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

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COMMISSION
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Public Service Commission

January 8, 2007

Valerie L. Lord
Rose, Sundstrom & Bentley, LLP
Sanlando Center
2180 W. State Road 434, Suite 2118
Longwood, FL 32779

Re: Docket No. 060254-SU - Mid-County Services, Inc.; Docket No. 060255-SU - Tierra Verde Utilities, Inc.; Docket No. 060256-SU - Alafaya Utilities, Inc.; Docket No. 060257-WS - Cypress Lakes Utilities, Inc.; Docket No. 060258-WS - Sanlando Utilities Corp.; Docket No. 060260-WS - Lake Placid Utilities, Inc.; Docket No. 060261-WS - Utilities Inc. of Pennbrooke; Docket No. 060262-WS - Labrador Utilities, Inc.; and Docket No. 060285-SU - Utilities Inc. of Sandalhaven

Dear Ms. Lord:

Staff requests the following data in the above referenced dockets:

1. Concerning the "WWTP BLDS RECLASS" that occurred in December, 2005, was a physical inventory taken to determine which specific plant items were booked in accounts the utility believed were incorrect?

CMP _____

2. If so, please provide copies of this physical inventory for each system.

COM _____

3. If not, why not?

CTR _____

For several systems, i.e. Mid-County, Labrador, Cypress Lakes, and Alafaya, the Commission recently approved rate increases. During the processing of those prior cases, the books and records were audited by the Commission staff.

ECR _____

GCL _____

OPC _____

4. Why weren't these items and/or amounts identified by the utility during the processing of the previous rate cases?

RCA _____

SCR _____

5. If the utility believed the plant-in-service amounts were incorrect in these prior rate cases, why weren't the PAA orders protested at that time?

SGA _____

SEC _____

When the reclassification is taken into consideration for Cypress Lakes, the remaining balance in Account 380.4 Treatment & Disposal Equipment is (\$63,009) at year end December 31, 2005.

OTH _____

DOCUMENT NUMBER - DATE
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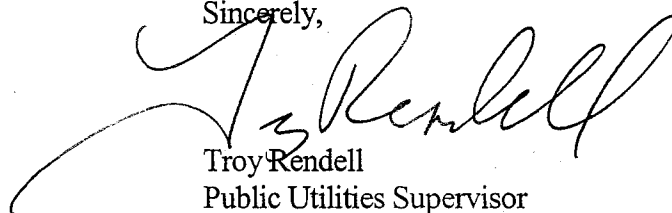
6. Provide an explanation how the utility can have a negative amount in this plant account, when this plant still remains in service.

In your prior response to Staff Data Requests on this subject, you indicated that the "WWTP BLDS RECLASS" entry was to correct the misallocation of the assets included in these accounts. (emphasis added) Further you indicated that the entry was based on a good faith estimate of the VP of Operations, Patrick Flynn.

7. Describe what you mean by misallocation.
8. Were these amounts allocated amounts or were these actual plant items placed in service for the various Utilities?
9. If these amounts were allocated, from whom where they allocated from?
10. Historically, allocated plant items were booked into either Account 390.5 or 398.5 or into a general plant account. Why were amounts allocated into Account 380.4 or 354.2?
11. Provide a detailed listing of the specific plant items, with corresponding amounts, that were reclassified for each utility.
12. Provide all workpapers used by Mr. Flynn to determine the reclassification amounts.
13. Was this reclassification in compliance with the NARUC Uniform System of Accounts?
14. Who made the decision to do this reclassification, and why?

Please provide the responses to staff's data request by February 9, 2007. If you have any questions, do not hesitate to contact me at (805) 413-6934.

Sincerely,



Troy Rendell
Public Utilities Supervisor

cc: Division of Economic Regulation (Bulecza-Banks, Fletcher, Revell, Merta, Joyce, Biggins, Hudson)
Office of General Counsel (Jaeger, Flemming, Gervasi, Brown, Brubaker)
Division of Commission Clerk and Administrative Services (All docket files)