

3. Schedule A-6 Plant In Service

The utility's Prior Year 12/31/2004 balance does not match what is listed in the utility's 2004 or the 2005 annual report. Pursuant to Rule 25-30.110, F.A.C., please provide the reconciliation of the balances in the 2004 and 2005 Annual Reports and the MFR Schedule A-6.

4. Schedule A-8 Annual Accumulated Depreciation Additions and Balances

The utility's Prior Year 12/31/2004 balance does not match the total balance on page S-4(a) of the 2004 Annual Report. 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-8.

5. Schedule A-10 Accumulate Depreciation

The utility's Prior Year 12/31/2004 balance does not match what is listed in the utility's 2004 Annual Report. 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.

Rule 25-30.437, 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 B Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum Filing Requirements." Numbers 6 - 9 of the following list are deficiencies pursuant to this rule.

6. Schedule B-8 , Comparative O & M Expenses

The instructions for this schedule require the utility to provide an explanation of all differences which are not attributable to the change in customer growth and the CPI-U. The utility did not provide the explanation for Miscellaneous Expenses.

7. Schedule B-12, Schedule of Allocated Expenses

The instructions for this schedule require the utility to provide a schedule detailing expenses which are subject to allocation between systems showing allocation percentages, gross amounts, amounts allocated, and detailed description of the method of allocation. The total allocated amount from Water Service Corp. listed on this schedule does not agree with the total allocated amount reflected in Utilities, Inc.'s cost allocation manuals for June 30, 2005, September 30, 2005, and December 31, 2005.

8. Rule 25-30.440(8), F.A.C., requires that each applicant for a rate increase shall provide to 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 have an explanation of each employee's salary allocation method to the utility's capital or expense accounts. 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.

Mr. Martin S. Friedman, Esquire

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9. Rule 25-30.440(4), F.A.C., requires the utility to provide all water and wastewater operating reports for the test year and the year preceding the test year. The applicant did not provide the wastewater operating reports for May 2005, June 2005, August 2005, May 2006, June 2006, July 2006 and December 2006.

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 March 1, 2007.

Sincerely,



Timothy Devlin
Director

cc: Division of Commission Clerk and Administrative Services
Office of the General Counsel (Brown)
Division of Economic Regulation (Bulecza-Banks, Rendell, Massoudi, Biggins)