Office	1.17%	98.83%	100.00%		\$14,070	\$1,188,122	\$1,202,192	\$0	\$14,070	
2	63x	Outside Services	1.08%	98.92%	100.00%		\$2,074	\$189,308	\$191,382	\$0	\$2,074	
3	604	Pension & Benefits	1.15%	98.85%	100.00%		\$1,747	\$150,620	\$152,367	\$0	\$1,747	
4	650	Transportation Expenses	0.00%	100.00%	100.00%		\$0	\$215	\$215	\$0	\$0	
5	659	Insurance	0.00%	0.00%	0.00%		\$14,142	\$1,160,426	\$1,174,568	\$0	\$14,142	
6	675	Office Supplies	0.62%	99.38%	100.00%		\$1,471	\$235,169	\$236,640	\$0	\$1,471	
7	675	Office Utilities	1.13%	98.87%	100.00%		\$239	\$20,900	\$21,139	\$0	\$239	
8	675	Office Maintenance	1.13%	98.87%	100.00%		\$612	\$53,531	\$54,143	\$0	\$612	
9	675,670, 620,704,775	Miscellaneous	1.36%	98.64%	100.00%		\$2,060	\$149,182	\$151,222	\$0	\$2,060	
10		Sub-Total O & M Expenses					\$36,415	\$3,147,453	\$3,183,868	\$0	\$36,415	
11	403	Depreciation	1.13%	98.87%	100.00%		\$1,465	\$128,156	\$129,621	\$0	\$1,465	
12	408	Franchise/R. E. Tax	1.13%	98.87%	100.00%		\$1,949	\$170,381	\$172,330	\$0	\$1,949	
13	409	Fed/State Taxes	1.13%	98.87%	100.00%		\$253	\$22,084	\$22,337	\$0	\$253	
14	410	Deferred Fed Taxes	0.00%	0.00%	0.00%		\$0	\$0	\$0	\$0	\$0	
15	413,426	Other Income	1.44%	98.56%	100.00%		(\$25)	(\$1,715)	(\$1,740)	\$0	(\$25)	
16	419,427	Interest Expense	0.95%	99.05%	100.00%		\$1,373	\$143,508	\$144,881	\$0	\$1,373	
17		Total Expenses					\$41,430	\$3,609,867	\$3,651,297	\$0	\$41,430	
Utilities, Inc. of Florida Allocated Expenses												
18	601	Salaries - Office	0.00%	0.00%	0.00%		\$0	\$0	\$0	\$0	\$0	
19	63x	Outside Services	4.95%	95.05%	100.00%		\$783	\$15,034	\$15,817	\$0	\$783	
20	650	Transportation Expenses	0.00%	100.00%	100.00%		\$0	\$57,840	\$57,840	\$0	\$0	
21	675	Office Maintenance	4.94%	95.06%	100.00%		\$477	\$9,170	\$9,647	\$0	\$477	
22	675	Office Supplies	4.95%	95.05%	100.00%		\$1,535	\$29,474	\$31,009	\$0	\$1,535	
23	675	Office Utilities	4.95%	95.05%	100.00%		\$295	\$5,662	\$5,957	\$0	\$295	
24	675	Miscellaneous	0.00%	0.00%	0.00%		\$0	\$0	\$0	\$0	\$0	
25	620,675	Operators Expense	0.00%	0.00%	0.00%		\$0	\$0	\$0	\$0	\$0	
26	675,670, 620,704,775	Miscellaneous	4.94%	95.06%	100.00%		\$788	\$15,153	\$15,941	\$0	\$788	
27		Sub-Total O & M Expenses					\$3,878	\$132,335	\$136,213	\$0	\$3,878	
28	408	Taxes Other Than Income	0.00%	0.00%	0.00%		\$0	\$0	\$0	\$0	\$0	
29	403	Depreciation	2.41%	97.59%	100.00%		\$1,457	\$59,090	\$60,547	\$0	\$1,457	
30		Total Expenses					\$5,335	\$191,424	\$196,759	\$0	\$5,335	

Note: Allocation methodology is based predominantly on customer equivalents.

Allocation of Expenses

Florida Public Service Commission

Company: Mid-County
 Docket No.: 060254-SU
 Schedule: 3 Months Ended: 09/30/05
 Interim Final
 Historical Projected

Schedule B-12
 Page 3 of 4

Preparer: Steven Diñel
 and Seidman, F.

Explanation: Provide a schedule detailing expenses which are subject to allocation between systems (water, sewer & gas, etc.) showing allocation percentages, gross amounts, amounts allocated, and a detailed description of the method of allocation. Provide a description of all systems other than water and sewer.

Line No.	G/L Acct. No.	Description	Allocation Percentages			Description of Allocation	Amounts Allocated			Allocation Percentage		
			(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	
			Other Companies/Systems	Other Companies/Systems	Total		Mid-County	Other Co's/Sys	Total	Mid-County	Water	Sewer
<u>Water Service Corp Allocated Expenses</u>												
1	601	Salaries - Office	1.20%	98.80%	100.00%		\$8,024	\$660,695	\$668,719	\$0	\$8,024	
2	63x	Outside Services	1.23%	98.77%	100.00%		\$2,317	\$186,546	\$188,863	\$0	\$2,317	
3	604	Pension & Benefits	1.12%	98.88%	100.00%		\$1,493	\$131,517	\$133,010	\$0	\$1,493	
4	650	Transportation Expenses	0.00%	0.00%	0.00%		\$0	\$0	\$0	\$0	\$0	
5	659	Insurance	1.19%	98.81%	100.00%		\$5,032	\$418,169	\$423,201	\$0	\$5,032	
6	675	Office Supplies	0.67%	99.33%	100.00%		\$669	\$99,541	\$100,210	\$0	\$669	
7	675	Office Utilities	1.09%	98.91%	100.00%		\$122	\$11,102	\$11,224	\$0	\$122	
8	675	Office Maintenance	1.08%	98.92%	100.00%		\$264	\$24,195	\$24,459	\$0	\$264	
9	675,670,620,704,775	Miscellaneous	1.44%	98.56%	100.00%		\$922	\$63,054	\$63,976	\$0	\$922	
10		Sub-Total O & M Expenses					\$18,843	\$1,594,819	\$1,613,662	\$0	\$18,843	
11	403	Depreciation	1.08%	98.92%	100.00%		\$715	\$65,456	\$66,171	\$0	\$715	
12	408	Franchise/R.E. Tax	1.08%	98.92%	100.00%		\$355	\$32,465	\$32,820	\$0	\$355	
13	409	Fed/State Taxes	1.10%	98.90%	100.00%		\$14	\$1,263	\$1,277	\$0	\$14	
14	410	Deferred Fed Taxes	0.00%	0.00%	0.00%		\$0	\$0	\$0	\$0	\$0	
15	413,426	Other Income	0.00%	0.00%	0.00%		\$0	\$0	\$0	\$0	\$0	
16	419,427	Interes/Int. Exp	0.90%	99.10%	100.00%		\$617	\$67,898	\$68,515	\$0	\$617	
17		Total Expenses					\$20,544	\$1,761,901	\$1,782,445	\$0	\$20,544	
<u>Utilities, Inc. of Florida Allocated Expenses</u>												
18	601	Salaries - Office	0.00%	0.00%	0.00%		\$0	\$0	\$0	\$0	\$0	
19	63x	Outside Services	0.00%	0.00%	0.00%		\$348	\$6,720	\$7,068	\$0	\$348	
20	650	Transportation Expenses	0.00%	100.00%	100.00%		\$0	\$18,421	\$18,421	\$0	\$0	
21	675	Office Maintenance	5.00%	95.00%	100.00%		\$12	\$228	\$240	\$0	\$12	
22	675	Office Supplies	4.92%	95.08%	100.00%		\$1,038	\$20,068	\$21,106	\$0	\$1,038	
23	675	Office Utilities	4.92%	95.08%	100.00%		\$155	\$2,995	\$3,150	\$0	\$155	
24	675	Miscellaneous	4.93%	95.07%	100.00%		\$47	\$907	\$954	\$0	\$47	
25	620,675	Operators Expense	4.93%	95.07%	100.00%		\$86	\$1,659	\$1,745	\$0	\$86	
26	675,670,620,704,775	Miscellaneous	4.94%	95.06%	100.00%		\$112	\$2,156	\$2,268	\$0	\$112	
27		Sub-Total O & M Expenses					\$1,798	\$53,154	\$54,952	\$0	\$1,798	
28	408	Taxes Other Than Income	0.00%	0.00%	0.00%		\$0	\$0	\$0	\$0	\$0	
29	403	Depreciation	1.63%	98.37%	100.00%		\$726	\$43,843	\$44,569	\$0	\$726	
30		Total Expenses					\$2,524	\$96,997	\$99,521	\$0	\$2,524	

Note: Allocation methodology is based predominantly on customer equivalents.

Allocation of Expenses

Florida Public Service Commission

Company: Mid-County
 Docket No.: 060254-SJ
 Schedule: 3 Months Ended: 12/31/05
 Interim Final
 Historical Projected

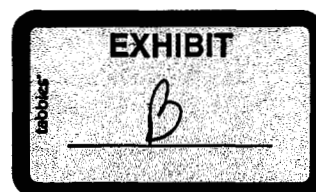
Schedule B-12
 Page 4 of 4

Preparer: Steven Dihel
 and Seidman, F.

Explanation: Provide a schedule detailing expenses which are subject to allocation between systems (water, sewer & gas, etc.) showing allocation percentages, gross amounts, amounts allocated, and a detailed description of the method of allocation. Provide a description of all systems other than water and sewer.

Line No.	G/L Acct No.	Description	Allocation Percentages			Description of Allocation	Amounts Allocated			Allocation Percentage	
			(1)	(2)	(3)		(5)	(6)	(7)	(8)	
				Other Companies/ Systems	Total		Mid-County	Other Co's/Sys	Total	0.00% Water	100.00% Sewer
Water Service Corp. Allocated Expenses											
1	601	Salaries - Office	1.41%	98.59%	100.00%		\$10,665	\$747,990	\$758,655	\$0	\$10,665
2	63x	Outside Services	1.06%	98.94%	100.00%		\$989	\$92,594	\$93,583	\$0	\$989
3	604	Pension & Benefits	1.34%	98.66%	100.00%		\$4,695	\$346,033	\$350,728	\$0	\$4,695
4	650	Transportation Expenses	0.00%	0.00%	0.00%		\$0	\$0	\$0	\$0	\$0
5	659	Insurance	1.22%	98.78%	100.00%		\$6,299	\$510,427	\$516,726	\$0	\$6,299
6	675	Office Supplies	0.71%	99.29%	100.00%		\$687	\$95,889	\$96,576	\$0	\$687
7	675	Office Utilities	1.11%	98.89%	100.00%		\$112	\$10,022	\$10,134	\$0	\$112
8	675	Office Maintenance	1.11%	98.89%	100.00%		\$425	\$37,871	\$38,296	\$0	\$425
9	675,670, 620,704,775	Miscellaneous	1.39%	98.61%	100.00%		\$1,303	\$92,263	\$93,566	\$0	\$1,303
10		Sub-Total O & M Expenses					\$25,175	\$1,933,089	\$1,958,264	\$0	\$25,175
11	403	Depreciation	1.11%	98.89%	100.00%		\$985	\$87,872	\$88,857	\$0	\$985
12	408	Franchise/R.E. Tax	1.11%	98.89%	100.00%		\$935	\$83,252	\$84,187	\$0	\$935
13	409	Fed/State Taxes	1.11%	98.89%	100.00%		\$35	\$3,122	\$3,157	\$0	\$35
14	410	Deferred Fed Taxes	1.11%	98.89%	100.00%		\$107	\$9,567	\$9,674	\$0	\$107
15	413,428	Other Income	1.38%	98.62%	100.00%		(\$16)	(\$1,144)	(\$1,160)	\$0	(\$16)
16	419,427	Interest Expense	0.93%	99.07%	100.00%		\$633	\$67,551	\$68,184	\$0	\$633
17		Total Expenses					\$27,854	\$2,183,109	\$2,210,963	\$0	\$27,854
Utilities, Inc. of Florida Allocated Expenses											
18	601	Salaries - Office	0.00%	0.00%	0.00%		\$0	\$0	\$0	\$0	\$0
19	63x	Outside Services	4.90%	95.10%	100.00%		\$281	\$5,451	\$5,732	\$0	\$281
20	650	Transportation Expenses	0.00%	100.00%	100.00%		\$0	\$32,809	\$32,809	\$0	\$0
21	675	Office Maintenance	4.91%	95.09%	100.00%		\$266	\$5,150	\$5,416	\$0	\$266
22	675	Office Supplies	4.90%	95.10%	100.00%		\$1,112	\$21,581	\$22,693	\$0	\$1,112
23	675	Office Utilities	4.90%	95.10%	100.00%		\$152	\$2,946	\$3,100	\$0	\$152
24	675	Miscellaneous	0.00%	0.00%	0.00%		\$0	\$0	\$0	\$0	\$0
25	620,675	Operators Expense	4.88%	95.12%	100.00%		\$166	\$3,238	\$3,404	\$0	\$166
26	675,670, 620,704,775	Miscellaneous	4.93%	95.07%	100.00%		\$115	\$2,217	\$2,332	\$0	\$115
27		Sub-Total O & M Expenses					\$2,092	\$73,394	\$75,486	\$0	\$2,092
28	408	Taxes Other Than Income	0.00%	0.00%	0.00%		\$0	\$0	\$0	\$0	\$0
29	403	Depreciation	2.36%	97.64%	100.00%		\$803	\$33,268	\$34,071	\$0	\$803
30		Total Expenses					\$2,895	\$106,862	\$109,557	\$0	\$2,895

Note: Allocation methodology is based predominantly on customer equivalents.



A. Infiltration allowance, excluding service laterals

	Main dia. inches	Main length feet	Miles	Allowance @ 500 gpd/inch-dia./mile gpd	gpy
1	6	0	0.000	0	
2	8	84,087	15.926	63,702	
3	10	<u>5,010</u>	<u>0.949</u>	<u>4,744</u>	
4	Total	89,097	16.874	68,447	24,983,006
5	Estimated Inflow @ 10% of flows (I.10)				<u>31,517,900</u>
6	Allowable I&I				56,500,906

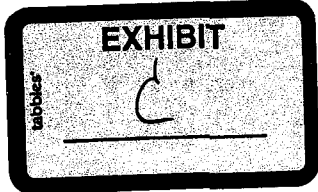
B. Calculation of Inflow & Infiltration (I&I)

7	Wastewater treated	241,826,000
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	Water Gallons billed to WW cust.	Estimated * returned	
8	Residential (not capped)	161,847,000	80% 129,477,600
9	Multi Master Metered	92,457,000	55% 50,851,350
9a	GS	<u>60,875,000</u>	<u>96%</u> <u>58,440,000</u>
10	Estimated flows returned	315,179,000	238,768,950

11	Estimated I&I (treated less returned) [I.7-I.10]	3,057,050
12	Actual less allowable [I.11-I.6]	<u>-53,443,856</u>
13	Excess, if any [I.11-I.6, if positive]	0
14	Excess as percent of wastewater treated	0.00%

* Based on its knowledge of the customer base, the utility's management estimates that the percent of water used in master metered multi-unit residential areas that is returned to the wastewater system for treatment is substantially lower than the 80% guideline used by the Commission. This is based on its observation that in many of the mobile home parks which make up a part of the master metered classification, the customer base is seasonal with regard to occupancy, but not with regard to irrigation. Lots are watered even when vacant. In addition, the number of people per unit occupying these master metered units is less than the typical 3.5 design level; therefore, the base consumption that is returned for treatment is a smaller amount and a lower percentage of the total water used.



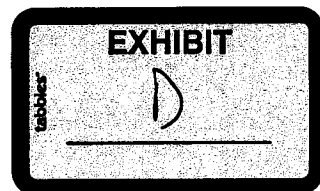
**MID-COUNTY SERVICES, INC.
 CHEMICAL USE DATA
 TEST YEAR: 2005**

County	System Name	Chemical Used	Water Treatment	WasteWater Treatment	Unit Price
PINELLAS	Mid-County	Sodium Hypochlorite		110 gpd	.55/gal
		Sodium Bisulfite		17 gpd	2.25 gal
		Ferric Sulfate		10 gpd	12.15/ gal
		Methanol		42 gpd	1.74 gal
		Histosal		3 gpd	11.35 gal

NOTE:

*Used as an iron sequesterant.

Chlorine feed rate at the wastewater treatment plant is a function of the waste flow rate and plant performance characteristics.



**Employees Involved in Mid-County Services, Inc. Operations
During Test Year 2005:**

Patrick Flynn, Regional Director: Oversees all operations and employees in Florida.

Rick Retz, Regional Manager: Manages operations and employees for all West Coast operations. West Coast operations include all systems located in South Florida and West Florida.

Tony Wierzbicki, Project Manager: Manages capital projects and developer activity within the West Coast and South Florida Operations areas

David Ray Rodriguez, Area Manager

Field Employees:

Mat Gunther, Operator Evening Shift ("A" Wastewater License): Mr. Gunther operates the Mid-County WWTP during the evening shift, five days per week.

Ralph Johns, Part Time Operator ("A" Wastewater License): Mr. Johns provides part time compliance coverage of the Mid-County WWTP.

Jay Hahn, Operator ("C" Water and "C" Wastewater License): Mr. Hahn operates and maintains the Mid-County WWTP and Collection System under the supervision of the Lead Operator.

Open, Operator position.

Scott D. Armstrong, Operator

Jeffrey S Finehirsh, Operator

John G Holdman, Operator

David C. Winkler, Operator