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REPLY TO CENTRAL FLORIDA OFFICE

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July 10, 2006

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06 JUL 10 AM 9:14

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

RE: Docket No. 060255-SU; Tierra Verde Utilities, Inc.'s Application for Rate Increase in Pinellas County, Florida
Our File No.: 30057.111

Dear Ms. Bayo:

The following are the Utility's responses to the Commission Staff's June 7, 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." Further, Rule 25-30.110, F.A.C., requires that each utility shall furnish any information the Commission requests or requires for determining rates of the utility and that the information be consistent with and reconcilable with the utility's annual report to the Commission.

- CMP _____
- COM 0
- CTR _____
- ECR 1
- GCL 1
- OPC 1
- RCA _____
- SCR _____
- SGA _____
- SEC 1
- OTH Cover letter

1. Schedule A-4, page 1 of 2, Plant in Service Annual Balances Subsequent to Last Established Rate Base.

The utility is required to provide the annual balance of the original cost of plant in service for all years since rate base was last established by this Commission and yearly additions, retirements, and adjustments up to the end of the test year. Please provide a

DOCUMENT NUMBER-DATE

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FPSO-COMMISSION CLERK

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Commission Clerk and Administrative Services Director
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Page 2

reconciliation from the June 30, 1992, balance reflected in Order No. PSC-93-0364-FOF-SU to the 1992 balance reflected in MFR Schedule A-4.

RESPONSE: Please refer to the revised MFR schedules attached hereto, which consists of 15 copies of revised MFR schedules A-2, A-2 (Interim), A-3, A-3 (Interim), A-4, A-6, A-7, A-8, A-10, A-11, A-12, A-13, A-14, A-15, A-16, A-17, A-18, A-19, B-2, B-2 (Interim), B-3, B-3 (Interim), B-4, B-6, B-8, B-9, B-10, B-11, B-12, B-14, B-14, B-15 (Interim), C-1, C-1 (Interim), C-2, C-2 (Interim), C-3, C-4, C-5, C-5 (Interim), C-6, C-7, C-8, C-9, C-10, D-1, D-1 (Interim), D-2, D-2 (Interim), D-3, D-4, D-4 (Interim), D-5, D-6, D-7, E-1, E-1 (Interim), E-2, E-2 (Interim), E-3, E-4, E-5, E-6, E-7, E-8, E-9, E-10, E-11, E-12, E-13 and E-14.

2. Schedule A-6, Plant in Service, Test Year Average Balance.

The Utility is required to provide the plant in service balances for the year ending December 31, 2004. The 2004 plant in service balance (\$3,258,899) does not equal the balance reflected in the 2004 Annual Report S-2 (\$3,273,605). 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-6.

RESPONSE: Please refer to Exhibit "A" attached hereto, and the revised MFRs submitted herewith.

3. Schedule A-8, page 1 of 2, Accumulated Depreciation Annual Balances Subsequent to Last Established Rate Base.

The Utility is required to provide the annual balance of accumulated depreciations for all years since rate base was last established by this Commission and yearly additions, retirements, and adjustments up to the end of the test year. Please provide a reconciliation from the June 30, 1992, balance reflected in Order No. PSC-93-0364-FOF-SU to the 1992 balance reflected in Schedule A-8.

RESPONSE: Please refer to Exhibit "A" attached hereto and to the revised MFRs submitted herewith.

4. Schedule A-10, Accumulated Depreciation Test Year Average Balance.

Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
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The utility is required to provide the accumulated depreciation balances for the year ending December 31, 2004. The 2004 accumulated depreciation balance (\$1,714,768) does not equal the balance reflected in the 2004 Annual Report S-2 (\$1,828,124). 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.

RESPONSE: Please refer to Exhibit "A" attached hereto, and to the revised MFRs submitted herewith.

5. Schedule A-11, page 1 of 2, Contributions in Aid of Construction Annual Balances Subsequent to Last Established Rate Base.

The Utility is required to provide the annual balance of contributions-in-aid-of-construction for all years since rate base was last established by this Commission and yearly additions, retirement and adjustments up to the end of the test year. Please provide a reconciliation from the June 30, 1992, balance reflected in Order No. PSC-93-0364-FOF-WS to the 1992 balance reflected in MFR Schedule A-11.

RESPONSE: Please refer to Exhibit "A" attached hereto, and to the revised MFRs submitted herewith.

6. Schedule A-13, page 1 of 2, Accumulated Amortization of CIAC Annual Balances Subsequent to Last Established Rate Base.

The Utility is required to provide the annual balance of accumulated amortization of CIAC for all years since rate base was last established by this Commission and yearly additions, retirement and adjustments up to the end of the test year. Please provide a reconciliation from the June 30, 1992, balance reflected in Order No. PSC-93-0364-FOF-WS to the 1992 balance reflected in MFR Schedule A-13.

RESPONSE: Please refer to Exhibit "A" attached hereto, and to the revised MFRs submitted herewith.

7. Schedule A-14, Accumulated Amortization of CIAC, Test Year Average Balance.

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The Utility is required to provide the accumulated amortization of CIAC balances for the year ending December 31, 2004. The 2004 accumulated amortization of CIAC balance (895,219) does not equal the balance reflected in the 2004 Annual Report S-2 (995,693). Pursuant to Rule 25-30.110, F.A.C., please provide a reconciliation of the balances in the 2004 Annual Reports and the MFR Schedule A-14.

RESPONSE: Please refer to Exhibit "A" attached hereto, and to the revised MFRs submitted herewith.

8. Schedule A-15, Annual AFUDC Rates Used.

The Utility is required to describe its AFUDC practices. The Utility did not describe its AFUDC practices. Please provide a description of Tierra Verde's AFUDC practices.

RESPONSE: The Utility uses the AFUDC practices approved by the Commission in Order No. PSC-04-0262-PAA-WS, dated March 8, 2004.

9. Schedule A-18 and A-19, Balance Sheet.

The utility is required to provide the balances of all assets, equity capital and liabilities for the year ended December 31, 2004, December 31, 2005, and their average. The following are deficiencies on Schedule A-18 and A-19:

- a) The 2004 plant in service (\$3,272,606) does not equal the balance reflected in MFR Schedule A-6 (\$3,258,899). It also does equal the amount reflected in the 2004 Annual Report.
- b) The 2005 average plant in service (\$3,278,859) does not equal the balance reflected in MFR Schedule A-2 or Schedule A-6 (\$3,271,506).
- c) The 2004 accumulated depreciation (\$1,842,388) does not equal the balance reflected in MFR Schedule A-10 (\$1,714,768). It also does not equal the amount reflected in the 2004 Annual Report.
- d) The 2005 average accumulated depreciation (\$1,813,368) does not equal the balance reflected in MFR Schedule A-2 (\$1,742,873 or A-1

(\$1,746,670).

- e) The 2004 accumulated amortization of CIAC (\$995,693) does not equal the balance reflected in MFR Schedule A-14 (\$895,219). It also does equal the amount reflected in the 2004 Annual Report.
- f) The 2005 average accumulated amortization of CIAC (\$968,987) does not equal the balance reflected in MFR Schedule A-2 or Schedule A-14 (\$918,751).

RESPONSE: Please refer to Exhibit "A" attached hereto, and to the revised MFRs submitted herewith.

10. Schedule B-10, Rate Case Expense.

This schedule requires the utility to state whether the total includes the amount up to proposed agency action or through a hearing before the Commission. The utility did not provide this information.

RESPONSE: Please refer to the revised MFR schedule B-10 submitted herewith.

11. Schedule B-11, Analysis of Major Maintenance Projects.

This schedule requires that the utility provide an analysis of all maintenance projects greater than 2% of test year revenues per system which occurred during the two years prior to the test year and the budgeted amount for one year subsequent to the test year. The utility did not state when the maintenance project occurred or is projected to occur. The utility did not state whether projects occurred in the 2 years prior to 2005 or whether projects are planned for 2006.

RESPONSE: The utility had no maintenance projects greater than 2% of test year revenues per system.

12. Schedule D-12, Reconciliation of Capital Structure to Requested Rate Base (Final)

Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
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The utility did not provide a reconciliation of the simple average capital structure to requested rate base. The 2005 simple average of long-term debt (\$124,044,203) does not equal to the amount reflected in MFR Schedule D-5, Cost of Long-Term Debt (\$133,025,102).

RESPONSE: Please refer to revised MFR schedules submitted herewith, including revised MFR schedule D-5.

13. Schedule F-7, Used and Useful Calculations.

The instructions for this schedule require the Utility to provide all calculations, analysis and governmental requirements used to determine the used and useful percentages. The utility stated that since the service area is almost built out, the used and useful for the wastewater collection system is 100%. The utility, in its 2005 Annual Report, estimated that the annual increase (growth) is 20 ERCs. Please provide all calculations used to support the used and useful calculation.

RESPONSE: The explanation provided on Schedule F-7 does provide all calculations to support the Utility's conclusion regarding used & useful. As explained, this is a mixed development that is predominantly single family residential. Some lots, as originally platted, have been combined to allow for higher density development. This makes it difficult to simply say there are "x" lots with lines serving them and "y" lots with customers. Nevertheless, there are 903 single residence locations, 100% of which have now or have had service provided to them, although, according to a count by the utility, there were 24 unoccupied at the end of the test year. These are all located in the area west of the Pine Key Cutoff. In addition there are 31 commercial locations with service to them and taking service and 52 multi-unit locations taking service. Since the 24 unoccupied lots have had service previously they should be included as a part of the used and useful of the collection lines, making the system 100% used and useful. If they are excluded, then that would leave 979 lots currently with service out of 1003. Mathematically that comes out to 97.6% used & useful. The collection system should still be considered 100% used and useful.

The estimated 20 ERC growth in the annual report in 2005 repeats the same figure from the 2004 annual report, as it does also from the 2003, 2002 and 2001 reports. All that

signifies is that with the recombining of lots for multi-unit purposes there was an expectation that there would be an increase in units. The estimate in the annual report is provided for informational purposes and not meant to represent any specific and known construction additions. As a practical matter, the system is 100% used & useful. The PSC rules do not prohibit drawing practical conclusions.

14. Schedule F-10, Equivalent Residential Connections.

This schedule requires that 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 3, 4 & 5 require the utility to provide the number of equivalent residential connections at beginning of each year, number of equivalent residential connections at end of each year, and average of equivalent residential connections for each year. Columns 3, 4 & 5 are blank from year 2000 to 2003. Please provide the information necessary to complete this schedule.

RESPONSE: This is a wastewater collection only utility. Water is supplied by the City of St. Petersburg and billing services for individual wastewater customers is also provided by the City. Residential service is billed at a flat rate. Therefore, column 5 cannot be completed, nor can columns 6, 8 or 9. The utility does not receive the individual water use breakdown for residential service, which is what would be necessary to complete these columns. The only purpose of obtaining that data would be to determine ERC growth to calculate a growth factor for treatment and disposal plant. Since Tierra Verde is a collection only utility, it does not appear that there is any benefit to justify the cost and effort to obtain the data, even if available. In addition, the utility has indicated that it is not seeking a margin for growth. Nevertheless, attached is a restated Schedule F-10 with columns 2, 3 and 4 completed based on the ERCs in the annual reports. Also shown is the linear regression result based on column 4.

Please refer to the revised MFR schedules submitted herewith, which includes MFR schedule F-10a.

15. Schedule F-10, Equivalent Residential Connections.

Ms. Blanca Bayo
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As required by Rule 25-30.431 (2) (c) & (3), F.A.C., provide a linear regression analysis using average ERCs for the last five years for the utility.

RESPONSE: Please refer to the revised MFR schedules submitted herewith, including revised MFR schedule F-10a.

16. 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 that has an explanation of each employee's salary allocation method to the Utility's capital or expense accounts as required by this Rule.

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

17. Interim Schedule D-1, Requested Cost of Capital (Interim Rates).

The utility is required to provide a schedule which calculates the requested cost of capital. How did the utility determine its 11.05 return on equity.

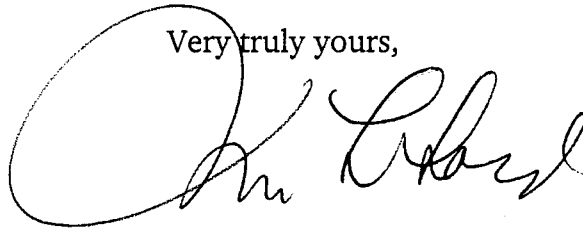
RESPONSE: Please refer to revised MFR schedule D-1 (Interim) which is included in the revised MFR schedules submitted herewith.

We enclose 15 copies of revised MFR schedules A-2, A-4, A-6, A-7, A-8, A-10, A-11, A-13, A-18, A-19, B-2, B-3, B-10, B-11, B-15, C-1, C-2, C-3, D-1, D-2, D-5, E-1, E-2, and an original MFR schedule F-10a, and revised Interim MFR schedules A-2, B-2, B-3, B-15, C-1, C-2, D-1, D-2, E-1 and E-2.

Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
July 10, 2006
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We also enclose for filing the original and three copies of First Revised Wastewater
Tariff Sheet No. 21.0.

Very truly yours,

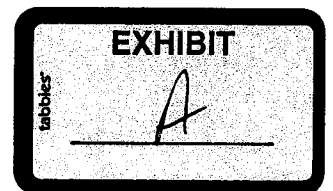


MARTIN S. FRIEDMAN
VALERIE L. LORD
For the Firm

VLL/mp
Enclosures

cc: Martha Brown, Esquire, Office of General Counsel (w/o enclosures)
Mr. Marshall Willis, Division of Economic Regulation (w/enclosures)
Mr. Troy Rendell, Division of Economic Regulation (w/enclosures)
Ms. Mahnaz Massoudi, Division of Economic Regulation (w/enclosures)
Mr. Sam Merta, Division of Economic Regulation (w/enclosures)
Steve Lubertozzi, Chief Regulatory Officer (w/enclosures)
Holly Roth, Director, Regulatory Affairs (w/enclosures)
John Hoy, Regional Vice President for Operations (w/enclosures)
Patrick C. Flynn, Regional Director (w/enclosures)
Mr. Frank Seidman (w/enclosures)
Ms. Deborah Swain (w/enclosures)

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TIERRA VERDE UTILITIES, INC.
DOCKET NO. 060255-SU
DEFICIENCIES 1-7, 9

(2)	Balance per Annual Report	\$ 3,273,605
	Balance per MFR	<u>3,258,899</u>
	Difference	<u><u>\$ 14,706</u></u>

\$ 14,706 * The \$14,706 is the balance in organization in 2004, with the exception of a \$1 difference due to rounding. Organization costs incurred by Tierra Verde in order to acquire the company are disallowed for ratemaking purposes per Florida regulations.

(4)	Balance per Annual Report	\$ 1,828,124
	Balance per MFR	<u>1,714,768</u>
	Difference	<u><u>\$ 113,356</u></u>

\$ (6,787) * The \$6,787 is the balance in A/D organization in 2004, with the exception of a \$1 difference due to rounding, which is not attributable to Utilities, Inc.'s acquisition of Tierra Verde, and is therefore left in accumulated depreciation for ratemaking purposes. However, the \$6,787 does not show up on Schedule S-2 of the Annual Report, as there is no place to report it.

\$ 122,840 * The \$122,840 is accumulated depreciation related to the adjustments the utility needed to make in order to reflect the balances that should have been recorded at acquisition.

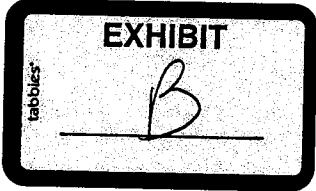
\$ (2,698) * The \$2,698 is the balance in A/D organization in 2004 which is not attributable to Utilities, Inc.'s acquisition of Tierra Verde, and is therefore left in accumulated depreciation for ratemaking purposes. However, the \$6,787 does not show up on Schedule S-2 of the Annual Report, as there is no place to report it.

\$ 1 * Rounding
\$ 113,356

(7)	Balance per Annual Report	\$ 995,693
	Balance per MFR	<u>895,219</u>
	Difference	<u><u>\$ 100,474</u></u>

\$ 100,474 * The \$100,474 is CIAC related to the adjustments the utility needed to make in order to reflect the balances that should

have been recorded at acquisition.



**Employees Involved in Tierra Verde Utilities, 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

Lee Neal, Area Manager: Supervises the day-to-day operations for the systems within the West Coast Operations area.

Michael T. Dunn, Regional Manager

John G. Holdman, Area Manager

David Ray Rodriguez, Area Manager

Field Employees:

Facilities:

There are no minimum staffing requirements for the Tierra Verde collection system.

Duties and Responsibilities:

- a) Responsible for performing collection system operation and maintenance. Duties are to be completed in a reasonable and professional manner consistent with standard operating practices in order to comply with state and local regulatory rules and requirements. Must perform duties consistent with the protection of the public health and the environment.
- b) Perform responsible, efficient, and effective on-site management and supervision of all system functions.
- c) Report to the Permittee and the Department of Environmental Protection any serious plant or system breakdown or condition causing or likely to cause serious, inefficient or unsafe treatment or discharge of wastewater in a manner not authorized by the current permit.
- d) Submit accurate reports relative to the collection system.
- e) Perform required preventative maintenance in conformance with equipment manufacturer recommendations. Repair or replace equipment and collection system components as needed to keep the facilities operating as permitted.
- f) Perform various service order functions including but not limited to the following: customer complaints; reading and checking meters; installing or repairing the collection and disposal systems.
- g) Maintain the visual aesthetics of the facilities in compliance with company standards, including grounds maintenance, fence repairs, site security, lighting fixtures, and general upkeep.

Schedule of Wastewater Rate Base

Florida Public Service Commission

REVISED

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Interim [] Final [X]
 Historic [X] Projected []

Schedule: A-2
 Page 1 of 1
 Preparer: Steven M. Lubertozi

Explanation: Provide the calculation of average rate base for the test year, showing all adjustments. All non-used and useful items should be reported as Plant Held For Future Use.

Line No.	(1) Description	(2) Balance Per Books	(3) A-3 Utility Adjustments	(4) Adjusted Utility Balance	(5) Supporting Schedule(s)
1	Utility Plant in Service	\$ 3,271,506	\$ 31,952 (A)	\$ 3,303,458	A-6
2	Utility Land & Land Rights	-		-	A-6
3	Less: Non-Used & Useful Plant			-	A-7
4	Construction Work in Progress	63,296	(63,296) (B)	-	-
5	Less: Accumulated Depreciation	(1,749,558)	3,797 (C)	(1,745,761)	A-10
6	Less: CIAC	(1,683,577)		(1,683,577)	A-12
7	Accumulated Amortization of CIAC	918,751		918,751	A-14
8	Acquisition Adjustments	351,207	(351,207) (D)	-	A-18
9	Accum. Amort. of Acq. Adjustments	(81,247)	81,247 (D)	-	A-18
10	Advances For Construction				A-16
11	Working Capital Allowance	-	85,644 (E)	85,644	A-17
12	Total Rate Base	\$ 1,090,378	\$ (211,863)	\$ 878,515	

FPSC-COMMISSION CLERK

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DOCUMENT NUMBER-DATE

Schedule of Adjustments to Rate Base

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Test Year Ended: December 31, 2005
 Interim [] Final [X]
 Historic [X] Projected []

Schedule: A-3
 Page 1 of 1
 Docket No.: 060255-SU
 Preparer: Steven M. Lubertozzi

Explanation: Provide a detailed description of all adjustments to rate base per books, with a total for each rate base line item.

Line No.	Description	Water	Wastewater
1	<u>(A) Utility Plant in Service</u>		
2	Gravity Sewer Main		29,000
3	Sewer Service Lines		897
4	Sewer Mains		2,005
5	Sewer Plant		4,683
6	Retirement Gravity Sewer Mains		(4,633)
7	Total plant additions		<u>31,952</u>
8			
9	<u>(B) Construction Work in Progress</u>		
10	Transfer Work Orders to UPIS		(63,296)
11	Total construction work in progress		<u>(63,296)</u>
12			
13	<u>(C) Accumulated Depreciation of Utility Plant in Service</u>		
14	Gravity Sewer Main		(644)
15	Sewer Service Lines		(30)
16	Sewer Mains		(45)
17	Sewer Plant		(117)
18	Retirement Gravity Sewer Mains		4,633
19	Total Accumulated Depreciation		<u>3,797</u>
20			
21	<u>(D) Positive Acquisition Adjustments not included in rate base</u>		
22	Acquisition Adjustments		(351,207)
23	Accumulated Amortization of Acquisition Adjustments		81,247
24	Total Acquisition Adjustments		<u>(269,960)</u>
25			
26	<u>(E) Working Capital Allowance</u>		
27	Adjusted O & M divided by 8	\$	<u>85,644</u>

Schedule of Water and Wastewater Plant in Service
Annual Balances Subsequent to Last Established Rate Base

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005

Schedule: A-4 REVISED
Page 1 of 2
Preparer: Steven M. Lubertozzi

Explanation: Provide the annual balance of the original cost of plant in service, for water and sewer separately, for all years since either rate base was last established by this Commission, or the date of inception of utility service if rate base has not been established previously by this Commission; and yearly additions, retirements, and adjustments by dollar amount up to the end of the test year. Provide an additional page if necessary. If a projected test year is used, include the projected annual additions and/or retirements specifically identifying those amounts.

Line No.	Description	Year-End Balance	
		Water	Wastewater
1	6/30/1992 Order No. PSC-93-0364-FOF-SU		\$ 2,370,455
2	1992 Subsequent Additions		33,684
3	1992 Subsequent Retirements		
4	1992 Subsequent Adjustments		
5			
6	12/31/92 Balance		2,404,139
7	1993 Additions		26,881
8	1993 Retirements		
9	1993 Adjustments (rounding)		(2)
10			
11	12/31/93 Balance		2,431,018
12	1994 Additions		13,464
13	1994 Retirements		(1,014)
14	1994 Adjustments		(26,162)
15			
16	12/31/94 Balance		2,417,306
17	1995 Additions		154,266
18	1995 Retirements		(8,853)
19	1995 Adjustments		
20			
21	12/31/95 Balance		2,562,719
22	1996 Additions		79,009
23	1996 Retirements		(2,981)
24	1996 Adjustments		
25			
26	12/31/96 Balance		2,638,747
27	1997 Additions		44,914
28	1997 Retirements		(143)
29	1997 Adjustments		
30			
31	12/31/97 Balance		2,683,518
32	1998 Additions		74,378
33	1998 Retirements		(19,329)
34	1998 Adjustments		
35			
36	12/31/98 Balance		2,738,567
37	1999 Additions		15,925
38	1999 Retirements		(1,625)
39	1999 Adjustments		
40			
41	12/31/99 Balance		2,752,867
42	2000 Additions		82,277
43	2000 Retirements		(2,489)
44	2000 Adjustments		
45			
46	12/31/2001 Balance		2,832,655
47	2001 Additions		174,077
48	2001 Retirements		(6,297)
49	2001 Adjustments		

Schedule of Water and Wastewater Plant in Service
Annual Balances Subsequent to Last Established Rate Base

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005

Schedule: A-4 REVISED
Page 2 of 2
Preparer: Steven M. Lubertozzi

Explanation: Provide the annual balance of the original cost of plant in service, for water and sewer separately, for all years since either rate base was last established by this Commission, or the date of inception of utility service if rate base has not been established previously by this Commission; and yearly additions, retirements, and adjustments by dollar amount up to the end of the test year. Provide an additional page if necessary. If a projected test year is used, include the projected annual additions and/or retirements specifically identifying those amounts.

Line No.	Description	Year-End Balance	
		Water	Wastewater
1	12/31/2001 Balance		3,000,435
2	2002 Additions		32,447
3	2002 Retirements		(5,185)
4	2002 Adjustments		
5			
6	12/31/02 Balance		3,027,697
7	2003 Additions		223,685
8	2003 Retirements		(83,586)
9	2003 Adjustments		-
10			
11	12/31/03 Balance		3,167,796
12	2004 Additions		119,877
13	2004 Retirements		(14,067)
14	2004 Adjustments		(14,707)
15			
16	12/31/04 Balance		3,258,899
17	2005 Additions		49,481
18	2005 Retirements		(24,267)
19	2005 Adjustments		
20			
21	12/31/05 Balance		3,284,113

Supporting Schedules: A-6
Recap Schedules: A-18

Schedule of Wastewater Plant in Service By Primary Account
 Test Year Average Balance

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Historic Projected

Explanation: Provide the ending balances and average of
 plant in service for the prior year and the test year by
 primary account. Also show non-used & useful amounts by
 account.

Schedule: A-6 REVISED
 Page 1 of 1
 Preparer: Steven M. Lubertozzi
 Recap Schedules: A-2, A-4

No.	(1) Line Account No. and Name	(2) Prior Year 12/31/04	(3) Test Year 12/31/05	(4) Test Year Average Bal	(5) Proforma Adjustment	(6) Adjusted Average Bal	(7) Non-Used & Useful %	(8) Non-Used Amount
1	INTANGIBLE PLANT							
2	351.1 Organization	-	-	-	4,683	4,683		
3	352.1 Franchises	3,430	3,430	3,430		3,430		
4	389.1 Other Plant & Misc. Equipment							
5	COLLECTION PLANT							
6	353.2 Land & Land Rights							
7	354.2 Structures & Improvements	388,330	393,534	390,932		390,932		
8	360.2 Collection Sewers - Force	79,221	84,464	81,843		81,843		
9	361.2 Collection Sewers - Gravity	1,179,618	1,189,444	1,184,531	26,372	1,210,903		
10	362.2 Special Collecting Structures							
11	363.2 Services to Customers	169,790	171,406	170,598	897	171,495		
12	364.2 Flow Measuring Devices							
13	365.2 Flow Measuring Installations							
14	389.2 Other Plant & Misc. Equipment							
15	SYSTEM PUMPING PLANT							
16	353.3 Land & Land Rights							
17	354.3 Structures & Improvements							
18	389.3 Other Plant & Misc. Equipment							
19	TREATMENT AND DISPOSAL PLANT							
20	353.4 Land & Land Rights							
21	354.4 Structures & Improvements							
22	380.4 Treatment & Disposal Equipment	2,144	2,144	2,144		2,144		
23	381.4 Plant Sewers							
24	389.4 Other Plant & Misc. Equipment							
25	GENERAL PLANT							
26	353.5 Land & Land Rights							
27	354.5 Structures & Improvements	1,431,678	1,434,436	1,433,057		1,433,057		
28	390.5 Office Furniture & Equipment	672	672	672		672		
29	391.5 Transportation Equipment							
30	393.5 Tools, Shop & Garage Equipment							
31	394.5 Laboratory Equipment	264	264	264		264		
32	395.5 Power Operated Equipment							
33	396.5 Communication Equipment	553	553	553		553		
34	397.5 Miscellaneous Equipment							
35	398.5 Other Tangible Plant	3,199	3,765	3,482	-	3,482		
36	TOTAL	\$ 3,258,899	\$ 3,284,112	\$ 3,271,506	\$ 31,952	\$ 3,303,458		\$ -

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005

Schedule: A-7
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

REVISED

Explanation: Provide a summary of the items included in non-used and useful plant for the test year. Provide additional support schedules, if necessary.

Line No.	(1) Description	(2) Average Amount Per Books	(3) Utility Adjustments	(4) Balance Per Utility
1	WATER			
2				
3	Plant in Service			\$ -
4				
5	Land			-
6				
7	Accumulated Depreciation			-
8				
9	Other (Explain)			
10				
11				
12	Total	\$ -	\$ -	\$ -
13				
14				
15	WASTEWATER			
16				
17	Plant in Service	\$ 3,303,458	\$ -	\$ 3,303,458
18				
19	Land	-	-	-
20				
21	Accumulated Depreciation	(1,745,761)		(1,745,761)
22				
23	Other (Explain)			
24				
25				
26	Total	\$ 1,557,697	\$ -	\$ 1,557,697

Supporting Schedules: A-6, A-10
 Recap Schedules: A-2

Schedule of Water and Wastewater Accumulated Depreciation
Annual Balances Subsequent to Last Established Rate Base

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005

Schedule: A-8 REVISED
Page 1 of 2
Preparer: Steven M. Lubertozzi

Explanation: Provide the annual balance of accumulated depreciation, for water and sewer separately, for all years since either rate base was last established by this Commission, or the date of inception of utility service if rate base has not been established previously by this Commission; and yearly additions, retirements, and adjustments by dollar amount up to the end of the test year. Provide an additional page if necessary. If a projected test year is used, include the projected annual additions and/or retirements specifically identifying those amounts.

Line No.	Description	Year-End Balance	
		Water	Wastewater
1	6/30/1992 Order No. PSC-93-0364-FOF-SU	\$	999,802
2	1992 Subsequent Additions		25,279
3	1992 Subsequent Retirements		
4	1992 Subsequent Adjustments		
5			
6	12/31/92 Balance	-	1,025,081
7	1993 Additions		34,080
8	1993 Retirements		
9	1993 Adjustments		56,764
10			
11	12/31/93 Balance		1,115,925
12	1994 Additions		85,607
13	1994 Retirements		(8,749)
14	1994 Adjustments		(9,151)
15			
16	12/31/94 Balance	-	1,183,632
17	1995 Additions		64,572
18	1995 Retirements		(8,853)
19	1995 Adjustments		568
20			
21	12/31/95 Balance	-	1,239,919
22	1996 Additions		78,589
23	1996 Retirements		(2,981)
24	1996 Adjustments		7,612
25			
26	12/31/96 Balance	-	1,323,139
27	1997 Additions		82,621
28	1997 Retirements		(143)
29	1997 Adjustments		(16,016)
30			
31	12/31/97 Balance	-	1,389,601
32	1998 Additions		79,716
33	1998 Retirements		(19,329)
34	1998 Adjustments		(1,570)
35			
36	12/31/98 Balance	-	1,448,418
37	1999 Additions		80,219
38	1999 Retirements		(1,625)
39	1999 Adjustments		(5,044)

Schedule of Water and Wastewater Accumulated Depreciation
Annual Balances Subsequent to Last Established Rate Base

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005

Schedule: A-8 REVISED
Page 2 of 2
Preparer: Steven M. Lubertozzi

Explanation: Provide the annual balance of accumulated depreciation, for water and sewer separately, for all years since either rate base was last established by this Commission, or the date of inception of utility service if rate base has not been established previously by this Commission; and yearly additions, retirements, and adjustments by dollar amount up to the end of the test year. Provide an additional page if necessary. If a projected test year is used, include the projected annual additions and/or retirements specifically identifying those amounts.

Line No.	Description	Year-End Balance	
		Water	Wastewater
1	12/31/99 Balance	-	1,521,968
2	2000 Additions		81,965
3	2000 Retirements		(2,489)
4	2000 Adjustments		(16,010)
5			
6	12/31/00 Balance	-	1,585,434
7	2001 Additions		86,905
8	2001 Retirements		(6,297)
9	2001 Adjustments		(1,346)
10			
11	12/31/2001 Balance		1,664,696
12	2002 Additions		89,411
13	2002 Retirements		(5,185)
14	2002 Adjustments		(1,000)
15			
16	12/31/02 Balance		1,747,922
17	2003 Additions		89,712
18	2003 Retirements		(83,586)
19	2003 Adjustments		(453)
20			
21	12/31/03 Balance		1,753,595
22	2004 Additions*		105,156
23	2004 Retirements		(14,067)
24	2004 Adjustments		(129,916)
25			
26	12/31/04 Balance		1,714,768
27	2005 Additions*		103,462
28	2005 Retirements		(33,751)
29	2005 Adjustments		(132)
30			
31	12/31/05 Balance	\$	1,784,347

*Includes Organization and Franchise costs not included in Annual Report

Supporting Schedules: A-10
Recap Schedules: A-18

Schedule of Wastewater Accumulated Depreciation By Primary Account
 Test Year Average Balance

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Historic [X] Projected []

Explanation: Provide the ending balances and average of accumulated depreciation for the prior year and the test year by primary account. Also show non-used and useful amounts by account.

Schedule: A-10 REVISED
 Page 1 of 1
 Preparer: Steven M. Lubertozzi
 Recap Schedules: A-2, A-8

No.	(1) Line Account No. and Name	(2) Prior Year 12/31/2004	(3) Test Year 12/31/05	(4) Test Year Average Bal	(5) Proforma Adjustment	(6) Adjusted Average Bal	(7) Non-Used & Useful %	(8) Non-Used & Amount
1	INTANGIBLE PLANT							
2	351.1 Organization	6,786	7,225	7,005	117	7,122		
3	351.1000 Sewer Plant	(122,840)	(122,840)	(122,840)		(122,840)		
4	352.1 Franchises	2,698	2,800	2,749		2,749		
5	389.1 Other Plant & Misc. Equipment							
6	COLLECTION PLANT							
7	354.2 Structures & Improvements	126,335	137,944	132,139		132,139		
8	360.2 Collection Sewers - Force	21,249	8,505	14,877		14,877		
9	361.2 Collection Sewers - Gravity	496,184	518,249	507,216	(3,944)	503,272		
10	362.2 Special Collecting Structures							
11	363.2 Services to Customers	70,118	74,201	72,159	30	72,189		
12	364.2 Flow Measuring Devices							
13	365.2 Flow Measuring Installations							
14	389.2 Other Plant & Misc. Equipment							
15	SYSTEM PUMPING PLANT							
16	354.3 Structures & Improvements							
17	389.3 Other Plant & Misc. Equipment							
18	TREATMENT AND DISPOSAL PLANT							
19	353.4 Land & Land Rights							
20	354.4 Structures & Improvements							
21	380.4 Treatment & Disposal Equipment	1,100	1,161	1,131		1,131		
22	381.4 Plant Sewers							
23	382.4 Outfall Sewer Lines							
24	389.4 Other Plant & Misc. Equipment							
25	GENERAL PLANT							
26	353.7 Land & Land Rights							
27	354.7 Structures & Improvements	1,109,196	1,152,446	1,130,821		1,130,821		
28	390.7 Office Furniture & Equipment	777	822	800		800		
29	391.7 Transportation Equipment							
30	392.7 Stores Equipment							
31	393.7 Tools, Shop & Garage Equipment	74	91	83		83		
32	394.7 Laboratory Equipment							
33	395.7 Power Operated Equipment							
34	396.7 Communication Equipment	498	553	526		526		
35	397.7 Miscellaneous Equipment							
36	398.7 Other Tangible Plant	2,593	3,190	2,892	-	2,892		
37	TOTAL	\$ 1,714,768	\$ 1,784,347	\$ 1,749,558	\$ (3,797)	\$ 1,745,761		\$ -

Schedule of Water and Wastewater Contributions In Aid of Construction
Annual Balances Subsequent to Last Established Rate Base

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005

Schedule: A-11 REVISED
Page 1 of 2
Preparer: Steven M. Lubertozzi

Explanation: Provide the annual balance of contributions in aid of construction, for water and sewer separately, for all years since either rate base was last established by this Commission, or the date of inception of utility service if rate base has not been established previously by this Commission; and yearly additions, retirements, and adjustments by dollar amount up to the end of the test year. Provide an additional page if necessary. If a projected test year is used, include the projected annual additions and/or retirements specifically identifying those amounts.

Line No.	Description	Year-End Balance	
		Water	Wastewater
1	6/30/1992 Order No. PSC-93-0364-FOF-SU		\$ 1,347,134
2	1992 Subsequent Additions		30,093
3	1992 Subsequent Retirements		
4	1992 Subsequent Adjustments		
5			
6	12/31/92 Balance		1,377,227
7	1993 Additions		-
8	1993 Retirements		
9	1993 Adjustments		
10			
11	12/31/93 Balance		1,377,227
12	1994 Additions		73,044
13	1994 Retirements		
14	1994 Adjustments		
15			
16	12/31/94 Balance		1,450,271
17	1995 Additions		26,100
18	1995 Retirements		
19	1995 Adjustments		
20			
21	12/31/95 Balance		1,476,371
22	1996 Additions		18,390
23	1996 Retirements		
24	1996 Adjustments		
25			
26	12/31/96 Balance		1,494,761
27	1997 Additions		20,400
28	1997 Retirements		
29	1997 Adjustments		
30			
31	12/31/97 Balance		1,515,161
32	1998 Additions		28,800
33	1998 Retirements		
34	1998 Adjustments		
35			
36	12/31/98 Balance		1,543,961
37	1999 Additions		61,617
38	1999 Retirements		
39	1999 Adjustments		

Schedule of Water and Wastewater Contributions in Aid of Construction
 Annual Balances Subsequent to Last Established Rate Base

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005

Schedule: A-11 REVISED
 Page 2 of 2
 Preparer: Steven M. Lubertozzi

Explanation: Provide the annual balance of contributions in aid of construction, for water and sewer separately, for all years since either rate base was last established by this Commission, or the date of inception of utility service if rate base has not been established previously by this Commission; and yearly additions, retirements, and adjustments by dollar amount up to the end of the test year. Provide an additional page if necessary. If a projected test year is used, include the projected annual additions and/or retirements specifically identifying those amounts.

Line No.	Description	Year-End Balance	
		Water	Wastewater
1	12/31/99 Balance		\$ 1,605,578
2	2000 Additions		18,007
3	2000 Retirements		
4	2000 Adjustments		
5			
6	12/31/00 Balance		1,623,585
7	2001 Additions		19,836
8	2001 Retirements		
9	2001 Adjustments		
10			
11	12/31/2001 Balance		1,643,421
12	2002 Additions		8,175
13	2002 Retirements		
14	2002 Adjustments		
15			
16	12/31/02 Balance		1,651,596
17	2003 Additions		22,950
18	2003 Retirements		
19	2002 Adjustments		
20			
21	12/31/03 Balance		1,674,546
22	2004 Additions		7,460
23	2004 Retirements		
24	2004 Adjustments		
25			
26	12/31/04 Balance		1,682,006
27	2005 Additions		3,150
28	2005 Retirements		
29	2005 Adjustments		(4)
30			
31	12/31/05 Balance		\$ 1,685,152

Supporting Schedules: A-12
 Recap Schedules: A-19

Schedule of Contributions in Aid of Construction By Classification
 Test Year Average Balance

Florida Public Service Commis

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Historic [X] or Projected []

Schedule: A-12
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

Explanation: Provide the average CIAC balance by account. If a projected year is employed, provide breakdown for average and projected test year.

Line No.	(1) Description	(2) Prior Year 12/31/04	(3) Test Year 12/31/05	(4) Test Year Average Bal	(5) Non-Used Useful %	(6) Non-Used Amount
1	WATER					
2						
3	Plant Capacity Fees					
4						
5	Line/Main Extension Fees					
6						
7	Meter Installation Fees					
8						
9	Contributed Lines					
10						
11	Other (Describe)					
12						
13						
14						
15	Total	\$ -	\$ -	\$ -	\$ -	\$ -
16						
17						
18	WASTEWATER					
19						
20	Plant Capacity Fees					
21						
22	Line/Main Extension Fees	(777,080)	(777,080)	(777,080)		-
23						
24	Contributed Lines					
25						
26	Contributed Property	(846,951)	(846,951)	(846,951)		-
27						
28	Other (Tap Fees)	(57,971)	(61,121)	(59,546)		-
29						
30	Total	\$ (1,682,002)	\$ (1,685,152)	\$ (1,683,577)	\$ -	\$ -

Recap Schedules: A-2, A-11

Schedule of Water and Wastewater Accumulated Amortization of CIAC
Annual Balances Subsequent to Last Established Rate Base

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005

Schedule: A-13 REVISED
Page 1 of 2
Preparer: Steven M. Lubertozzi

Explanation: Provide the annual balance of accumulated amortization of CIAC, for water and sewer separately, for all years since either rate base was last established by this Commission, or the date of inception of utility service if rate base has not been established previously by this Commission; and yearly additions and adjustments by dollar amount up to the end of the test year. Provide an additional page if necessary. If a projected test year is used, include the projected additions and/or retirements specifically identifying those amounts. Show any retirements as adjustments.

Line No.	Description	Year-End Balance	
		Water	Wastewater
1	6/30/1992 Order No. PSC-93-0364-FOF-SU		\$ 448,587
2	1992 Subsequent Additions		
3	1992 Subsequent Retirements		
4	1992 Subsequent Adjustments		
5			
6	12/31/92 Balance		448,587
7	1993 Additions		58,926
8	1993 Retirements		
9	1993 Adjustments		
10			
11	12/31/93 Balance		507,513
12	1994 Additions		41,547
13	1994 Retirements		
14	1994 Adjustments		
15			
16	12/31/94 Balance		549,060
17	1995 Additions		40,663
18	1995 Retirements		
19	1995 Adjustments		
20			
21	12/31/95 Balance		589,723
22	1996 Additions		42,166
23	1996 Retirements		
24	1996 Adjustments		
25			
26	12/31/96 Balance		631,889
27	1997 Additions		42,826
28	1997 Retirements		
29	1997 Adjustments		
30			
31	12/31/97 Balance		674,715
32	1998 Additions		43,682
33	1998 Retirements		
34	1998 Adjustments		
35			
36	12/31/98 Balance		718,397
37	1999 Additions		45,071
38	1999 Retirements		
39	1999 Adjustments		
40			
41	12/31/99 Balance		763,468
42	2000 Additions		46,226
43	2000 Retirements		
44	2000 Adjustments		
45			
46	12/31/00 Balance		809,694

Schedule of Water and Wastewater Accumulated Amortization of CIAC
Annual Balances Subsequent to Last Established Rate Base

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005

Schedule: A-13 REVISED
Page 2 of 2
Preparer: Steven M. Lubertozzi

Explanation: Provide the annual balance of accumulated amortization of CIAC, for water and sewer separately, for all years since either rate base was last established by this Commission, or the date of inception of utility service if rate base has not been established previously by this Commission; and yearly additions and adjustments by dollar amount up to the end of the test year. Provide an additional page if necessary. If a projected test year is used, include the projected additions and/or retirements specifically identifying those amounts. Show any retirements as adjustments.

Line No.	Description	Year-End Balance	
		Water	Wastewater
1	2001 Additions		\$ 47,088
2	2001 Retirements		
3	2001 Adjustments		
4			
5	12/31/2001 Balance		856,782
6	2002 Additions		47,339
7	2002 Retirements		
8	2002 Adjustments		
9			
10	12/31/02 Balance		904,121
11	2003 Additions		44,097
12	2003 Retirements		
13	2002 Adjustments		
14			
15	12/31/03 Balance		948,218
16	2004 Additions		47,475
17	2004 Retirements		
18	2004 Adjustments		(100,474)
19			
20	12/31/04 Balance		895,219
21	2005 Additions		47,063
22	2005 Retirements		
23	2005 Adjustments (rounding)		(1)
24			
25	12/31/05 Balance		\$ 942,281

Supporting Schedules: A-14
Recap Schedules: A-19

Schedule of Accumulated Amortization of CIAC By Classification
 Test Year Average Balance

Florida Public Service Commis:

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Historic [X] or Projected []

Schedule: A-14
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

Explanation: Provide the ending balances and average of accumulated amortization of CIAC, by classification for the prior year and the test year. If a projected test year is employed, provide breakdown for base year and intermediate year also.

Line No.	(1) Description	(2) Prior Year 12/31/04	(3) Test Year 12/31/05	(4) Test Year Average Bal	(5) Non-Used Useful %	(6) Non-Used Amount
1	WATER					
2						
3	Plant Capacity Fees					
4						
5	Line/Main Extension Fees					
6						
7	Meter Installation Fees					
8						
9	Contributed Lines					
10						
11	Other (Describe)					
12						
13						
14						
15	Total	\$ -	\$ -	\$ -	\$ -	\$ -
16						
17						
18	WASTEWATER					
19						
20	Plant Capacity Fees					
21						
22	Line/Main Extension Fees	35,958	53,928	44,943		-
23						
24	Contributed Lines					
25						
26	Contributed Property	857,521	884,668	871,095		-
27						
28	Other (Tap fees)	1,740	3,685	2,713		-
29						
30						
31	Total	\$ 895,219	\$ 942,281	\$ 918,751	\$ -	\$ -

Recap Schedules: A-2, A-11

Schedule of Annual AFUDC Rates Used

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005

Schedule: A-15
Page 1 of 1
Preparer: Steven M. Lubertozi

Explanation: Provide the annual AFUDC rates used since either rate base was last established by this Commission, or the date of inception of utility service if rate base has not been established previously. Include a description of practices and authority of rate(s) used.

<u>Line</u>		
<u>No.</u>		
1	The Utility approved AFUDC rate established 11-30-1995 by Order No. PSC-95-1490-FOF-WS	8.99%
2	The Utility approved AFUDC rate established 3/8/2004 by Order No. PSC-04-0262-PAA-WS	9.03%

Schedule of Water and Wastewater Advances For Construction
Annual Balances Subsequent to Last Established Rate Base

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005

Schedule: A-16
Page 1 of 1
Preparer: Steven M. Lubertozzi

Explanation: Provide the annual balance of Advances For Construction, for water and sewer separately, for all years since either rate base was last established by this Commission, or the date of inception of utility service if rate base has not been established previously by this Commission; and yearly additions and adjustments by dollar amount up to the end of the test year. Provide an additional page if necessary. If a projected test year is used, include the projected additions and/or retirements, specifically identifying those amounts. Also provide a brief description of the applicant's policy regarding advances.

Line No.	Description	Year-End Balance	
		Water	Wastewater
1	None		

Recap Schedules: A-2, A-19

Schedule of Working Capital Allowance Calculation

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005

Schedule: A-17
 Page 1 of 1
 Preparer: Steven M. Lubertozzi
 Recap Schedule: A-2

Explanation: Provide the calculation of working capital using the Balance Sheet method. The calculation should not include accounts that are reported in other rate base or cost of capital accounts. Unless otherwise explained, this calculation should include both current and deferred debits and credits. All adjustments to the per book accounts shall be explained.

Line No		Water	Sewer
1	<u>Final Rates - 12/31/05</u>		
2			
3	Total O & M Expense per B-6		\$ 603,289
4	Adjustments to O & M Expense per B-2		81,864
5			
6	Total Adjusted O & M Expense		\$ 685,153
7	Divide by 8		8
8			
9			
10	Equals working capital		\$ 85,644
11			
12	<u>Interim Rates - 12/31/05</u>		
13			
14	Total O & M Expense per B-6		
15	Adjustments to O & M Expense per B-2		\$ 603,289
16			-
17	Total Adjusted O & M Expense		\$ 603,289
18	Divide by 8		8
19			
20			
21	Equals working capital		\$ 75,411

Comparative Balance Sheet - Assets

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005

Schedule: A-18 REVISED
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

Explanation: Provide a balance sheet for years requested. Provide same for historical base or intermediate years, if not already shown.

Line No.	(1) ASSETS	(2) Historic Year Ended 12/31/2004	(3) Test Year Ended 12/31/05	(4) Average
1	Utility Plant in Service	\$ 3,258,899	\$ 3,284,113	\$ 3,271,506
2	Construction Work in Progress	1,346	125,246	63,296
3	Other Utility Plant Adjustments	269,959	269,960	269,959
4				
5	GROSS UTILITY PLANT	3,530,204	3,679,319	3,604,761
6	Less: Accumulated Depreciation	(1,714,768)	(1,784,348)	(1,749,558)
7				
8	NET UTILITY PLANT	\$ 1,815,436	\$ 1,894,971	\$ 1,855,203
9				
10	Cash	-	-	-
11	Accounts Rec'b - trade	\$ 24,959	\$ 32,617	\$ 28,788
12	Notes Receivable			
13	Accts. Rec'b - Assoc. Cos.			
14	Notes Rec'b - Assoc. Cos.			
15	Accts. Rec'b - Other			
16	Accrued Interest Rec'b			
17	Allowance for Bad Debts			
18	Materials & Supplies			
19	Miscellaneous Current & Accrued Assets			
20				
21	TOTAL CURRENT ASSETS	\$ 24,959	\$ 32,617	\$ 28,788
22				
23	Net nonutility property			
24	Unamortized Debt Discount & Exp.			
25	Prelim. Survey & Investigation Charges			
26	Clearing Accounts			
27	Deferred Rate Case Expense	-	14,415	7,208
28	Other Miscellaneous Deferred Debits	75,315	60,027	67,671
29	Accum. Deferred Income Taxes			
30				
31	TOTAL OTHER ASSETS	75,315	74,442	74,879
32				
33	TOTAL ASSETS	\$ 1,915,710	\$ 2,002,030	\$ 1,958,870

Comparative Balance Sheet - Equity Capital & Liabilities

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended:

Schedule: A-19 REVISED
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

Explanation: Provide a balance sheet for years requested. Provide same for historical base or intermediate years, if not already shown.

Line No.	(1) EQUITY CAPITAL & LIABILITIES	(2) Historic Year Ended 12/31/04	(3) Test Year Ended 12/31/05	(4) Average
1	Common Stock Issued	\$ 1,000	\$ 1,000	\$ 1,000
2	Preferred Stock Issued	-	-	-
3	Additional Paid in Capital	1,008,569	1,040,803	1,024,686
4	Retained Earnings	23,067	(53,889)	(15,410)
5	Other Equity Capital	-	-	-
6				
7	TOTAL EQUITY CAPITAL	\$ 1,032,636	\$ 987,914	\$ 1,010,276
8				
9	Bonds	-	-	-
10	Reacquired Bonds	-	-	-
11	Advances From Associated Companies	(85,085)	(83,677)	(84,381)
12	Other Long-Term Debt	-	-	-
13				
14	TOTAL LONG-TERM DEBT	\$ (85,085)	\$ (83,677)	\$ (84,381)
15				
16	Accounts Payable	34,593	37,125	35,859
17	Notes Payable	-	-	-
18	Notes & Accounts Payable - Assoc. Cos.	51,821	200,656	126,238
19	Customer Deposits	-	-	-
20	Accrued Taxes	10,508	14,639	12,573
21	Current Portion Long Term Debt	-	-	-
22	Accrued Interest	-	-	-
23	Accrued Dividends	-	-	-
24	Misc. Current and Accrued Liabilities	-	-	-
25				
26	TOTAL CURRENT & ACCRUED LIABILITIES	\$ 96,922	\$ 252,419	\$ 174,670
27				
28	Advances for Construction	-	-	-
29	Prepaid Capacity Charges	-	-	-
30	Accum. Deferred ITC's	-	-	-
31	Operating Reserves	-	-	-
32				
33	TOTAL DEFERRED CREDITS & OPER. RESERVES	-	-	-
34				
35	Contributions in Aid of Construction	1,682,002	1,685,151	1,683,577
36	Less: Accum. Amortization of CIAC	(895,219)	(942,281)	(918,751)
37		-	-	-
38	Accumulated Deferred Income Taxes	84,454	102,503	93,479
39				
40	Total Equity Capital and Liabilities	\$ 1,915,710	\$ 2,002,030	\$ 1,958,870

Schedule of Wastewater Net Operating Income

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Interim [] Final [X]
 Historic [X] or Projected []

Schedule: B-2 REVISED
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

Explanation: Provide the calculation of net operating income for the test year. If amortization (Line 4) is related to any amount other than an acquisition adjustment, submit an additional schedule showing a description and calculation of charge.

Line No.	(1) Description	(2) Balance Per Books	(3) Utility Test Year Adjustments	(4) Utility Adjusted Test Year	(5) Requested Revenue Adjustment	(6) Requested Annual Revenues	(7) Supporting Schedule(s)
1	OPERATING REVENUES	\$ 606,834	\$ 11,570 (A)	\$ 618,404	\$ 214,699 (G)	\$ 833,103	B-4, E- 2
2							
3	Operation & Maintenance	603,289		603,289	81,864 (B), (C) , (H)	685,153	B-6, B-3
4							
5	Depreciation, net of CIAC Amort.	46,547	-	46,547	733 (I)	47,280	B-14, B-3
6							
7	Amortization			-	-	-	B-3
8							
9	Taxes Other Than Income	33,576	521 (E)	34,097	11,701 (J)	45,798	B-15, B-3
10							
11	Provision for Income Taxes	(38,588)	5,842 (F)	(32,746)	18,798 (K)	(13,948)	C-1, B-3
12							
13	OPERATING EXPENSES	644,824	6,363	651,187	113,096	764,283	
14							
15	NET OPERATING INCOME	\$ (37,989)	\$ 5,207	\$ (32,783)	\$ 101,603	\$ 68,820	
16							
17							
18	RATE BASE	\$ 1,090,378	\$ (211,863)	\$ 878,515	\$ -	\$ 878,515	
19							
20							
21	RATE OF RETURN	(3.48) %		(3.73) %		7.83 %	

Schedule of Adjustments to Operating Income

Company: Tierra Verde Utilities Inc.

Test Year Ended: December 31, 2005

Interim [] Final [X]

Historic [X] or Projected []

Explanation: Provide a detailed description of all adjustments to operating income per books, with a total for each line item shown on the net operating income statement.

Florida Public Service Commission

Schedule: B-3

Page 1 of 2

Docket No.: 060255-SU

Preparer: Steven M. Lubertozzi

REVISED

Line No.	Description	Water	Wastewater
1	(A) <u>Annualized Revenue</u>		
2	Annualized revenue per Schedule E-2		\$ 618,404
3	Test year revenue - actual per Schedule B-4		(606,834)
4	Adjustment required		\$ 11,570
5			
6	(B) <u>Adjust Operations & Maintenance (O & M) Expenses for CPI</u>		
7	Purchased Sewage		13,534
8	Sludge Hauling Expense		60
9	Purchase Power		139
10	Materials & Supplies		751
11	Contract Services - Acct		40
12	Contract Services - Legal		5
13	Contract Services - Other		70
14	Transportation		3
15	Insurance Other		214
16	Miscellaneous Expense		152
17	Total adjustment to O & M Expense		\$ 14,968
18			
19	(C) <u>Adjustment O & M for CPI and salary increases</u>		
20	Salaries		\$ 17,952
21	Pension & Benefits		2,050
22	Total Salaries, Pension & Benefits Adjustments		\$ 20,002
23			
24	(D) <u>Non-used and useful depreciation</u>		
25	Non-used and useful depreciation per Page B-14		\$ -
26			
27	(E) <u>Taxes Other Than Income</u>		
28	Regulatory Assessment Fees (RAF's)		
29	RAF's associated with Adjustment (A) X 4.5%		\$ 521
30	Total Taxes Other Than Income		\$ 521
31			
32	(F) <u>Provision for Income Taxes</u>		
33	Adjust Provision for Income taxes to reflect operating		
34	and expense adjustments		\$ 5,842
35			
36	(G) <u>Revenue Increase</u>		
37	Increase in revenue required by the Utility to realize a		
38	7.83 % rate of return		\$ 214,699
39			
40	(H) <u>Operations & Maintenance (O & M) Expenses</u>		
41	Amortization of rate case expense		
42	Amortization per Schedule B-10		\$ 46,894
43			
44	Total		\$ 46,894
45			
46	(I) <u>Depreciation Expense</u>		
47	Gravity Sewer Main		644
48	Sewer Service Lines		30
49	Sewer Mains		45
50	Sewer Plant		117
51	Retirement Gravity Sewer Main		(103)
52	Total Depreciation Expense		\$ 733
53			

Schedule of Adjustments to Operating Income
 Company: Tierra Verde Utilities Inc.
 Test Year Ended: December 31, 2005
 Interim [] Final [X]
 Historic [X] or Projected []

Florida Public Service Commission
 Schedule: B-3
 Page 2 of 2
 Docket No.: 060255-SU
 Preparer: Steven M. Lubertozzi

REVISED

Explanation: Provide a detailed description of all adjustments to operating income per books, with a total for each line item shown on the net operating income statement.

Line No.	Description	Water	Wastewater
1	(J) <u>Taxes Other Than Income</u>		
2	(1) <u>Payroll Taxes</u>		
3	Adjust payroll taxes for salary increases		\$ 1,560
4			
5	(2) <u>Tangible Taxes</u>		
6	Transfer of projects from construction work in progress	\$	29,000
7	GL Additions		7,585
8	Retirement Gravity Sewer Main		(4,633)
9	Net increase in plant for tangible tax		31,952
10	Millage rate		19,0425
11	Total increase in tangible taxes		608
12			
13	(3) <u>Regulatory Assessment Fees</u>		
14	Total Revenue Requested	\$	833,103
15	RAF rate		0.045
16	Total RAF's	\$	37,490
17	Adjusted test year RAF's		27,957
18	Adjustment Required	\$	9,533
19			
20	Total increase in Taxes Other Than Income	\$	11,701
21	(K) <u>Provision for Income Taxes</u>		
22	(1) Adj to reconcile book taxes per C-2		
23	Income Taxes per Book (line 2)		38,588
24	Total Current Income Taxes (Line 38)	\$	(54,335)
25	Adj to Current Income Taxes		(15,747)
26			
27	(2) Adj to Income taxes for increase per C-2	\$	34,545
28	Adj. to Income taxes per C-2	\$	18,798

Test Year Operating Revenues

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Historic [X] or Projected []

Schedule: B-4
 Page 1 of 1
 Preparer: Steven M. Lubertozzi
 Recap Schedules: B-2

Explanation: Complete the following revenue schedule for the historical test year or base year. If general service revenues not accounted for by sub-account, then show the total amount under metered-or-measured-commercial and provide an explanation.

WATER SALES		(1)	SEWER SALES		(2)
No.	Line Account No. and Description	Total Water	Account No. and Description	Total Wastewater	
1	460 Unmetered Water Revenue		521.1 Flat Rate - Residential		
2	461.1 Metered - Residential	\$ -	521.2 Flat Rate - Commercial		
3	461.2 Metered - Commercial		521.3 Flat Rate - Industrial		
4	461.3 Metered - Industrial		521.4 Flat Rate - Public Authorities		
5	461.4 Metered - Public Authorities		521.5 Flat Rate - Multi-Family		
6	461.5 Metered - Multi-Family		521.6 Flat Rate - Other		
7	462.1 Public Fire Protection		522.1 Measured - Residential	\$ 606,967	
8	462.2 Private Fire Protection		522.2 Measured - Commercial		
9	464 Other Sales - Public Authorities		522.3 Measured - Industrial		
10	465 Irrigation Customers		522.4 Measured - Public Authority		
11	466 Sales for Resale		522.5 Measured - Multi-Family		
12	467 Interdepartmental Sales		523 Other Sales - Public Authorities		
13			524 Revenues from Other Systems		
14	TOTAL WATER SALES	<u>0</u>	525 Interdepartmental Sales		
15					
16	OTHER WATER REVENUES		TOTAL SEWER SALES	<u>606,967</u>	
17	470 Forfeited Discounts				
18	471 Misc. Service Revenues		OTHER SEWER REVENUES		
19	472 Rents From Water Property		531 Sale of Sludge		
20	473 Interdepartmental Rents		532 Forfeited Discounts		
21	474 Other Water Revenues	<u>0</u>	534 Rents From Sewer Property		
22			535 Interdepartmental Rents		
23			536 Other Sewer Revenues	(133)	
24			541 Measured Re-Use Revenues		
25		<u>0</u>			
26			TOTAL OTHER		
27			SEWER REVENUES	<u>(133)</u>	
28		\$ -			
29			TOTAL SEWER		
30			OPERATING REVENUES	<u>\$ 606,834</u>	

Detail of Operation & Maintenance Expenses By Month - Wastewater

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Historic [X] or Projected []

Explanation: Provide a schedule of operation and maintenance expenses by primary account for each month of the test year. If schedule has to be continued on 2nd page, reprint the account titles and numbers.

Schedule: B-6
 Page 1 of 1
 Preparer: Steven M. Lubertozzi
 Recap Schedules: B-2

Line No.	(1) Account No. and Name	(2) Jan 2005	(3) Feb 2005	(4) March 2005	(5) April 2005	(6) May 2005	(7) June 2005	(8) July 2005	(9) Aug 2005	(10) Sept 2005	(11) Oct 2005	(12) Nov 2005	(13) Dec 2005	(14) Annual	(15) Adj.	(16) Adj. Total Annual
1	701 Salaries & Wages - Employees	\$ 2,594	\$ 2,594	\$ 2,594	\$ 2,594	\$ 2,594	\$ 2,594	\$ 5,217	\$ 5,217	\$ 5,217	\$ 4,986	\$ 4,986	\$ 4,987	\$ 46,174	\$ 17,952	\$ 64,126
2	703 Salaries & Wages - Officers, Etc.													0		0
3	704 Employee Pensions & Benefits	765	765	765	765	765	765	769	769	769	1,302	1,302	1,300	10,798	2,050	12,848
4	710 Purchased Sewage Treatment	49,337	35,994	64,298	32,476	45,365	31,321	35,312	55,722	44,227	23,221	39,572	37,081	493,926	13,534	507,460
5	711 Sludge Removal Expense					700			1,500					2,200	60	2,260
6	715 Purchased Power	395	346	337	354	354	389	514	546	595	446	285	508	5,069	139	5,208
7	716 Fuel for Power Purchased													0		0
8	718 Chemicals													0		0
9	720 Materials & Supplies	1,801	3,605	2,165	1,274	1,505	3,642	2,965	4,299	1,321	1,286	1,758	1,781	27,402	751	28,153
10	731 Contractual Services - Engr.													0		0
11	732 Contractual Services - Acct.						554			278			632	1,464	40	1,504
12	733 Contractual Services - Legal	120					69							189	5	194
13	734 Contractual Services - Mgmt. Fees													0		0
14	735 Contractual Services - Other	273		274		276	401	277		960		276	(179)	2,558	70	2,628
15	741 Rental of Building/Real Prop.													0		0
16	742 Rental of Equipment													0		0
17	750 Transportation Expenses						235	(118)						117	3	120
18	756 Insurance - Vehicle													0		0
19	757 Insurance - General Liability													0		0
20	758 Insurance - Workman's Comp.													0		0
21	759 Insurance - Other						3,982			1,684			2,129	7,795	214	8,009
22	760 Advertising Expense													0		0
23	766 Reg. Comm. Exp. - Rate Case Amort.													0	46,894	46,894
24	767 Reg. Comm. Exp. - Other													0		0
25	770 Bad Debt Expense						24			12			22	58		58
26	775 Miscellaneous Expenses	145	9	29	233	9	2,470	9	12	1,139	8	26	1,450	5,539	152	5,691
27																
28	TOTAL	\$ 55,430	\$ 43,313	\$ 70,462	\$ 37,696	\$ 51,568	\$ 46,446	\$ 44,945	\$ 68,065	\$ 56,202	\$ 31,249	\$ 48,205	\$ 49,711	\$ 603,289	\$ 81,864	\$ 685,153

Explanation: Complete the following comparison of the applicant's current and prior test year O&M expenses before this Commission. Provide an explanation of all differences which are not attributable to the change in customer growth and the CPI-U. If the applicant has not had a previous rate case, use the year 5 years prior to the test year for comparison. Provide an additional schedule, if necessary, to explain differences.

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Account No. and Name	5 Years Prior 12/31/2000	Current TY 12/31/2005	TY Adj.'s per B-3	Adjusted TY 12/31/2005	Non-Used & Usual %	Non-Used & Amount	DM, (\$)-(2)	\$	Difference %

1	701 Salaries & Wages - Employees	\$ 36,240	\$ 45,174	\$ 17,952	\$ 64,126	-	-			
2	703 Salaries & Wages - Officers, Etc.									
3	704 Employee Pensions & Benefits	7,822	10,798	2,050	12,848					
4	710 Purchased Sewage Treatment	258,323	493,926	13,534	507,460					
5	711 Sludge Removal Expense	4,699	2,200	60	2,260					
6	715 Purchased Power	5,174	5,069	139	5,208					
7	716 Fuel for Power Purchased									
8	718 Chemicals									
9	720 Materials & Supplies	17,413	27,402	751	28,153					
10	731 Contractual Services - Engr.									
11	732 Contractual Services - Acct.	964	1,464	40	1,504					
12	733 Contractual Services - Legal		189	5	194					
13	734 Contractual Services - Mgmt. Fees									
14	735 Contractual Services - Other	2,853	2,558	70	2,628					
15	741 Rental of Building/Real Prop.									
16	742 Rental of Equipment									
17	750 Transportation Expenses	2,245	117	3	120					
18	756 Insurance - Vehicle									
19	757 Insurance - General Liability									
20	758 Insurance - Workmen's Comp.									
21	759 Insurance - Other	4,053	7,795	214	8,009					
22	760 Advertising Expense									
23	766 Reg. Comm. Exp. - Rate Case Annuity									
24	767 Reg. Comm. Exp. - Other									
25	770 Bad Debt Expense	18	58		58					
26	775 Miscellaneous Expenses	5,141	5,539	152	5,691					
27	TOTAL	\$ 344,935	\$ 603,289	\$ 81,864	\$ 685,153					
28										
29										
30	Total Customers	913.0	1,006.0							
31										
32	Consumer Price Index - U	227.5	283.4							
33										
34	Benchmark Index: Increase in CPI	1,1019	1,2457							
35										
36										
37										

1	701 Salaries & Wages - Employees									
2	703 Salaries & Wages - Officers, Etc.									
3	704 Employee Pensions & Benefits									
4	710 Purchased Sewage Treatment									
5	711 Sludge Removal Expense									
6	715 Purchased Power									
7	716 Fuel for Power Purchased									
8	718 Chemicals									
9	720 Materials & Supplies									
10	731 Contractual Services - Engr.									
11	732 Contractual Services - Acct.									
12	733 Contractual Services - Legal									
13	734 Contractual Services - Mgmt. Fees									
14	735 Contractual Services - Other									
15	741 Rental of Building/Real Prop.									
16	742 Rental of Equipment									
17	750 Transportation Expenses									
18	756 Insurance - Vehicle									
19	757 Insurance - General Liability									
20	758 Insurance - Workmen's Comp.									
21	759 Insurance - Other									
22	760 Advertising Expense									
23	766 Reg. Comm. Exp. - Rate Case Annuity									
24	767 Reg. Comm. Exp. - Other									
25	770 Bad Debt Expense									
26	775 Miscellaneous Expenses									
27	TOTAL									
28										
29										
30	Total Customers									
31										
32	Consumer Price Index - U									
33										
34	Benchmark Index: Increase in CPI									
35										
36										
37										

1	701 Salaries & Wages - Employees									
2	703 Salaries & Wages - Officers, Etc.									
3	704 Employee Pensions & Benefits									
4	710 Purchased Sewage Treatment									
5	711 Sludge Removal Expense									
6	715 Purchased Power									
7	716 Fuel for Power Purchased									
8	718 Chemicals									
9	720 Materials & Supplies									
10	731 Contractual Services - Engr.									
11	732 Contractual Services - Acct.									
12	733 Contractual Services - Legal									
13	734 Contractual Services - Mgmt. Fees									
14	735 Contractual Services - Other									
15	741 Rental of Building/Real Prop.									
16	742 Rental of Equipment									
17	750 Transportation Expenses									
18	756 Insurance - Vehicle									
19	757 Insurance - General Liability									
20	758 Insurance - Workmen's Comp.									
21	759 Insurance - Other									
22	760 Advertising Expense									
23	766 Reg. Comm. Exp. - Rate Case Annuity									
24	767 Reg. Comm. Exp. - Other									
25	770 Bad Debt Expense									
26	775 Miscellaneous Expenses									
27	TOTAL									
28										
29										
30	Total Customers									
31										
32	Consumer Price Index - U									
33										
34	Benchmark Index: Increase in CPI									
35										
36										
37										

1	701 Salaries & Wages - Employees									
2	703 Salaries & Wages - Officers, Etc.									
3	704 Employee Pensions & Benefits									
4	710 Purchased Sewage Treatment									
5	711 Sludge Removal Expense									
6	715 Purchased Power									
7	716 Fuel for Power Purchased									
8	718 Chemicals									
9	720 Materials & Supplies									
10	731 Contractual Services - Engr.									
11	732 Contractual Services - Acct.									
12	733 Contractual Services - Legal									
13	734 Contractual Services - Mgmt. Fees									
14	735 Contractual Services - Other									
15	741 Rental of Building/Real Prop.									
16	742 Rental of Equipment									
17	750 Transportation Expenses									
18	756 Insurance - Vehicle									
19	757 Insurance - General Liability									
20	758 Insurance - Workmen's Comp.									
21	759 Insurance - Other									
22	760 Advertising Expense									
23	766 Reg. Comm. Exp. - Rate Case Annuity									
24	767 Reg. Comm. Exp. - Other									
25	770 Bad Debt Expense									
26	775 Miscellaneous Expenses									
27	TOTAL									
28										
29										
30	Total Customers									
31										
32	Consumer Price Index - U									
33										
34	Benchmark Index: Increase in CPI									
35										
36										
37										

Contractual Services

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005

Schedule: B-9
 Page 1 of 1
 Preparer: Steven M. Lubertozi

Explanation: Provide a complete list of outside services which were incurred during the test year. List by type of service, such as accounting, engineering or legal, and provide specific detail of work performed by each consultant and the associated cost breakdown by items. Provide amounts separated by system and method of allocation if appropriate. Specific detail is not necessary for charges which are less than 2% of the test year revenues for that system. Do not include rate case expense charges.

(1) Line No.	(2) Consultant	(3) Type of Service	(4) Amount	(5) Description of Work Performed
1	Water Service Corporation	Accounting- Sewer	\$ 1,464	Services provided by Water Service Corp. and allocated to Tierra Verde. See Schedule B-12
2				
3	Water Service Corporation	Legal - Sewer	189	Services provided by Water Service Corp. and allocated to Tierra Verde. See Schedule B-12
4				
5	Water Service Corporation	Other Outside Services	2,557	Services provided by Water Service Corp. and allocated to Tierra Verde. See Schedule B-12
6				
7		Total	<u>\$ 4,210</u>	

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005

Schedule: B-10 REVISED
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

Explanation: Provide the total amount of rate case expense requested in the application. State whether the total includes the amount up to proposed agency action or through a hearing before the Commission. Provide a list of each firm providing services for the applicant, the individuals for each firm assisting in the application, including each individual's hourly rate, and an estimate of the total charges to be incurred by each firm, as well as a description of the type of services provided. Also provide the additional information for amortization and allocation method, including support behind this determination.

Line No.	(1) Firm or Vendor Name	(2) Counsel, Consultant or Witness	(3) Hourly Rate Per Person	(4) Total Estimate of Charges by Firm	(5) Type of Service Rendered	
1	Milian, Swain & Associates	Deborah Swain	160	4,000	Assist w/MFR, data requests, audit facilitation	
2	Milian, Swain & Associates	Cynthia Yapp	130	26,000	Assist w/MFR, data requests, audit facilitation	
3	Milian, Swain & Associates	Maria Bravo	130	26,000	Assist w/MFR, data requests, audit facilitation	
4	Rose, Sundstrom & Bentley, LLP	Martin Friedman	275	50,000	Legal Fees	
5	Frank Seidman	Frank Seidman	125	5,000	Used & Useful MFR preparation	
6	Public Service Commission		n/a	3,500	Filing Fee	
7	Water Service Corp.	Steve Lubertozzi	73	7,300	Assist w/MFR, data requests, audit facilitation	
8	Water Service Corp.	Holly Roth	61	6,100	Assist w/MFR, data requests, audit facilitation	
9	Water Service Corp.	Bill Thomas	39	6,150	Assist w/MFR, data requests, audit facilitation	
10	Water Service Corp.	Steve Dihel	31	4,350	Assist w/MFR, data requests, audit facilitation	
11	Water Service Corp.	Lena Sunardio	42	6,150	Assist w/MFR, data requests, audit facilitation	
12	Water Service Corp.	Kirsten Weeks	42	5,125	Assist w/MFR, data requests, audit facilitation	
13	Water Service Corp.	Dimitry Neyzelman	41	6,150	Assist w/MFR, data requests, audit facilitation	
14	Water Service Corp.		n/a	1,880	Customer notices, postage	
15	Water Service Corp.		n/a	254	Customer notices, stock	
16	Water Service Corp.		n/a	1,200	Travel, Airfare	
17	Water Service Corp.		n/a	1,600	Travel, Hotel/Accommodation	
18	Water Service Corp.		n/a	400	Travel, Rental Car	
19	Water Service Corp.		n/a	12,000	Fed Ex, copies & other misc.	
20						
21						
22				<u>\$ 173,159</u>		
23	Estimate Through					
24	<input checked="" type="checkbox"/> PAA					
25	<input type="checkbox"/> Commission Hearing					
26						
27	Amortization Period 4 Years					
28	Explanation if different from Section 367.0816, Florida					
29						
30						
31	Amortization of Rate Case Expense:					
32				(A)	(B)	(C)
33				Water	Wastewater	Total
34					\$ 14,415	\$ 14,415
35					173,159	173,159
36						
37				<u>\$ -</u>	<u>\$ 187,574</u>	<u>\$ 187,574</u>
38						
39				<u>\$ -</u>	<u>\$ 46,894</u>	<u>\$ 46,894</u>
40						
41	Method of allocation between systems:					
42	(Provide calculation)					
43						
44					1,006	1,006
45						
46				<u>-</u>	<u>1.0000</u>	<u>1.0000</u>

Analysis of Major Maintenance Projects - Wastewater
For the Test Year and 2 Years Prior and 1 Year Subsequent

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005

Schedule: B-11 REVISED
Page 1 of 1
Preparer: Steven M. Lubertozzi

Explanation: Provide an analysis of all maintenance projects greater than 2% of test year revenues per system which occurred during the 2 years prior to the test year, the test year, and the budgeted amount for 1 year subsequent to the test year. For each project, provide a description, the total cost or budgeted amount and how often the project should be repeated.

Line No.	Description	Start date	Total Cost	Repeated
1	TV Sewer Mains		\$ 76,452	Every 5 years

Allocation of Expenses

Florida Public Service Commission

Company: Terra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Historic [X] or Projected []

Schedule: B-12
 Page 1 of 1
 Preparer: Steven M. Lubertozi

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.	Acct. No.	Description	(1) Allocation Percentages			(4) Description of Allocation Method*	(5) Amounts Allocated		
			Tierra Verde	Other Co's/Sys	Total		Tierra Verde 100% Sewer	Other Co's/Sys	Total
Water Service Corp Allocated Expenses									
1	701	Salaries - Office	0.4%	99.6%	100.00%		11,755	2,617,811	2,629,566
2	704	Pensions and Benefits	0.4%	99.6%	100.00%		1,984	446,938	448,922
3	73x	Outside Services	0.4%	99.6%	100.00%		2,845	633,260	636,105
4	758	Insurance	0.4%	99.6%	100.00%		7,795	2,106,700	2,114,495
5	775	Office Supplies	0.2%	99.8%	100.00%		1,002	432,282	433,284
6	775	Office Utilities	0.4%	99.6%	100.00%		168	42,329	42,497
7	775	Office Maintenance	0.3%	99.7%	100.00%		468	141,337	141,805
8	775	Miscellaneous	0.5%	99.5%	100.00%		1,483	307,636	309,119
9									
10		Subtotal O&M Expenses					\$27,500	\$6,728,293	\$6,755,793
11									
12	403	Depreciation	0.4%	99.6%	100.00%		1,136	283,313	284,449
13	408	Taxes Other Than Income	0.4%	99.6%	100.00%		1,269	314,839	316,108
14	410	Deferred Income Taxes	0.4%	99.6%	100.00%		38	9,636	9,674
15	426	Other Income	0.5%	99.5%	100.00%		(16)	(3,014)	(3,030)
16	419	Interest Expense	0.3%	99.7%	100.00%		939	280,771	281,710
17									
18		Total Expenses					\$30,866	\$7,613,838	\$7,644,704
Utilities Inc, of Florida Allocated Expenses									
19	73x	Outside Services	1.7%	98.3%	100.00%		508	29,469	29,977
20	775	Office Supplies	1.8%	98.2%	100.00%		1,277	69,496	70,773
21	775	Office Utilities	1.8%	98.2%	100.00%		218	12,063	12,281
22	775	Office Maintenance	1.8%	98.2%	100.00%		357	19,890	20,247
23	750	Transportation Expenses	1.2%	98.8%	100.00%		208	17,532	17,740
24	775	Miscellaneous	0.0%	100.0%	100.00%		0	109,070	109,070
25	720	Operator Expenses	1.8%	98.2%	100.00%		223	12,469	12,692
26									
27		Subtotal O&M Expenses					\$2,791	\$269,989	\$272,780
28									
29	408	Taxes	0.8%	99.2%	100.00%		1,075	131,982	133,057
30									
31		Total Expenses					\$3,866	\$401,971	\$405,837
32									

33 * Allocation methodology based predominantly on ERCs

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Historic [X] or Projected []

Schedule: B-14
 Page 1 of 1
 Preparer: Steven M. Lubertozzi
 Recap Schedules: B-2

Explanation: Provide a schedule of test year non-used and useful depreciation expense by primary account

No.	(1) Line Account No. and Name	(2) Test Year Expense	(3) Utility Adjustments	(4) Adjusted Balance	(5) Non-Used & Useful %	(6) Future Use Amount
1	INTANGIBLE PLANT					
2	351.1 Organization	71	117	188		
3	352.1 Franchises	102		102		
4	389.1 Other Plant & Misc. Equipment					
5	COLLECTION PLANT					
6	353.2 Land & Land Rights					
7	354.2 Structures & Improvements	12,945		12,945		
8	360.2 Collection Sewers - Force	2,985		2,985		
9	361.2 Collection Sewers - Gravity	27,683	586	28,269		
10	362.2 Special Collecting Structures					
11	363.2 Services to Customers	5,667	30	5,697		
12	364.2 Flow Measuring Devices					
13	365.2 Flow Measuring Installations					
14	389.2 Other Plant & Misc. Equipment					
15	SYSTEM PUMPING PLANT					
16	353.3 Land & Land Rights					
17	354.3 Structures & Improvements					
18	370.3 Receiving Wells					
19	371.3 Pumping Equipment					
20	375.3 Reuse Trans. And Dist. System					
21	389.3 Other Plant & Misc. Equipment					
22	TREATMENT AND DISPOSAL PLANT					
23	353.4 Land & Land Rights					
24	354.4 Structures & Improvements - Reuse					
25	380.4 Treatment & Disposal Equipment	61		61		
26	381.4 Plant Sewers					
27	382.4 Outfall Sewer Lines					
28	389.4 Other Plant & Misc. Equipment					
29	GENERAL PLANT					
30	353.5 Land & Land Rights	43,263		43,263		
31	354.7 Structures & Improvements					
32	390.7 Office Furniture & Equipment	761		761		
33	391.5 Transportation Equipment					
34	392.5 Stores Equipment					
35	393.5 Tools, Shop & Garage Equipment	17		17		
36	394.5 Laboratory Equipment					
37	395.5 Power Operated Equipment					
38	396.5 Communication Equipment	55		55		
39	397.5 Miscellaneous Equipment					
40						
41						
42	TOTAL	93,610	733	94,343		-
43	LESS: AMORTIZATION OF CIAC	(47,063)		(47,063)		
44						
45	NET DEPRECIATION EXPENSE - SEWER	\$ 46,547	\$ 733	\$ 47,280		\$ -

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Historic [X] or Projected []

Schedule: B-15
 Page 1 of 1
 Preparer: Steven M. Lubertozi
 Recap Schedules: B-2

Explanation: Complete the following schedule of all taxes other than income. For all allocations, provide description of allocation and calculations.

No.	(1) Line Description	(2) Regulatory Assessment Fees (RAFs)	(3) Payroll Taxes	(4) Real Estate & Personal Property	(5) Other	(6) Total
WATER						
1	Test Year Per Books					\$ -
2						
3	Adjustments to Test Year (Explain)					
4	Increase in tangible tax per B-3			-		-
5	Payroll Tax for added employees					-
6	RAFs assoc. with annualized revenue	-				-
7						-
8						
9	Total Test Year Adjustments	-	-	-	-	-
10						
11	Adjusted Test Year	-	-	-	-	-
12	RAFs Assoc. with Revenue Increase					-
13						
14	Total Balance	\$ -	\$ -	\$ -	\$ -	\$ -
SEWER						
15	Test Year Per Books	\$ 27,436	\$ 3,779	\$ 2,210	\$ 151	\$ 33,576
16						
17	Adjustments to Test Year (Explain)					
18	Increase in tangible tax per B-3			608		608
19	Payroll Tax for added employees		1,560			1,560
20	RAFs assoc. with annualized revenue	521				521
21						-
22						
23	Total Test Year Adjustments	521	1,560	608	-	2,689
24						
25	Adjusted Test Year	27,957	5,339	2,818	151	36,265
26	RAFs Assoc. with Revenue Increase	9,533	-	-	-	9,533
27						
28	Total Balance	\$ 37,491	\$ 5,339	\$ 2,818	\$ 151	\$ 45,798

Reconciliation of Total Income Tax Provision

Florida Public Service Commissic

REVISED

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Interim [] Final [X]
 Historic [X] or Projected []

Schedule: C-1
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

Explanation: Provide a reconciliation between the total operating income tax provision and the currently payable income taxes on operating income for the test year.

Line No.	Description	Ref.	Total Per Books	Utility Adjustments	Utility Adjusted	Water	Sewer
1	Current Tax Expense	C-2	\$ (54,335)	\$ 5,842	\$ (48,493)		\$ (13,948)
2	Deferred Income Tax Expense	C-5	14,612	(249)	14,363		
3	ITC Realized This Year	C-8					
4	ITC Amortization	C-8					
5	(3% ITC and IRC 46(f)(2))						
6	Parent Debt Adjustment	C-9	-	-	-	-	-
7	Total Income Tax Expense		\$ (39,723)	\$ 5,593	\$ (34,130)	\$ -	\$ (13,948)

Supporting Schedules: C-2, C-5, C-8, C-9
 Recap Schedules: B-2

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Interim [] Final [X]
 Historic [X] or Projected []

Schedule: C-2
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

Explanation: Provide the calculation of state and federal income taxes for the test year. Provide detail on adjustments to income taxes and investment tax credits generated.

Line No.	Total Per Books	Utility Adjustments(1)	Utility Adjusted	Adjust for Increase	Sewer
1	\$ (37,989)	\$ 5,207	\$ (32,783)	\$ 101,603	\$ 68,820
2	(38,588)	5,842	(32,746)		(32,746)
3					
4	(76,577)	11,049	(65,529)	101,603	36,074
5	38,614	(6,867)	31,747		31,747
6					
7	(115,191)	17,916	(97,275)	101,603	4,327
8					
9	Schedule M Adjustments:				
10	(1,644)		(1,644)		(1,644)
11	(42,975)	(733)	(43,708)	-	(43,708)
12					
13	(44,619)	(733)	(45,352)	-	(45,352)
14					
15	(159,810)	17,183	(142,627)	101,603	(41,025)
16	5,000	5,000	5,000	5,000	5,000
17					
18	(154,810)	22,183	(137,627)	106,603	(31,025)
19	(8,515)	1,220	(7,569)	5,863	(1,706)
20	8,515	(1,220)	7,295	(5,863)	1,706
21					
22					
23	-	-	-	-	-
24					
25	(159,810)	17,183	(142,627)	101,603	(41,025)
26	0.34	0.34	0.34	0.34	0.34
27					
28	(54,335)	5,842	(48,493)	34,545	(13,948)
29					
30	-	-	-	-	-
31					
32	(54,335)	5,842	(48,493)	34,545	(13,948)
33					
34	Summary:				
35	-	-	-	-	-
36	(54,335)	5,842	(48,493)	34,545	(13,948)
37					
38	\$ (54,335)	\$ 5,842	\$ (48,493)	\$ 34,545	\$ (13,948)

24 Note (1): Adjustments to test year operating income are shown on Schedules B-1, B-2, B-3 and C-5.

Supporting Schedules: B-2,C-3,C-4,C-5,C-8
 Recap Schedules: C-1

Schedule of Interest In Tax Expense Calculation

Florida Public Service Commission

Schedule: C-3

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Historic [X] or Projected []

Page 1 of 1
 Preparer: Steven M. Lubertozi

REVISED

Explanation: Provide the amount of interest expense used to calculate income taxes on Schedule No. C-2. Explain any changes in interest expense in detail giving amount of change and reason for change. If the basis for allocating interest used in the tax calculation differs from the basis used in allocating current income taxes payable, the differing bases should be clearly identified.

Line No.	Description	Total Per Books	Utility Adjustments	Utility Adjusted	Water	Sewer
1	Interest on Long-Term Debt			\$ -		
2	Amortization of Debt Premium, Disc. and Expense Net			-		
3	Interest on Short-Term Debt	(189)	1,228	1,039		1,039
4	Other Interest Expense - Intercompany	40,447	(9,739)	30,708		30,708
5	AFUDC	(1,644)	1,644	-		-
6	ITC Interest Synchronization (IRC 46(f)(2) only - See below)	N/A				
7	Total Used For Tax Calculation	\$ 38,614	\$ (6,867)	\$ 31,747	\$ -	\$ 31,747

Calculation of ITC Interest Synchronization Adjustment ONLY for Option 2 companies (See Sch. C-8, pg. 4)

Balances From Schedule D-1	Amount	Ratio	Cost	Total Weighted Cost	Debt Only Weighted Cost
8 Long-Term Debt					
9 Short-Term Debt					
10 Preferred Stock					
11 Common Equity					
12 Total					
13 ITCs (from D-1, Line 7)					
14 Weighted Debt Cost (From Line 12)					
15 Interest Adjustment (To Line 6)					

Supporting Schedules: D-1,C-8
 Recap Schedules: C-2

Book/Tax Differences - Permanent

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005
Historic [X] or Projected []

Schedule: C-4
Page 1 of 1
Preparer: Steven M. Lubertozzi

Explanation: Provide the description and amount of all book/tax differences accounted for as permanent differences. This would include any items accounted for on a flow through basis.

Line
No.

1 Interest during construction (1,644)

Deferred Income Tax Expense (Final)

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Historic [X] or Projected []

Schedule: C-5
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

Explanation: Provide the calculation of total deferred income tax expense for the test year. Provide detail on items resulting in tax deferrals other than accelerated depreciation.

Line No.	Description	Total Per Books	Utility Adjustments	Utility Adjusted	Water	Sewer
1	Timing Differences:					
2						
3	Tax Depreciation and Amortization	\$ 93,545	\$ -	\$ 93,545	\$ -	\$ 93,545
4	Book Depreciation and Amortization	46,547	733	47,280	-	47,280
5						
6	Difference	46,998	(733)	46,265	-	46,265
7						
8	Other Timing Differences (Itemize):					
9	Tap Fees	(3,150)		(3,150)		(3,150)
10	Deferred Maintenance Amort	(15,288)		(15,288)		(15,288)
11	Deferred Rate Case Additions	14,415		14,415		14,415
12	Deferred Rate Case Amort.	-	-	-	-	-
13						
14	Total Timing Differences (To C-2)	42,975	(733)	42,242	-	42,242
15						
16	Timing differences For State Deferred Taxes:					
17	Tap Fees	(3,150)		(3,150)		(3,150)
18	Deferred Maintenance	(15,288)		(15,288)		(15,288)
19	Deferred Rate Case Additions	14,415		14,415		14,415
20	Total	42,975	(733)	42,242	-	42,242
21						
22	State Tax Rate	0.055	0.055	0.055	0.055	0.055
23	State Deferred Taxes (Line 20 x Line 22)	2,364	(40)	2,324	-	2,323
24	(Limited by NOL)	(2,364)	40	(2,324)	-	(2,323)
25	Total State Tax Deferred	-	-	-	-	0
26						
27	Timing Differences For Federal Deferred Taxes					
28	(Line 14)	42,975	(733)	42,242		42,242
29						
30	Federal Tax Rate	0.34	0.34	0.34	0.34	0.34
31						
32	Federal Deferred Taxes (Line 28 x Line 30)	14,612	(249)	14,363	-	14,363
33	Add: State Deferred Taxes (Line 25)	-	-	-	-	0
34						
35	Total Deferred Tax Expense (To C-1)	\$ 14,612	\$ (249)	\$ 14,363	\$ -	\$ 14,363

Supporting Schedules: None
 Recap Schedules: C-2

Accumulated Deferred Income Taxes - Summary

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.

Schedule: C-6

Docket No.: 060255-SU

Page 1 of 4

Test Year Ended: December 31, 2005

Preparer: Steven M. Lubertozzi

Historic [X] Projected [] (Final Rates)

Explanation: For each of the accumulated deferred tax accounts provide a summary of the ending balances as reported on pages 2 & 3 of this schedule. The same annual balances should be shown.

Line No.	Year	Account No. 190.1011			Account No. 190.1012			Net Deferred Income Taxes		
		State	Federal	Total	State	Federal	Total	State	Federal	Total
1	1994	1,406	8,213	9,619	-	-	-	1,406	9,523	10,929
2	1995	6,312	36,878	43,190	-	-	-	6,274	29,168	35,442
3	1996	5,962	34,833	40,795	-	-	-	5,961	24,734	30,695
4	1997	5,510	32,185	37,695	-	-	-	6,028	14,073	20,101
5	1998	5,097	29,770	34,867	-	-	-	4,807	9,334	14,141
6	1999	4,715	27,537	32,252	-	-	-	4,425	2,976	7,401
7	2000	4,359	25,455	29,814	-	-	-	4,103	2,689	6,792
8	2001	4,024	23,499	27,523	1,066	6,229	7,295	5,086	6,898	11,984
9	2002	3,698	21,592	25,290	1,495	8,731	10,226	5,194	7,024	12,218
10	2003	3,373	19,693	23,066	2,705	15,803	18,508	6,079	(23,432)	(17,353)
11	2004	3,048	17,795	20,843	3,029	17,699	20,728	1,936	(86,390)	(84,454)
12	2005	2,723	15,897	18,620	2,910	17,002	19,912	(702)	(101,801)	(102,503)
13										
14										
Line No.	Year	Account No. 190.1020			Account No. 190.1021					
		State	Federal	Total	State	Federal	Total			
15										
16	1994	-	(216)	(216)	-	-	-			
17	1995	(38)	(1)	(39)	-	-	-			
18	1996	(1)	3,024	3,023	-	-	-			
19	1997	518	(1,695)	(1,177)	-	-	-			
20	1998	(290)	(1,695)	(1,985)	-	-	-			
21	1999	(290)	(1,695)	(1,985)	-	-	-			
22	2000	(256)	(1,695)	(1,951)	-	-	-			
23	2001	(4)	(1,496)	(1,500)	-	-	-			
24	2002	1	(25)	(24)	-	-	-			
25	2003	1	(1)	-	-	-	-			
26	2004	1	(1)	-	(4,142)	(24,199)	(28,341)			
27	2005	(792)	(4,632)	(5,424)	(3,301)	(19,287)	(22,588)			
28										
29										
Line No.	Year	Account No. 190.1024			Account No. 190.1031					
		State	Federal	Total	State	Federal	Total			
30										
31	1994	-	(2,049)	(2,049)	-	3,575	3,575			
32	1995	-	(4,049)	(4,049)	-	(3,660)	(3,660)			
33	1996	-	(5,001)	(5,001)	-	(8,122)	(8,122)			
34	1997	-	(4,904)	(4,904)	-	(11,513)	(11,513)			
35	1998	-	(4,807)	(4,807)	-	(13,934)	(13,934)			
36	1999	-	(4,759)	(4,759)	-	(18,107)	(18,107)			
37	2000	-	(3,095)	(3,095)	-	(17,976)	(17,976)			
38	2001	-	(3,095)	(3,095)	-	(18,239)	(18,239)			
39	2002	-	(3,095)	(3,095)	-	(20,179)	(20,179)			
40	2003	-	(3,095)	(3,095)	-	(55,832)	(55,832)			
41	2004	-	(3,095)	(3,095)	-	(94,589)	(94,589)			
42	2005	-	(3,095)	(3,095)	-	(107,686)	(107,686)			

Supporting Schedules: C-7, Pg 2 & 3

Recap Schedules: A-18,A-19,D-2

Accumulated Deferred Income Taxes - State

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Historic [X] Projected [] (Final Rates)

Schedule: C-6
 Page 2 of 4
 Preparer: Steven M. Lubertozzi

Explanation: For each of the accumulated deferred tax accounts provide annual balances beginning with the year of the last rate case and ending with the test year.

Line No.	Year	Account No. 190.2011 Deferred Tax Debits- Tap Fees					Account No. 190.2012 Deferred Tax Debits- Tap Fees				
		Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance	Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance
1	1994					1,406					
2	1995	1,406	4,906	-	-	6,312					
3	1996	6,312	(350)	-	-	5,962					
4	1997	5,962	(452)			5,510					
5	1998	5,510	(413)			5,097					
6	1999	5,097	(382)			4,715					
7	2000	4,715	(356)			4,359					
8	2001	4,359	(335)			4,024		1,066			1,066
9	2002	4,024	(326)			3,698	1,066	429			1,495
10	2003	3,698	(325)			3,373	1,495	1,210			2,705
11	2004	3,373	(325)			3,048	2,705	324			3,029
12	2005	3,048	(325)			2,723	3,029	(119)			2,910
13											
14											
15											
Line No.	Year	Account No. 190.2020 Deferred Tax Credits- Rate Case					Account No. 190.2021 Deferred Tax Credits- Maint Fee				
		Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance	Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance
19	1994					-					-
20	1995	-	(38)	-	-	(38)					-
21	1996	(38)	37			(1)					-
22	1997	(1)	519			518					-
23	1998	518	(808)			(290)					-
24	1999	(290)	-			(290)					-
25	2000	(290)	34			(256)					-
26	2001	(256)	252			(4)					-
27	2002	(4)	5			1					-
28	2003	1				1					-
29	2004	1				1		(4,142)			(4,142)
30	2005	1	(793)			(792)	(4,142)	841			(3,301)

Supporting Schedules: None
 Recap Schedules: C-6

Accumulated Deferred Income Taxes - Federal

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Historic [X] Projected [] (Final Rates)

Schedule: C-6
 Page 3 of 4
 Preparer: Steven M. Lubertozzi

Explanation: For each of the accumulated deferred tax accounts provide annual balances beginning with the year of the last rate case and ending with the test year.

Line No.	Year	Account No. 190.1011 Deferred Tax Debits- Tap Fees				Account No. 190.1012 Deferred Tax Debits- Tap Fees					
		Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance	Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance
1	1994					\$ 8,213					
2	1995	8,213	28,665			36,878					-
3	1996	36,878	(2,045)			34,833					-
4	1997	34,833	(2,648)			32,185					-
5	1998	32,185	(2,415)			29,770					-
6	1999	29,770	(2,233)			27,537					-
7	2000	27,537	(2,082)			25,455					-
8	2001	25,455	(1,956)			23,499	-	6,229			6,229
9	2002	23,499	(1,907)			21,592	6,229	2,502			8,731
10	2003	21,592	(1,899)			19,693	8,731	7,072			15,803
11	2004	19,693	(1,898)			17,795	15,803	1,896			17,699
12	2005	17,795	(1,898)			15,897	17,699	(697)			17,002
13											-
14											-
Line No.	Year	Account No. 190.1020 Deferred Tax Credits- Rate Case				Account No. 190.1021 Deferred Tax Credits- Maint Fee					
		Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance	Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance
15											
16											
17											
18	1994		\$ (216)			(216)					-
19	1995	(216)	215			(1)					-
20	1996	(1)	3,025			3,024					-
21	1997	3,024	(4,719)			(1,695)					-
22	1998	(1,695)				(1,695)					-
23	1999	(1,695)				(1,695)					-
24	2000	(1,695)				(1,695)					-
25	2001	(1,695)	199			(1,496)					-
26	2002	(1,496)	1,471			(25)					-
27	2003	(25)	24			(1)					-
28	2004	(1)				(1)		(24,199)			(24,199)
29	2005	(1)	(4,631)			(4,632)	(24,199)	4,912			(19,287)
30											-
31											-
Line No.	Year	Account No. 190.1024 Deferred Tax Credits- Org. Exp.				Account No. 190.1031 Deferred Tax Credits- Depr					
		Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance	Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance
32											
33											
34											
35	1994					(2,049)					3,575
36	1995	(2,049)	(2,000)			(4,049)	3,575	(7,235)			(3,660)
37	1996	(4,049)	(952)			(5,001)	(3,660)	(4,462)			(8,122)
38	1997	(5,001)	97			(4,904)	(8,122)	(3,391)			(11,513)
39	1998	(4,904)	97			(4,807)	(11,513)	(2,421)			(13,934)
40	1999	(4,807)	48			(4,759)	(13,934)	(4,173)			(18,107)
41	2000	(4,759)	1,664			(3,095)	(18,107)	131			(17,976)
42	2001	(3,095)				(3,095)	(17,976)	(263)			(18,239)
43	2002	(3,095)				(3,095)	(18,239)	(1,940)			(20,179)
44	2003	(3,095)				(3,095)	(20,179)	(35,653)			(55,832)
45	2004	(3,095)				(3,095)	(55,832)	(38,757)			(94,589)
46	2005	(3,095)				(3,095)	(94,589)	(13,097)			(107,686)

Supporting Schedules: None
 Recap Schedules: C-6

Accumulated Deferred Income Taxes - Federal

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Historic [X] Projected [] (Final Rates)

Schedule: C-6
 Page 4 of 4
 Preparer: Steven M. Lubertozi

Explanation: For each of the accumulated deferred tax accounts provide annual balances beginning with the year of the last rate case and ending with the test year.

Account No. 190.2031 Deferred Tax Credits- Tap Fees						
Line No.	Year	Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance
1	1994					\$ -
2	1995	-	-			-
3	1996	-	-			-
4	1997	-	-			-
5	1998	-	-			-
6	1999	-	-			-
7	2000	-	-			-
8	2001	-	-			-
9	2002	-	-			-
10	2003	-	-			-
11	2004	-	-			-
12	2005	-	(2,242)			(2,242)

Supporting Schedules: None
 Recap Schedules: C-6

Investment Tax Credits - Analysis

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005

Schedule: C-7
 Page 1 of 4
 Preparer: Steven M. Lubertozi

Explanation: Provide an analysis of accumulated tax credits generated and amortized on an annual basis beginning with the test year in the last rate case to the end of the current test year. Amounts provided by the Revenue Act of 1971 and subsequent acts should be shown separately from amounts applicable to prior laws. Identify progress payments separately.

Line No.	Year	3% ITC						4% ITC					
		Amount Realized			Amortization			Amount Realized			Amortization		
		Beginning Balance	Current Year	Prior Year Adjust.	Current Year	Prior Year Adjust.	Ending Balance	Beginning Balance	Current Year	Prior Year Adjust.	Current Year	Prior Year Adjust.	Ending Balance

The Utility has no investment tax credits; therefore, this schedule is not applicable

Supporting Schedules: None
 Recap Schedules: C-2, C-3, C-10, D-2, A-18, A-19

Investment Tax Credits - Analysis

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005

Schedule: C-7
 Page 2 of 4
 Preparer: Steven M. Lubertozi

Explanation: Provide an analysis of accumulated tax credits generated and amortized on an annual basis beginning with the test year in the last rate case to the end of the current test year. Amounts provided by the Revenue Act of 1971 and subsequent acts should be shown separately from amounts applicable to prior laws. Identify progress payments separately.

Line No.	Year	8% ITC					10% ITC					Ending Balance
		Amount Realized		Amortization			Amount Realized		Amortization			
		Beginning Balance	Current Year	Prior Year Adjust.	Current Year	Prior Year Adjust.	Ending Balance	Beginning Balance	Current Year	Prior Year Adjust.	Current Year	
1		The Utility has no investment tax credits; therefore, this schedule is not applicable										

Supporting Schedules: None
 Recap Schedules: C-2, C-3, C-10, D-2, A-18, A-19

Investment Tax Credits - Company Policies

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005

Schedule: C-7
Page 3 of 4
Preparer: Steven M. Lubertozzi

Explanation: Explain accounting policy as to method of amortization for both progress payment and other ITC. Explanation should include at least a description of how the time period for amortization is determined, when it begins, under what circumstances it changes, etc. If there are unused ITC, supply a schedule showing year generated, amount generated, total amount used and remaining unused portion.

<u>Line</u>	
<u>No.</u>	
1	The Utility has no investment tax credits; therefore, this schedule is not applicable

Investment Tax Credits - Section 46(f) Election

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005

Schedule: C-7
Page 4 of 4
Preparer: Steven M. Lubertozzi

Explanation: Provide a copy of the election made under Section 46(f), Internal Revenue Code.

<u>Line</u>	
<u>No.</u>	
1	Not Applicable

Parent(s) Debt Information

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005

Schedule: C-8
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

Explanation: Provide the information required to adjust income tax expense by the interest expense of the parent(s) that may be invested in the equity of the applicant. If a year-end rate base is used, provide on both a year-end and an average basis. Amounts should be parent only.

Line No.	Description	Parent's Name:	Utilities, Inc. of Florida		
		Amount	% of Total	Cost Rate	Weighted Cost
1	Long-Term Debt			%	%
2	Short-Term Debt				
3	Preferred Stock				
4	Common Equity - Common Stock				
5	Retained Earnings - Parent Only				
6	Deferred Income Tax				
7	Other Paid In Capital				-
8	Total	N/A		- %	- %
9	Weighted Cost Parent Debt X 37.63% (or applicable consolidated tax rate) X Equity of Subsidiary (To C-1)				

NOTE: A Parent debt adjustment is not necessary. Utilities, Inc. (parent company) imputes interest expense to each subsidiary company, including Tierre Verde Utilities Inc., based on the capital structure of the consolidated group. This intercompany interest is shown on Schedule C-3, line 4.

Supporting Schedules: None
 Recap Schedules: C-3

Income Tax Returns

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005

Schedule: C-9
Page 1 of 1
Preparer: Steven M. Lubertozi

Explanation: Provide a copy of the most recently filed federal income tax return, state income tax return and most recent final IRS revenue agent's report for the applicant or consolidated entity (whichever type of return is filed). A statement of when and where the returns and reports are available for review may be provided in lieu of providing the returns and reports.

Line
No. _____

- 1 A copy of the Federal and Florida tax returns will be made available for inspection during the field audit

Miscellaneous Tax Information

Florida Public Service Commission

**Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005**

**Schedule: C-10
Page 1 of 1
Preparer: Steven M. Lubertozzi**

Explanation: Provide answers to the following questions with respect to the applicant or its consolidated entity.

- | | |
|---|------|
| (1) What tax years are currently open with the Internal Revenue Service? | None |
| (2) Is the treatment of customer deposits at issue with the IRS? | No |
| (3) Is the treatment of contributions in aid of construction at issue with the IRS? | No |
| (4) Is the treatment of unbilled revenues at issue with the IRS? | No |

Schedule of Requested Cost of Capital (Final Rates)
13-Month Average Balance

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005

Schedule: D-1
Page 1 of 1
Preparer: Steven M. Lubertozi

REVISED

Historic [] or Projected [X]

Subsidiary [] or Consolidated [X]

Explanation: Provide a schedule which calculates the requested Cost of Capital on a 13-month average basis. If a year-end basis is used, submit an additional schedule reflecting year-end calculations.

Line No.	(1) Class of Capital	(2) Reconciled To Requested Rate Base	(3) Ratio	(4) Cost Rate	(5) Weighted Cost
1	Long-Term Debt	430,389	48.99 %	7.14 %	3.50 %
2	Short-Term Debt	39,372	4.48 %	2.64 %	0.1182 %
3	Preferred Stock				
4	Customer Deposits	-	-	0.00 %	0.00 %
5	Common Equity	315,005	35.86 %	11.78 %	4.22 %
6	Tax Credits - Zero Cost				
7	Accumulated Deferred Income Tax	93,749	10.67		
8	Other (Explain)				
9	Total	<u>878,515</u>	<u>100.00 %</u>		<u>7.83 %</u>

Supporting Schedules: D-2
Recap Schedules A-1, A-2

Reconciliation of Capital Structure to Requested Rate Base (Final)
13-Month Average

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005

Schedule: D-2
Page 1 of 1
Preparer: Steven M. Lubertozzi

REVISED

Historic Projected

Subsidiary or Consolidated

Explanation: Provide a reconciliation of the simple average capital structure to requested rate base. Explain all adjustments. Submit an additional schedule if a year-end basis is used.

Line No.	(1) Class of Capital	(2) Prior Year 12/31/04	(3) Test Year 12/31/05	(4) Simple Average	(6) Reconciliation Adjustments			(8) Reconciled To Requested Rate Base
					(5) Specific	(6) Prorata %	(7) Prorata Amount	
1	Long-Term Debt	\$ 112,803,215	\$ 135,285,191	\$ 124,044,203		54.843 %	\$ (123,613,814)	430,389
2	Short-Term Debt	18,768,000	3,926,000	11,347,000		5.017 %	(11,307,628)	39,372
3	Preferred Stock							
4	Common Equity	88,963,597	92,611,247	90,787,422		40.14 %	(90,472,417)	315,005
5	Customer Deposits							
6	Tax Credits - Zero Cost							
7	Tax Credits - Wtd. Cost							
8	Accum. Deferred Income Tax	84,994	102,503	93,749				93,749
9	Other (explain)							
10								
11	Total	\$ 220,619,806	\$ 231,924,941	\$ 226,272,374	\$ -	100.00 %	\$ (225,393,859)	878,515

Supporting Schedules: A-19,C-7,C-8,D-3,D-4,D-5,D-7
Recap Schedules: D-1

Preferred Stock Outstanding

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Utility or Parent
 Historic or Projected

Explanation: Provide data as specified on preferred stock on a simple average basis. If the utility is an operating division or subsidiary, submit an additional schedule which reflects the same information for the parent level.

Schedule: D-3
 Page 1 of 1

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
Line No.	Description, Coupon Rate, Years of Life	Issue Date	Call Provis., Special Restrict.	Principal Amount Sold (Face Value)	Principal Amount Outstanding	(Discount) or Premium on Principal Amount Sold	(Discount) or Premium Associated With Col (5)	Issuing Expense Associated With Col(4)	Issuing Expense Associated With Col(5)	Net Proceeds (5)-(9)+(7)	Rate (Contract Rate on Face Value)	Dollar Dividend On Face Value (11)x(5)	Effective Cost Rate (12)/(10)

1 The Company has no preferred stock; therefore, this schedule is not applicable.

13-month Average Cost of Short-Term Debt

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Utility [] or Parent [X]
 Historic [X] or Projected []

Schedule: D-4
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

Explanation: Provide the following information on a beginning and end of year average basis. If the utility is an operating division or subsidiary, submit an additional schedule which reflects the same information for the parent level.

Line No.	Lender	(1) Total Interest Expense	(2) Maturity Date*	(3) Average Amt. Outstanding	(4) Effective Cost Rate
1	Bank One	299,294	Line of Credit	11,347,000	2.64 %
2					
	Total	<u>299,294</u>		<u>11,347,000</u>	2.64 %

Note: Short Term Debt is actual for Utilities Inc., the parent company for Terra Verde Utilities, Inc.

* Maturity date not applicable

Recap Schedules: A-19,D-2

Cost of Long-Term Debt
Beginning and End of Year Average

Florida Public Service Commission

Company: Terra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005
Utility or Parent
Historic or Projected

Explanation: Provide the specified data on long-term debt issues on a simple average basis for the test year. Arrange by type of issue (i.e., first mortgage bonds). If the utility is an operating division or subsidiary, submit an additional schedule which reflects the same information on the parent level.

Schedule: D-5 REVISED
Page 1 of 1
Preparer: Steven M. Lubertozzi

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
Line No.	Description, Coupon Rate, Years of Life	Issue Date-Maturity Date	Principal Amount Sold (Face Value)	Principal Amount Outstanding	Amount Outstanding Within One Year	Unamortized Discount (Premium) Associated With Col(4)	Unamortized Issuing Expense Associated With Col(4)	Annual Amortization of Discount (Premium) on Principal Outstanding	Annual Amort. of Issuing Expense on Principal Outstanding	Interest Cost (Coupon Rate) x Col (4)	Total Interest Cost (8)+(9)+(10)	Effective Cost Rate (11)/((4)-(5)-(7))
1	Collateral trust notes -											
2												
3	5.41% note, due in installments beginning in 2006	8/30/02 - 8/30/12	\$ 50,000,000	\$ 50,000,000	\$ 7,142,857				\$ 133,351	\$ 2,705,000	\$ 2,838,351	5.68
4												
5	7.87% note, due June 1, 2005	6/01/95 - 6/01/05	15,000,000	7,500,000	-				10,606	544,846	555,452	7.41
6												
7	8.42%, due in installments beginning 2009	06/15/00 - 06/22/15	41,000,000	41,000,000	-				70,700	3,452,200	3,522,900	8.59
8												
9	4.55% note, due in installments beginning in 2008	02/17/05 - 02/17/12	20,000,000	10,000,000	-				25,032	770,000	795,032	7.95
10												
11	4.62% note, due in installments beginning in 2008	05/27/05 - 05/27/12	20,000,000	10,000,000	-				5,420	568,615	574,035	5.74
12												
13	9.01% note, due in installments beginning 1998	07/15/92 - 11/30/07	15,000,000	3,750,000	1,500,000				24,214	384,658	408,872	10.90
14												
15	9.16% note, due in installments beginning 1996	07/15/92 - 11/30/07	10,000,000	1,500,000	1,000,000				10,284	119,785	130,069	8.67
16												
17	8.10% to 8.96% note due in installments beginning 1997	09/01/1997 - 2017	500,000	294,203	19,810					25,386	25,386	8.63
18												
19												
20	Total		171,500,000	124,044,203	9,662,667	-	-	-	279,607	8,570,490	8,850,097	7.14

Note: Long Term Debt is actual for Utilities Inc., the parent company for Terra Verde Utilities, Inc.

Supporting Schedules: D-6
Recap Schedules: A-19,D-2

Cost of OTHER Long-Term Debt
Beginning and End of Year Average

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005
Utility or Parent
Historic or Projected

Schedule: D-6
Page 1 of 1
Preparer: Steven M. Lubertozi

Explanation: Provide the specified data on variable cost long-term debt issues on a simple average basis. If the utility is an operating division or subsidiary, submit an additional schedule which reflects the same information for the parent level.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line No.	Description, Coupon Rate, Years of Life	Issue Date-Maturity Date	Principal Amount Sold (Face Value)	Principal Amount Outstanding Within One Year	Unamortized Discount (Premium) Associated With Col(4)	Unamortized Issuing Expense Associated With Col(4)	Annual Amortization of Discount (Premium) on Principal Outstanding	Annual Amort. of Issuing Expense on Principal Outstanding	Basis of Variable Rate (i.e. Prime + 2%)	Interest Cost (Test Year Cost Rate x Col. (4))	Total Interest Cost (8)+(9)+(11)	Effective Cost Rate (12)/((4)-(6)-(7))

Not Applicable

\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

Supporting Schedules: None
Recap Schedules: A-19,D-2

Schedule of Customer Deposits

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005
Utility or Parent
Historic or Projected

Schedule: D-7
Page 1 of 1
Preparer: Steven M. Lubertozi

Explanation: Provide a schedule of customer deposits on a 13-month average basis.

Line No.	(1) For the Month Ended	(2) Beginning Balance	(3) Deposits Received	(4) Deposits Refunded	(5) Ending Balance (2+3-4)
1	Not Applicable				

Recap Schedules: A-19, D-2

Rate Schedule

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Water [] or Sewer [X]

Schedule: E-1 Revised
 Page 1 of 1
 Preparer: Steven M. Lubertozi

REVISED

Explanation: Provide a schedule of present and proposed rates. State residential sewer cap, if one exists.

(1)	(2)	(3)	(4)	(5)
Line No	Bill Code	Class/Meter Size	Present Rates	Proposed Rates
1		Residential		
2	64621	5/8"Residential Flate	\$66.42	\$ 89.48
3	64622	1"Residential Flate	\$66.42	89.48
4	64623	1.5"Residential Flate	\$66.42	89.48
5	64624	2"Residential Flate	\$66.42	89.48
6				
7		General Service		
8	64629	5/8" Multi-Res & Gen Services	\$33.43	\$ 45.04
9	64630/40	1" Multi-Res & Gen Services	83.59	112.61
10	64632	1.5" Multi-Res & Gen Services	167.15	225.18
11	64633	2" Multi-Res & Gen Services	267.45	360.30
12	64635	4" Multi-Res & Gen Services	835.74	1,125.89
13	64636	6" Multi-Res & Gen Services	1,671.47	2,251.77
14				
15		Gallorage Charge		
16		(per 1000 gallons)	\$1.80	\$ 2.42

Revenue Schedule at Test Year Rates - Proof of Revenue

Florida Public Service Commission

Company: Tierra Verde UTILITIES Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Water [] or Sewer [X]

Schedule: E-2 Revised
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

Explanation: Provide a calculation of revenues at present and proposed rates using the billing analysis. Explain any differences between these revenues and booked revenues. If a rate change occurred during the test year, a revenue calculation must be m

Line No.	(1) Bill Code	(2) Class/Meter Size	(3) Total Bills	(4) Total Gallons	(5) Test Year Rates	(6) Test Year Revenue	(7) Proposed Rates	(8) Revenue at Proposed Rates
1		Residential						
2	64621	5/8" Residential Flat	4,320		\$ 66.42	\$ 286,934.40	\$ 89.48	\$ 386,554
3	64622	1" Residential Flat	1,092		66.42	72,530.64	89.48	97,712
4	64623	1.5" Residential Flat	6		66.42	398.52	89.48	537
5	64624	2" Residential Flat	6		66.42	398.52	89.48	537
6		All meter sizes						
7		Total Residential	5,424			\$ 360,262.08		485,340
8								
9		Average Residential Bill				\$ 66.42		\$ 89.48
10								
11		General Service						
12	64629	5/8" Multi-Res & Gen Services	66		\$33.43	2,206.38	45.04	\$ 2,973
13	64630/40	1" Multi-Res & Gen Services	147		\$83.59	12,287.73	112.61	16,554
14	64632	1.5" Multi-Res & Gen Services	146		\$167.15	24,403.90	225.18	32,876
15	64633	2" Multi-Res & Gen Services	229		\$267.45	61,246.05	360.30	82,509
16	64635	4" Multi-Res & Gen Services	6		\$835.74	5,014.44	1,125.89	6,755
17	64636	6" Multi-Res & Gen Services	18		\$1,671.47	30,086.46	2,251.77	40,532
18		Total General Services	612			135,244.96		\$ 182,198
19								
20		Gallonage Charge						
21		Multi-residential		49,997	1.80	89,994.60	2.42	120,993
22		General Service		18,353	1.80	33,035.40	2.42	44,414
23		Total General Service		68,350		258,274.96		347,605
24								
25		Average General Service Bill				\$ 422.02		\$ 567.98
26								
27		Other Revenues				\$ (133.00)		(133)
28								
29		Total Annualized / Proposed Revenue				\$ 618,404.04		\$ 832,812.01
30		Total revenue per books/required				606,834.40		606,834.40
31								
32		Difference				\$ 11,569.64		\$ 225,977.61

Customer Monthly Billing Schedule

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Water [] or Sewer [X]

Schedule: E-3
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

Explanation: Provide a schedule of monthly customers billed or served by class.

Line No.	(1) Month/ Year	(2) Residential	(3) General Service	(4) Multi-Family Dwelling	(6) Other Unmetered	(7) Total
1	January/February 2005	904	62	40		1,006
2	March/April 2005	904	62	40		1,006
3	May/June 2005	904	62	40		1,006
4	July/August 2005	904	62	40		1,006
5	September/October 2005	904	62	40		1,006
6	November/December 2005	904	62	40		1,006
7						
8	Total	5,424	372	240	-	6,036

Miscellaneous Service Charges

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Water [] or Sewer [X]

Schedule: E-4
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

Explanation: Provide a schedule of present and proposed miscellaneous service charges. If an increase is proposed (or new charges), provide a schedule of derivation of charges, unless the charges are pursuant to the latest Staff Advisory Bulletin #13.

Line No	(1) Type Charge	(2) Present		(3) Proposed		
		Bus. Hrs.	After Hrs.	Bus. Hrs.	After Hrs.	
1	Initial Connection Fee	\$15.00	\$15.00	\$15.00	\$22.50	(a)
2						
3	Normal Reconnection Fee	\$15.00	\$15.00	\$15.00	\$22.50	(a)
4						
5	Violation Reconnection Fee	Actual Cost	Actual Cost	Actual Cost	Actual Cost	(a)
6						
7	Premises Visit Fee (In lieu of disconnection)	\$10.00	\$10.00	\$10.00	\$15.00	(a)
8						
9	(a) Derivation of Charge: Additional cost of performing task after hours: average cap time in Florida x 1.5 overtime x 1/2 hour					
10		\$ 30				
11		1.5				
12		<u>\$ 45.00</u>				
13		0.5				
14		<u><u>\$ 22.50</u></u>				

Miscellaneous Service Charge Revenues

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Water [] or Sewer [X]

Schedule: E-5
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

Explanation: Provide a schedule of test year miscellaneous charges received by type. Provide an additional schedule for proposed charges, if applicable.

Line No.	(1) Initial Connection	(2) Normal Reconnect	(3) Violation Reconnect	(4) Premises Visit	(5) Other Charges	(6) Total
1					\$ (133)	\$ (133)
2	Other charges as follows:					
3	Miscellaneous				\$ (133)	
4	Return check charges				-	
5	Cut-off charges				-	
6						
7	Total other charges				\$ (133)	

Public Fire Hydrants Schedule

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005

Schedule: E-6
Page 1 of 1
Preparer: Steven M. Lubertozi

Explanation: Provide a schedule of public fire hydrants (including standpipes, etc.) by size. This schedule is not required for a sewer only rate application.

(1) Line No.	(2) Size	(3) Type	(4) Quantity
1	This is a sewer only rate application, therefore this schedule is not required.		

Private Fire Protection Service

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005

Schedule: E-7
Page 1 of 1
Preparer: Steven M. Lubertozzi

Explanation: Provide a schedule of private fire protection service by size of connection. This schedule is not required for a sewer only rate application.

(1) Line No.	(2) Size	(3) Type	(4) Quantity
1	This is a sewer only rate application, therefore this schedule is not required.		

Contracts and Agreements Schedule

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005

Schedule: E-8
Page 1 of 1
Preparer: Steven M. Lubertozzi

Explanation: Provide a list of all outstanding contracts or agreements having rates or conditions different from those on approved tariffs. Describe with whom, the purpose and the elements of each contract shown.

(1) Line No.	(2) Type	(3) Description
1		The Company has no outstanding contracts or agreements; therefore, this schedule is not applicable.

Tax or Franchise Fee Schedule

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005

Schedule: E-9
Page 1 of 1
Preparer: Steven M. Lubertozzi

Explanation: Provide a schedule of state, municipal, city or county franchise taxes or fees paid (or payable). State the type of agreement (i.e. contract, tax).

Line No.	(1) Type Tax or Fee	(2) To Whom Paid	(3) Amount	(4) How Collected From Customers	(5) Type Agreement
----------	------------------------	---------------------	---------------	-------------------------------------	-----------------------

1 The Utility does not collect or pay any tax or franchise fees, therefore, this schedule is not applicable.

Guaranteed Revenues Received

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005
Water [] **or Sewer** [X]
Historic [X] **or Projected** []

Schedule: E-11
Page 1 of 1
Preparer: Steven M. Lubertozzi

Explanation: Provide copies of all guaranteed revenue contracts with a schedule of billing and receipts on an annual basis by class.

Line No.	(1) For the Year Ended	(2) Residential	(3) General Service	(4) Other	(5) Total
----------	------------------------------	--------------------	---------------------------	--------------	--------------

1 The Company did not receive any guaranteed revenue in the test year; therefore, this schedule is not applicable.

Class A Utility Cost of Service Study

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005
Water [] or Sewer [X]

Schedule: E-12
Page 1 of 1
Preparer: Steven M. Lubertozi

Explanation: All Class A utilities whose service classes include industrial customers, whose utilization exceeds an average of 350,000 GPD, shall provide a fully allocated class cost of service study showing customer, base (commodity), and extra capacity (demand) components under present and proposed rates. This study shall include rate of return by class and load (demand) research studies used in the cost allocation. The analysis shall be based upon the AWWA Manual No. 1 and shall comply with current AWWA procedures and standard industrial practices for utilities providing water and sewer service.

Line
No.

1 The Company does not serve any industrial customers; therefore, this schedule is not applicable.

Projected Test Year Revenue Calculation

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Water [] or Sewer [X]

Schedule: E-13
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

Explanation: If a projected test year is used, provide a schedule of historical and projected bills and consumption by classification. Include a calculation of each projection factor on a separate schedule, if necessary. List other classes or meter sizes as applicable. Include a calculation of each projection factor on a separate schedule, if necessary. List other classes or meter sizes as applicable.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Line No.	Class/Meter Size	Historical Year Bills	Proj. Factor	Proj. Test Year Bills	Test Year Consumption (000)	Proj. Factor	Project. TY Consumption (000)	Present Rates	Projected TY Revenue	Proposed Rates	Proj. Rev. Requirement

1 The Utility is not utilizing a projected test year; therefore, this schedule is not applicable.

Billing Analysis Schedules

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Water [] or Sewer [x]

Schedule: E-14
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

Customer Class:

Meter Size: all

Explanation: Provide a billing analysis for each class of service by meter size. For applicants having master metered multiple dwellings, provide number of bills at each level by meter size or number of bills categorized by the number of units. Round consumption to nearest 1,000 gallons & begin at zero. If a rate change occurred during the test year, provide a separate billing analysis which coincides with each period.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Consumpt. Level	Number of Bills	Cumulative Bills	Gallons Consumed (1)x(2)	Cumulative Gallons	Reversed Bills	Consolidated Factor [(1)x(6)]+(5)	Percentage of Total

1 The billing analysis is contained in Volume II

Equivalent Residential Connections - Wastewater: Florida Public Service Commission

Company: Tierra Verde Utilities, Inc.
 Docket No.: 050845-SU
 Test Year Ended: December 31, 2005

Schedule F-10 a
 Page 1 of 1
 Preparer: F. Seidman
 New: '7/7/06

Explanation: Provide the following information in order to calculate the average growth in ERCs for the last five years, including the test year. If the utility does not have single-family residential (SFR) customers, the largest customer class should be used as a substitute.

Line No.	(1)	(3) Meter Equivalents		(4)	(5)	(6)	(7)	(8)	(9)
	Year	Beginning	Ending	Average	SFR Gallons Sold	Gallons/SFR (5)/(4)	Total Gallons Sold	Total ERCs (7)/(6)	Annual % Incr. in ERCs
1	2000	N/A	1,651						
2	2001	1,651	1,701	1,676				1,676	
3	2002	1,701	2,340	2,020				2,020	20.56%
4	2003	2,340	1,758	2,049				2,049	1.41%
5	2004	1,758	1,077	1,418				1,418	-30.81%
6	2005	1,077	1,576	1,326				1,326	-6.44%
								Average Growth Through 5-Year Period (Col. 8)	<u>-3.82%</u>

Regression Analysis per Rule 25-30.431 (2) (C)

Constant:	2088.225	X	Y
X Coefficient:	-130.175	1	1,676
R^2:	0.3814469	2	2,020
		3	2,049
		4	1,418
		5	1,326

This is a wastewater collection only utility. Water is supplied by the City of St. Petersburg and billing services for individual wastewater customers is also provided by the City. Residential service is billed at a flat rate. Therefore, column 5 cannot be completed, nor can columns 6, 8 or 9. The utility does not receive the individual water use breakdown for residential service, which is what would be necessary to complete these columns. The only purpose of obtaining that data would be to determine ERC growth to calculate a growth factor for treatment and disposal plant. Since Tierra Verde is a collection only utility, it does not appear that there is any benefit to justify the cost and effort to obtain the data, even if available. In addition, the utility has indicated that the collection system is built out and it is not seeking a margin for growth. Nevertheless, this restated version of Schedule F-10 is provided using columns 2, 3 and 4 completed based on the meter equivalents in the annual reports at page S-11.

Schedule of Wastewater Rate Base

Florida Public Service Commission

REVISED

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Interim Final
 Historic Projected

Schedule: A-2 (Interim)
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

Explanation: Provide the calculation of average rate base for the test year, showing all adjustments. All non-used and useful items should be reported as Plant Held For Future Use.

(1)	(2)	(3)	(4)	(5)
Line No.	Average Amount Books	A-3 Utility Adjustments	Adjusted Utility Balance	Supporting Schedule(s)
1	\$ 3,271,506		\$ 3,271,506	A-6
2	-		-	A-6
3	-	-	-	A-7
4	63,296	(63,296) (A)	-	-
5	(1,749,558)		(1,749,558)	A-10
6	(1,683,577)		(1,683,577)	A-12
7	918,751		918,751	A-14
8	351,207	(351,207) (B)	-	-
9	(81,247)	81,247 (B)	-	-
10				A-16
11	-	75,411 (C)	75,411	A-17
12	<u>\$ 1,090,378</u>	<u>\$ (257,845)</u>	<u>\$ 832,533</u>	

Schedule of Adjustments to Rate Base

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Test Year Ended: December 31, 2005
 Interim Final
 Historic Projected

Schedule: A-3(Interim)
 Page 1 of 1
 Docket No.: 060255-SU
 Preparer: Steven M. Lubertozzi

Explanation: Provide a detailed description of all adjustments to rate base per books, with a total for each rate base line item.

Line No.	Description	Water	Wastewater
6	<u>(A) Construction Work in Progress</u>		
7	Transfer Work Orders to UPIS		(63,296)
8	Total construction work in progress		<u>(63,296)</u>
9			
1	<u>(B) Positive Acquisition Adjustments not included in rate base</u>		
2	Acquisition Adjustments		(351,207)
3	Accumulated Amortization of Acquisition Adjustments		81,247
4	Total Acquisition Adjustments		<u>(269,960)</u>
5			
10	<u>(C) Working Capital Allowance</u>		
11	Adjusted O & M divided by 8	\$	75,411
12			

Schedule of Wastewater Net Operating Income

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Interim Final
 Historic or Projected

Schedule: B-2 (Interim) REVISED
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

Explanation: Provide the calculation of net operating income for the test year. If amortization (Line 4) is related to any amount other than an acquisition adjustment, submit an additional schedule showing a description and calculation of charge.

Line No.	(1) Description	(2) Balance Per Books	(3) Utility Test Year Adjustments	(4) Utility Adjusted Test Year	(5) Requested Revenue Adjustment	(6) Requested Annual Revenues	(7) Supporting Schedule(s)
1	OPERATING REVENUES	\$ 606,834	\$ 11,570 (A)	\$ 618,404	\$ 120,578 (D)	\$ 738,982	B-4, E-2
2							
3	Operation & Maintenance	603,289		603,289		603,289	B-5, B-3
4	Depreciation, net of CIAC Amort.	46,547		46,547		46,547	B-13, B-3
5	Amortization	-		-		-	B-3
6							
7	Taxes Other Than Income	33,576	521 (B)	34,097	5,297 (E)	39,394	B-15, B-3
8							
9	Provision for Income Taxes	(38,588)	6,091 (C)	(32,497)	17,499 (F)	(14,998)	C-1, B-3
10							
11	OPERATING EXPENSES	644,824	6,612	651,436	22,796	674,232	
12							
13	NET OPERATING INCOME	\$ (37,989)	\$ 4,958	\$ (33,032)	\$ 97,782	\$ 64,750	
14							
15	RATE BASE	\$ 1,090,378	\$ (257,845)	\$ 832,533	\$ -	\$ 832,533	
16							
17							
18	RATE OF RETURN	(3.48) %		(3.97) %		7.78 %	
19							
20							
21							

Schedule of Adjustments to Operating Income
 Company: Tierra Verde Utilities Inc.
 Test Year Ended: December 31, 2005
 Interim [X] Final []
 Historic [X] or Projected []

Florida Public Service Commission
 Schedule: B-3 (Interim)
 Page 1 of 1
 Docket No.: 060255-SU
 Preparer: Steven M. Lubertozzi

REVISED

Explanation: Provide a detailed description of all adjustments to operating income per books, with a total for each line item shown on the net operating income statement.

Line No.	Description	Water	Wastewater
1	(A) <u>Annualized Revenue</u>		
2	Annualized revenue per Schedule E-2	\$	618,404
3	Test year revenue - actual per Schedule B-4		(606,834)
4	Adjustment required	\$	<u>11,570</u>
5			
6	(B) <u>Taxes Other Than Income</u>		
7	(2) Regulatory Assessment Fees (RAF's)		
8	RAF's associated with Adjustment (A) X 4.5%		521
9	Total Taxes Other Than Income	\$	<u>521</u>
10			
11	(B) <u>Provision for Income Taxes</u>		
12	Adjust Provision for Income taxes to reflect operating		
13	and expense adjustments	\$	<u>6,091</u>
14			
15	(D) <u>Revenue Increase</u>		
16	Increase in revenue required by the Utility to realize a		
17	7.78 % rate of return	\$	<u>120,578</u>
18			
19	(E) <u>Taxes Other Than Income</u>		
20	Regulatory Assessment Fees		
21	Total Revenue Requested	\$	738,982
22	RAF rate		<u>0.045</u>
23	Total RAF's	\$	33,254
24	Adjusted test year RAF's		<u>27,957</u>
25	Adjustment Required	\$	<u>5,297</u>
26			
27	(F) <u>Provision for Income Taxes</u>		
28	(1) Adj to reconcile book taxes per C-2		
29	Income Taxes per Book (line 2)		38,588
30	Total Current Income Taxes (Line 38)	\$	<u>(54,335)</u>
31	Adj to Current Income Taxes		(15,747)
32			
33	(2) Adj to Income taxes for increase per C-2	\$	<u>33,246</u>
34	Adj to Income taxes per C-2	\$	<u>17,499</u>

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Historic [X] or Projected []

Schedule: B-15 (Interim)
 Page 1 of 1
 Preparer: Steven M. Lubertozzi
 Recap Schedules: B-2

REVISED

Explanation: Complete the following schedule of all taxes other than income. For all allocations, provide description of allocation and calculations.

(1)	(2)	(3)	(4)	(5)	(6)	
No.	Line Description	Regulatory Assessment Fees (RAFs)	Payroll Taxes	Real Estate & Personal Property	Other	Total
WATER						
1	Test Year Per Books	-	-	-	-	-
2						
3	Adjustments to Test Year (Explain)					
4	RAFs assoc. with annualized revenue					-
5						
6						
7						
8						
9	Total Test Year Adjustments	-	-	-	-	-
10						
11	Adjusted Test Year	-	-	-	-	-
12	RAFs Assoc. with Revenue Increase					-
13						
14	Total Balance	\$ -	\$ -	\$ -	\$ -	\$ -
SEWER						
15	Test Year Per Books	27,436	3,779	2,210	151	33,576
16						
17	Adjustments to Test Year (Explain)					
18	Increase in tangible tax per B-3					-
19	Payroll Tax for added employees					-
20	RAFs assoc. with annualized revenue	521				521
21						
22						
23	Total Test Year Adjustments	521	-	-	-	521
24						
25	Adjusted Test Year	27,957	3,779	2,210	151	34,097
26	RAFs Assoc. with Revenue Increase	5,297	-	-	-	5,297
27						
28	Total Balance	\$ 33,254	\$ 3,779	\$ 2,210	\$ 151	\$ 39,394

Reconciliation of Total Income Tax Provision

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Interim Final
 Historic or Projected

Schedule: C-1(Interim)
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

REVISED

Explanation: Provide a reconciliation between the total operating income tax provision and the currently payable income taxes on operating income for the test year.

Line No.	Description	Ref.	Total Per Books	Utility Adjustments	Utility Adjusted	Water	Sewer
1	Current Tax Expense	C-2(a)	\$ (54,335)	\$ 6,091	\$ (48,243)		\$ (14,998)
2	Deferred Income Tax Expense	C-5(a)	13,578	-	13,578		
3	ITC Realized This Year	C-8					
4	ITC Amortization	C-8					
5	(3% ITC and IRC 46(f)(2))						
6	Parent Debt Adjustment	C-9	-	-	-	-	-
7	Total Income Tax Expense		\$ (40,757)	\$ 6,091	\$ (34,665)	\$ -	\$ (14,998)

Supporting Schedules: C-2, C-5, C-8, C-9
 Recap Schedules: B-2

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Interim Final
 Historic or Projected

Schedule: C-2(Interim)
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

REVISED

Explanation: Provide the calculation of state and federal income taxes for the test year. Provide detail on adjustments to income taxes and investment tax credits generated.

Line No.	Total Per Books	Utility Adjustments(1)	Utility Adjusted	Adjust for Increase	Sewer
1	\$ (37,989)	\$ 4,958	\$ (33,032)	\$ 97,782	\$ 64,750
2	(38,588)	6,091	(32,497)		(32,497)
3					
4	(76,577)	11,049	(65,529)	97,782	32,253
5	38,614	(6,867)	31,747	-	31,747
6					
7	(115,191)	17,916	(97,276)	97,782	506
8					
9	Schedule M Adjustments:				
10	(1,644)		(1,644)	-	(1,644)
11	(42,975)	-	(42,975)	-	(42,975)
12					
13	(44,619)	-	(44,619)	-	(44,619)
14					
15	(159,810)	17,916	(141,895)	97,782	(44,113)
16	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
17					
18	(164,810)	22,916	(136,895)	102,782	(39,113)
19	(9,065)	1,260	(7,529)	5,653	(2,151)
20	9,065	(1,260)	7,529	(5,653)	2,151
21					
22					
23	-	-	-	-	-
24					
25	(159,810)	17,916	(141,895)	97,782	(44,113)
26	0.34	0.34	0.34	0.34	0.34
27					
28	(54,335)	6,091	(48,243)	33,246	(14,998)
29					
30	-	-	-	-	-
31					
32	(54,335)	6,091	(48,243)	33,246	(14,998)
33					
34	Summary:				
35	-	-	-	-	-
36	(54,335)	6,091	(48,243)	33,246	(14,998)
37					
38	\$ (54,335)	\$ 6,091	\$ (48,243)	\$ 33,246	\$ (14,998)

24 Note (1): Adjustments to test year operating income for interim rates are shown on Schedules B-2 and B-3.

Supporting Schedules: B-2,C-3,C-4,C-5,C-8
 Recap Schedules: C-1

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Historic [X] or Projected []

Schedule: C-5 (Interim)
 Page 1 of 1
 Preparer: Steven M. Lubertozi
 and CJN & W

Explanation: Provide the calculation of total deferred income tax expense for the test year. Provide detail on items resulting in tax deferrals other than accelerated depreciation.

Line No.	Description	Total Per Books	Utility Adjustments	Utility Adjusted	Water	Sewer
1	Timing Differences:					
2						
3	Tax Depreciation and Amortization	\$ 93,545		\$ 93,545		\$ 93,545
4	Book Depreciation and Amortization	46,547	-	46,547		46,547
5						
6	Difference	46,998	-	46,998	-	46,998
7						
8	Other Timing Differences (Itemize):					
9	Deferred Taxes - Federal	(2,595)		(2,595)		(2,595)
10	Deferred Taxes - State	(444)		(444)		(444)
11	Tap Fees	(3,150)		(3,150)		(3,150)
12	Deferred Maintenance Amort	(15,288)		(15,288)		(15,288)
13	Deferred Rate Case Additions	14,415		14,415		14,415
14	Deferred Rate Case Amort.	-	-	-	-	-
15						
16	Total Timing Differences (To C-2)	39,936	-	39,936	-	39,936
17						
18	Timing differences For State Deferred Taxes:					
19	Deferred Taxes	(444)		(444)		(444)
20	Tap Fees	(3,150)		(3,150)		(3,150)
21	Deferred Maintenance	(15,288)		(15,288)		(15,288)
22	Deferred Rate Case Additions	14,415		14,415		14,415
23						
24	Total	42,531		42,531		42,531
25						
26	State Tax Rate	0.055	0.055	0.055	0.055	0.055
27	State Deferred Taxes (Line 8 x Line 9)	2,339	-	2,339	-	2,339
28	(Limited by NOL)	(2,339)	-	(2,339)	-	(2,339)
29						
30						
31						
32	Timing Differences For Federal Taxes					
33	(Line 8 - Line 11)	39,936	-	39,936	-	39,936
34						
35	Federal Tax Rate	0.34	0.34	0.34	0.34	0.34
36						
37	Federal Deferred Taxes (Line 13 x Line 14)	13,578	-	13,578	-	13,578
38	Add: State Deferred Taxes (Line 11)	-	-	-	-	-
39						
40	Total Deferred Tax Expense (To C-1)	\$ 13,578	\$ -	\$ 13,578	\$ -	\$ 13,578

Supporting Schedules: None
 Recap Schedules: C-2

Schedule of Requested Cost of Capital (Interim Rates)
Beginning and End of Year Average

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005

Schedule: D-1 (Interim) REVISED
Page 1 of 1
Preparer: Steven M. Lubertozzi

Historic or Projected []

Subsidiary or Consolidated [X]

Explanation: Provide a schedule which calculates the requested Cost of Capital on a beginning and end of year average basis. If a year-end basis is used, submit an additional schedule reflecting year-end calculations.

Line No.	(1) Class of Capital	(2) Total Capital	(3) Ratio	(4) Cost Rate	(5) Weighted Cost
1	Long-Term Debt	405,170	48.67 %	7.14 %	3.47 %
2	Short-Term Debt	37,065	4.45	2.64 %	0.1175 %
3	Preferred Stock				
4	Customer Deposits	0		6.00	0.00 %
5	Common Equity	296,548	35.62	11.77	4.19 %
6	Tax Credits - Zero Cost				
7	Accumulated Deferred Income Tax	93,749	11.26		
8	Other (Explain)				
9	Total	\$ 832,533	100.00 %		7.78 %

Common Equity	\$	296,548	40.14%
Long Term Debt	\$	405,170	
Short Term Debt	\$	<u>37,065</u>	
	\$	442,235	59.86%
Total	\$	738,783	
Return on Common Equity = 6.95% + 1.933% / equity ratio			11.77%

Supporting Schedules: D-2
Recap Schedules A-1, A-2

Reconciliation of Capital Structure to Requested Rate Base (Interim)
13-Month Average

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
Docket No.: 060255-SU
Test Year Ended: December 31, 2005

Schedule: D-2 (Interim)
Page 1 of 1
Preparer: Steven M. Lubertozi

REVISED

Historic Projected

Explanation: Provide a reconciliation of the simple average capital structure to requested rate base. Explain all adjustments. Submit an additional schedule if a year-end basis is used.

Line No.	(1) Class of Capital	(2) Prior Year 12/31/04	(3) Test Year 12/31/05	(4) Simple Average	(6) Reconciliation Adjustments			(8) Reconciled To Requested Rate Base
					(5) Specific	(6) Prorata %	(7) Prorata Amount	
1	Long-Term Debt	\$ 112,803,215	\$ 135,285,191	\$ 124,044,203		54.843 %	\$ (123,639,033)	\$ 405,170
2	Short-Term Debt	18,768,000	3,926,000	11,347,000		5.017 %	(11,309,935)	37,065
3	Preferred Stock							
4	Common Equity	88,963,597	92,611,247	90,787,422		40.14 %	(90,490,874)	296,548
5	Customer Deposits							
6	Tax Credits - Zero Cost							
7	Tax Credits - Wld. Cost							
8	Accum. Deferred Income Tax	84,994	102,503	93,749				93,749
9								
10								
11	Total	\$ 220,619,806	\$ 231,924,941	\$ 226,272,374		100 %	\$ (225,439,843)	\$ 832,533

Supporting Schedules: A-19,C-7,C-8,D-3,D-4,D-5,D-7
Recap Schedules: D-1

Average Cost of Short-Term Debt

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Utility [] or Parent [X]
 Historic [X] or Projected []

Schedule: D-4 (Interim)
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

Explanation: Provide the following information on a beginning and end of year average basis. If the utility is an operating division or subsidiary, submit an additional schedule which reflects the same information for the parent level.

Line No.	Lender	(1) Total Interest Expense	(2) Maturity Date*	(3) 13-Month Average Amt. Outstanding	(4) Effective Cost Rate
1	Bank One	299,294	Line of Credit	11,347,000	2.64%
Total		<u>299,294</u>		<u>11,347,000</u>	2.64%

Note: Short Term Debt is actual for Utilities Inc., the parent company for Terra Verde Utilities, Inc.

* Maturity date not applicable

Recap Schedules: A-19,D-2

Rate Schedule

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 060255-SU
 Test Year Ended: December 31, 2005
 Water [] or Sewer [X]

Schedule: E-1 (Interim) Revised
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

Explanation: Provide a schedule of present and proposed rates. State residential sewer cap, if one exists.

(1) Line No	(2) Bill Code	(3) Class/Meter Size	(4) Present Rates	(5) Proposed Rates
1		Residential		
2	64621	5/8" Residential Flate	\$66.42	\$ 79.37
3	64622	1" Residential Flate	\$66.42	79.37
4	64623	1.5" Residential Flate	\$66.42	79.37
5	64624	2" Residential Flate	\$66.42	79.37
6				
7		General Service		
8	64629	5/8" Multi-Res & Gen Services	\$33.43	\$ 39.95
9	64630/40	1" Multi-Res & Gen Services	83.59	99.89
10	64632	1.5" Multi-Res & Gen Services	167.15	199.74
11	64633	2" Multi-Res & Gen Services	267.45	319.60
12	64635	4" Multi-Res & Gen Services	835.74	998.69
13	64636	6" Multi-Res & Gen Services	1,671.47	1,997.38
14				
15		Gallonage Charge		
16		(per 1000 gallons)	\$1.80	\$ 2.15

Revenue Schedule at Test Year Rates - Proof of Revenue

Florida Public Service Commission

Company: Tierra Verde Utilities Inc.
 Docket No.: 020408-SU
 Test Year Ended: December 31, 2005
 Water [] or Sewer [X]

Schedule: E-2 (Interim) Revised
 Page 1 of 1
 Preparer: Steven M. Lubertozzi

Explanation: Provide a calculation of revenues at present and proposed rates using the billing analysis. Explain any differences between these revenues and booked revenues. If a rate change occurred during the test year, a revenue calculation must be m

Line No.	(1) Bill Code	(2) Class/Meter Size	(3) Total Bills	(4) Total Gallons	(5) Test Year Rates	(6) Test Year Revenue	(7) Proposed Rates	(8) Revenue at Proposed Rates
1		Residential						
2	64621	5/8" Residential Flat	4,320		\$ 66.42	\$ 286,934.40	\$ 79.37	\$ 342,878
3	64622	1" Residential Flat	1,092		66.42	72,530.64	79.37	86,672.04
4	64623	1.5" Residential Flat	6		66.42	398.52	79.37	476.22
5	64624	2" Residential Flat	6		66.42	398.52	79.37	476.22
6		All meter sizes						
7		Total Residential	5,424			360,262.08		430,503
8								
9		Average Residential Bill				\$ 66.42		\$ 79.37
10								
11		General Service						
12	64629	5/8" Multi-Res & Gen Services	66		\$ 33.43	\$ 2,206.38	39.95	\$ 2,637
13	64630/40	1" Multi-Res & Gen Services	147		83.59	12,287.73	99.89	14,683.83
14	64632	1.5" Multi-Res & Gen Services	146		167.15	24,403.90	199.74	29,162.04
15	64633	2" Multi-Res & Gen Services	229		267.45	61,246.05	319.60	73,188.40
16	64635	4" Multi-Res & Gen Services	6		835.74	5,014.44	998.69	5,992.14
17	64636	6" Multi-Res & Gen Services	18		1,671.47	30,086.46	1,997.38	35,952.84
18		Total Bills General Services	612			135,244.96		161,615.95
19								
20		Gallage Charge						
21		Multi-residential		49,997	\$ 1.80	89,994.60	2.15	\$ 107,494
22		General Service		18,353	1.80	33,035.40	2.15	39,459
23		Total General Service		68,350		\$ 258,274.96		\$ 308,568.45
24								
25								
26		Average General Service Bill				\$ 422.02		\$ 504.20
27								
28		Other Revenues				(133.00)		(133)
29								
30		Total Annualized / Proposed Revenue				\$ 618,404.04		\$ 738,938.33
31		Total revenue per books/required				\$ 606,834.40		\$ 606,834.40
32		Difference				\$ 11,569.64		\$ 132,103.93