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REPLY TO CENTRAL FLORIDA OFFICE

MARTIN S. FRIEDMAN, P.A.  
VALERIE L. LORD  
BRIAN J. STREET

February 22, 2007

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

HAND DELIVERY

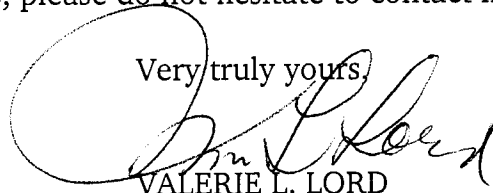
RE: Docket No. 060253-WS; Utilities, Inc. of Florida's Application for Rate Increase in Marion, Orange, Pasco, Pinellas and Seminole Counties, Florida  
Our File No. 30057.108

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket are the revised responses of Utilities, Inc. of Florida (*Utility*) to Audit Findings Nos. 3, 4, 5 and 6 as contained in Staff's Audit Report dated January 18, 2007.

Should you have any questions, please do not hesitate to contact me.

Very truly yours,



VALERIE L. LORD  
For the Firm

VLL/mp  
Enclosures

cc: Ms. Christine Romig, Division of Economic Regulation (w/enc. - by hand delivery)  
Ms. Kathleen Kaproth, Division of Economic Regulation (w/enc. - by hand delivery)  
Ms. Denise N. Vandiver, Chief, Bureau of Auditing (w/enclosures - by hand delivery)  
Stephen Reilly, Esquire, Office of Public Counsel (w/enclosures - by U.S. Mail)  
Steven M. Lubertozzi, Chief Regulatory Officer (w/enclosures - by U.S. Mail)  
Kirsten E. Weeks, CPA (w/o enclosures - by U.S. Mail)  
John Hoy, Regional Vice President for Operations (w/o enclosures - by U.S. Mail)  
Patrick C. Flynn, Regional Director (w/enclosures - by U.S. Mail)

M:\1 ALTAMONTE\UTILITIES INC\UIF\(.108) 2005 RATE CASE\PSC Clerk 24.ltr (Responses to Audit Revised) DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

**Audit Finding No. 3: Revised**

The Utility agrees with audit finding number 3 and would propose a similar entry as Staff.

Marion County:

<u>A/C #</u>	<u>A/C Description</u>	<u>Debit</u>	<u>Credit</u>
1083014	A/D - Wells & Springs	8,254	
1083025	A/D - Electric Pumping Equipment	2,427	
1083043	A/D - Transmission & Distribution Mains	697	
1083046	A/D - Meters	1,799	
1083048	A/D - Hydrants	1,428	
1083094	A/D - Tools, Shop, & Miscellaneous Equipment	1,713	
1084005	A/D - Sewage Treatment Plant	925	
6755090	Other Maintenance Expense - Water	2,368	
3072014	Wells & Springs		7,392
3355048	Hydrants		1,351
3466094	Tools, Shop, & Miscellaneous Equipment		1,481
3345046	Meters		1,673
3315043	Transmission & Distribution Mains		644
3113025	Electric Pumping Equipment		2,368
3804005	Sewage Treatment Plant		900
2151000	R/E		3,249
4032014	Depreciation Expense - Wells & Springs		246
4032025	Depreciation Expense - Electric Pumping Equipment		59
4032043	Depreciation Expense - Transmission & Distribution Mains		15
4032048	Depreciation Expense - Hydrants		30
4032094	Depreciation Expense - Tools, Shop, & Miscellaneous Equipment		93
4033005	Depreciation Expense - Sewage Treatment Plant		25
4032046	Depreciation Expense - Meters		84

**Audit Finding No. 4: Revised**

The Utility agrees with audit finding number 4 and would propose a similar entry as Staff.

Pasco County:

<u>A/C #</u>	<u>A/C Description</u>	<u>Debit</u>	<u>Credit</u>
1862045	Deferred Charges - Other	4,150	
6755070	Water Permits	415	
1083032	A/D - Water Treatment Equipment	1,331	
1083045	A/D - Service Lines	1,711	
1083025	A/D - Electric Pumping Equipment	4,492	
1084011	A/D - Lift Station	5,564	
1084005	A/D - Sewage Treatment Plant	417	
1083042	A/D - Distribution Reservoirs & Standpipes	856	
1083021	A/D - Structures & Improvements (Pump Plant)	5,186	
1083046	A/D - Meters	3,165	
1083014	A/D - Wells & Springs	3,066	
2151000	R/E		3,547
3043021	Structures & Improvements (Pump Plant)		4,939
3113025	Electric Pumping Equipment		1,193
3335045	Service Lines		1,631
3305042	Distribution Reservoirs & Standpipes		823
3542011	Lift Stations		5,454
3345046	Meters		2,814
3072014	Wells & Springs		2,920
4032021	Depreciation Expense - Structures & Improvements (Pump Plant)		150
4032014	Depreciation Expense - Wells & Springs		97
4032025	Depreciation Expense - Electric Pumping Equipment		210
4032032	Depreciation Expense - Water Treatment Equipment		52
4032042	Depreciation Expense - Distribution Reservoirs & Standpipes		22
4032045	Depreciation Expense - Service Lines		35
4032046	Depreciation Expense - Meters		141
4033011	Depreciation Expense - Lift Station		98
3204032	Water Treatment Equipment		1,149
3113025	Electric Pumping Equipment		3,001
1865045	A/A - Other Deferred Charges		2,077

**Audit Finding No. 5: Revised**

The Utility agrees with audit finding number 5 and would propose a similar entry as Staff.

Pinellas County:

<u>A/C #</u>	<u>A/C Description</u>	<u>Debit</u>	<u>Credit</u>
3043021	STRUCT & IMPRV (PUMP PLT)	0	1444
3315043	TRANS & DISTR MAINS	0	402
3335045	SERVICE LINES	0	454
3335045	SERVICE LINES	0	499
3335045	SERVICE LINES	0	904
3335045	SERVICE LINES	0	406
3335045	SERVICE LINES	0	375
3355048	HYDRANTS	0	1988
1083021	ACCUM DEPR.-3043021	1553	0
1083043	ACCUM DEPR.-3315043	416	0
1083045	ACCUM DEPR.-3335045	494	0
1083045	ACCUM DEPR.-3335045	530	0
1083045	ACCUM DEPR.-3335045	960	0
1083045	ACCUM DEPR.-3335045	432	0
1083045	ACCUM DEPR.-3335045	389	0
1083048	ACCUM DEPR.-3355048	2054	0
4032021	DEPRECIATION-10121	0	44
4032043	DEPRECIATION-10143	0	9
4032045	DEPRECIATION-10145	0	11
4032045	DEPRECIATION-10145	0	12
4032045	DEPRECIATION-10145	0	23
4032045	DEPRECIATION-10145	0	10
4032045	DEPRECIATION-10145	0	9
4032048	DEPRECIATION-10148	0	44
2151000	RETAINED EARNINGS	0	194

**Audit Finding No. 6: Revised**

The Utility agrees with audit finding number 6 and would propose a similar entry as Staff.

Seminole County:

<u>A/C #</u>	<u>A/C Description</u>	<u>Debit</u>	<u>Credit</u>
6755090	Water - Other Maintenance Expense	1,760	-
1083021	A/D - Structures & Improvements (Pump Plant)	3,611	-
1083025	A/D - Electric Pumping Equipment	16,525	-
1083048	A/D - Hydrants	2425	-
1084008	A/D - Sewer Mains	3,148	-
1083045	A/D - Service Lines	655	-
1083094	A/D - Tools, Shop, & Miscellaneous Equipment	1,989	-
1084011	A/D - Lift Stations	5,973	-
1083042	A/D - Distribution Reservoirs & Standpipes	15,969	-
1083046	A/D - Meters	3,296	-
4032021	Depreciation Expense - Structures & Improvements (Pump Plant)	99	-
4032025	Depreciation Expense - Electric Pumping Equipment	732	-
4032048	Depreciation Expense - Hydrants	50	-
4033008	Depreciation Expense - Sewer Mains	43	-
4032045	Depreciation Expense - Service Lines	15	-
4032094	Depreciation Expense - Tools, Shop, & Miscellaneous Equipment	102	-
4033011	Depreciation Expense - Lift Stations	143	-
4032042	Depreciation Expense - Distribution Reservoirs & Standpipes	382	-
4032046	Depreciation Expense - Meters	153	-
1862045	Deferred Charges - Other	8,800	-
2151000	R/E	-	11,852
3043021	Structures & Improvements (Pump Plant)	-	3,265
3113025	Electric Pumping Equipment	-	14,971
3355048	Hydrants	-	2,250
3612008	Sewer Mains	-	3,057
3335045	Service Lines	-	617
3466094	Tools, Shop, & Miscellaneous Equipment	-	1,632
3542011	Lift Stations	-	5,384
6759509	Water Maintenance - Electrical Equipment Repair	642	-
3305042	Distribution Reservoirs & Standpipes	-	15,138
3345046	Meters	-	3,066
1865045	A/A - Other Deferred Charges	-	5,280