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STATE OF FLORIDA



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

ORIGINAL

Public Service Commission

February 7, 2007

Mr. Eric Glidden
Useppa Island Utility, Inc.
P.O. Box 640
Bokeelia, FL 33922

Re: Application for staff-assisted rate case by Useppa Island Utility, Inc., Docket No. 060575-WS

Dear Mr. Glidden:

Staff needs the following information to complete our review of the application.

1. The following items relate to the pro forma plant additions requested by the utility. For each addition, please provide the following:

- CMP _____ a) a statement why each addition is necessary
- COM _____ b) identification of each addition that is required by the Department of Environmental Protection
- CTR _____
- ECR _____ c) if the plant addition has been completed, provide a copy of all invoices and other support documentation and the date the addition was placed in-service
- GCL _____
- OPC _____ d) if the plant addition has not been completed, please provide:
 - RCA _____ i) a copy of the signed contract or any bids or estimates
 - SCR _____ ii) the current status of each plant addition
 - SGA _____ iii) estimated cost
 - SEC _____ iv) costs incurred to date
 - _____ v) estimated cost to complete the addition
 - _____ vi) percent completed
 - OTH _____ vii) projected in-service date

2. For each person whose salary or a portion thereof is included in the utility's expenses, please provide the following information:

- a) the name of the person and their job title
- b) the activities performed for the utility

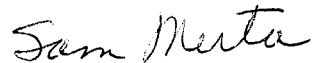
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- c) the total number of hours worked per week
 - d) the number of hours spent on utility related activities per week
 - e) the number of hours spent on utility related water activities per week
 - f) the number of hours spent on utility related wastewater activities per week
 - g) the total annual salary
 - h) the dollar amount of the annual salary charged to the utility
 - i) the hourly rate of each person
 - j) the utility's method of allocating each person's salary to the utility
3. Please provide the following information regarding Pensions and Benefits Expense:
- a) the total annual amount of employee health insurance charged to the utility
 - b) the names of the employees whose health insurance is charged to the utility and the amounts charged for each employee
4. Please provide the following information regarding Rent Expense:
- a) Rent expense increased from \$3,600 in 1999 to \$15,600 in 2006. Please explain the reasons for the increase.
 - b) Please explain the Inn and Dock Company's rationale for charging \$15,600 in annual rent? Please provide a calculation.
 - c) What size in square feet is the building in which the utility shares space?
 - d) How many entities/companies share the building?
 - e) How many square feet does the utility operation occupy?
5. Did the utility sustain hurricane damage for which repair costs were included in the test year period July 1, 2005 through June 30, 2006? If so, please list the amount of the repair and the account to which it was recorded.
6. Has the utility begun maintaining its accounts and records in conformance with the 1996 National Association of Regulatory Utility Commissioners Uniform System of Accounts for Class C Water and Wastewater Utilities? If not, when will it begin?

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Please submit the above information to the Division of the Commission Clerk and Administrative Services by February 26, 2007. If you have any questions, please contact me by phone at (850) 413-6427 or by e-mail at nmerta@psc.state.fl.us.

Sincerely,



Sam Merta
Professional Accountant Specialist

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cc: Division of Economic Regulation (Rendell)
Office of the General Counsel (Jaeger)
Division of the Commission Clerk and Administrative Services (060575-WS)