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Public Service Commission

October 12, 2006

Mr. Martin Friedman
Rose, Sundstrom & Bentley, LLP
2180 W. State Road 434, Suite 2118
Longwood, Florida 32779

Re: Docket No. 060253-WS - Application for increase in water and wastewater rates in Marion, Orange, Pasco, Pinellas, and Seminole Counties by Utilities, Inc. of Florida.

Dear Mr. Friedman:

We have reviewed the minimum filing requirements (MFRs) submitted on October 2, 2006, on behalf of Utilities, Inc. of Florida (UIF). After reviewing this information, we find the MFRs to be deficient. The specific deficiencies are identified below:

1. Amortization of CIAC in Seminole County

Schedule A-13, Schedule of Water and Wastewater Accumulated Amortization of CIAC
Schedule A-14, Schedule of Accumulated Amortization - CIAC

The utility is required to provide the water and wastewater accumulated amortization of CIAC balance for the year ending December 31, 2005. The balances provided by the Company do not equal the balance reflected in its 2005 Annual Report. Pursuant to Rule 25-30.110(2), F.A.C., please provide the reconciliation of the balances in the 2005 Annual Report and the MFR Schedules A-13 & A-14.

2. Benchmark Analysis in Marion, Orange, Pasco and Pinellas County

Schedule B-7, Schedule of Water Operation and Maintenance Comparison
Schedule B-8, Schedule of Wastewater Operation and Maintenance Comparison

The utility is required to provide an explanation of all differences which are not attributable to the change in customer growth and the CPI-U. The required explanation of changes which are in excess of the benchmark factor for customer growth and inflation was not provided.

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3. Allocation of Expenses

Schedule B-12, Allocation of Expenses

The utility is required to provide a schedule detailing expenses which are subject to allocation between systems (water, wastewater & gas, etc.) showing allocation percentages, gross amounts, amounts allocated, and a detailed description of the method of allocation. Also, the utility is required to provide a description of all systems other than water and wastewater. UIF failed to reflected any allocated insurance expenses (SE.52 – Distribution of Insurance Expenses) from Water Service Corporation’s (WSC) cost allocation manuals (CAMs) for the calendar year 2005.

4. Used and Useful Calculations for Marion, Orange, Pasco, Pinellas, and Seminole Counties

Schedule F-6, Wastewater Treatment Plants

As required by Rule 25-30.432, F.A.C., in determining the used and useful amount, the Commission will also consider other factors such as the allowance for growth pursuant to Section 367.081(2)(a)2., F.S., infiltration and inflow... The infiltration and inflow calculation has not been provided for the wastewater systems in Golden Hills, Ravenna Park, Summertree, Weathersfield, and Wis-Bar. Please submit.

5. Chemicals Used for Marion, Orange, Pasco, Pinellas, and Seminole Counties

Tab 2 of Volume III – Chemicals Used

As required by Rule 25-30.440(2), F.A.C., each applicant for a rate increase shall provide the Commission a list of chemicals used for water and wastewater treatment, by type, showing the dollar amount and quantity purchased, the unit prices paid and the dosage rates utilized. The quantity purchased for counties indicates a per unit cost; however, the type of unit is not identified such as gallons or pounds and the dosage rate utilized was not provided. In order to assist in meeting the requirements of this Rule, please provide all information necessary in the same or similar format as shown on Attachment A. Attachment A is the list of chemicals submitted in Docket No. 050281-WS which satisfies the requirements of Rule 25-30.440(2), F.A.C.

6. Rule 25-30.440(8), F.A.C., requires that each applicant for a rate increase shall provide the Commission one copy of a list of all field employees, their duties, responsibilities, and certificates held, and an explanation of each employees’ 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 WSC’s CAMs for June 30, 2005, September 30, 2005, and December 31, 2005. Specifically, there are two employees (Jeffrey C. Elder and Matthew J Morrell) that were reflected as UIF employees in WSC’s CAMs, but they are not on the utility’s list of employees. Further, one employee (David Ryniak) on the utility’s list of employees is not reflected as a UIF employee in WSC’s CAMs. In addition, the utility failed to provide an explanation of each employee’s salary allocation method to each respective utility’s capital or expense accounts as required by this Rule. In order to assist in meeting the requirements of this Rule, please provide all information necessary in the same or similar format as shown on Attachment B. Further, provide a

Mr. Martin Friedman
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narrative explanation of how each employee's salary was allocated to each respective utility's capital or expense accounts.

7. On MFR Schedule E-2, pages 75-77 are incomplete. There are no line items for Misc. Charges, Total Water Revenues or Revenues per General Ledger for the following: Test Year, Interim, and Proposed Revenues.
8. On MFR Schedule E-2, pages 75-77 the utility has indicated (1) for several bill codes and there is not a footnote that makes reference to the captioned number.
9. Also, on MFR Schedule E-2, page 75-77 billcode 60005 Residential Irrigation Gallons does not match MFR Schedule E-14, page 11 of 40.

If any above corrections require a corresponding change to any MFR schedules, those corrected schedules must also be submitted. Your petition will not be deemed filed until the deficiencies identified in this letter have been corrected. These corrections should be submitted no later than November 13, 2006.

Sincerely,



Timothy Devlin
Director

TD:sc

Attachments A and B

cc: Division of Economic Regulation (Willis, Bulecza-Banks, Bruce, Daniel, Rendell, Slemkewicz, Fletcher, Gardner, Kaproth, Marsh, Redemann, Romig)
Office of the General Counsel (Jaeger)
Division of the Commission Clerk and Administrative Services

Plantation Bay Utility Company, Inc
 Schedule of Chemicals
 Docket No. 050281-WS
 January 1, 2004 - December 31, 2004

	Aqua Mag		SM Hical Pebble QL		Chlorine Gas		HTH Shock Treatment		Total
	55 Gal Drum	Amount	Tons	Amount	150# Cylinder	Amount	100#	Amount	Amount
1/16/2004	1	759.00							759.00
1/20/2004			26.26	3,296.59					3,296.59
1/27/2004					8	560.00			560.00
2/13/2004	1	808.34							808.34
3/2/2004					8	560.00			560.00
3/26/2004					8	560.00			560.00
5/6/2004	1	808.34							808.34
4/22/2004					8	560.00			560.00
5/21/2004					8	600.00			600.00
6/16/2004					8	600.00			600.00
7/1/2004	1	808.34							808.34
7/7/2004					8	600.00			600.00
7/29/2004							2	195.96	195.96
7/26/2004			24.94	3,149.59					3,149.59
8/6/2004					8	600.00			600.00
9/13/2004					8	600.00			600.00
10/6/2004					8	600.00			600.00
10/20/2004	1	808.34							808.34
11/4/2004					10	750.00			750.00
11/3/2004			26.56	3,384.20					3,384.20
11/24/2004					8	600.00			600.00
12/16/2004					8	600.00			600.00
12/17/2004	1	808.34							808.34
	<u>6</u>	<u>\$4,800.70</u>	<u>77.76</u>	<u>\$9,830.38</u>	<u>106</u>	<u>\$7,790.00</u>	<u>2</u>	<u>\$195.96</u>	<u>\$22,617.04</u>

Quantity Purchased	330	78	15,900	200
Unit of Measure	Gallons	Tons	Pounds	Pounds
Avg Cost per Unit	\$ 14.55	\$ 126.42	\$ 0.49	\$ 0.98
Where Used (Specify Water Plant, Sewer Plant, Ponds, etc)	Water Plant	Water Plant	60% Water; 40% Sewer	Sewer
Specify dosage rate:				
Water	2.67 gallons per 1 million gals.	1,780 lbs per 1 million gals.	25 lbs per day	N/A
Sewer	N/A	N/A	18 lbs. per day	As needed to clean weirs

ATTACHMENT B

<u>Utilities, Inc. of Florida</u>			<u>Docket No. 060253-WS</u>		
<u>Line No.</u>	<u>Employee Name</u>	<u>Total 2005</u>	<u>Acct 601</u>	<u>Acct 701</u>	<u>Capitalized Amount</u>
1	Thomas W Abendroth	\$2,636			
2	Jack Adkins	33,697			
3	James Roger Alday	1,640			
4	Daniel S Anderson	10,090			
5	Bill Coates	2,609			
6	Robert K Cooper	1,841			
7	Robb Douglas Crow	29,357			
8	Michael T Dunn	14,988			
9	Jeffrey C. Elder	2,684			
10	Patrick C Flynn	12,647			
11	Michael John Gavaletz	885			
12	Bryan Keith Gongre	2,908			
13	Stephen J Habery	52,335			
14	Scotty Lee Haws	6,739			
15	John G Holdman	7,089			
16	Jimmie H Hollister	1,888			
17	Alexander Lorenzo	7,573			
18	John Allen Marinelli	5,754			
19	Roy J Mericle	2,362			
20	Matthew J Morrell	2,608			
21	Gary Wade Musselwhite, Jr.	104			
22	Raymond Alan Parrish	5,784			
23	Christopher R Phillips	6,328			
24	Jeffrey Pinder	4,971			
25	Fredrick E Quinian, II	730			
26	Roberto Villamin Remigio	4,195			
27	Richard Wayne Retz	10,132			
28	Charles Grayling Schwades	41,951			
29	Mickey A Shue	868			
30	Kathy Ann Sillitoe	4,565			
31	Ronald D White	2,513			
32	Anthony Wierzbicki	10,334			
33	William B Willingham	1,618			
34	Terry Wayne Sillitoe	2,960			
35	James Dennis Yingling	4,543			
36	Allan Finch	11,216			
37	James Howard Pendarvis	1,102			
38	William Dusten White	227			
39	Preston S Boardway	58			
40	James Edward Carroll	109			
41	Leonard E Ledwell	117			
42	Total	<u>\$316,755</u>			

