

ORIGINAL

LAW OFFICES
ROSE, SUNDBSTROM & BENTLEY, LLP
2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

FREDERICK L. ASCHAUER, JR.
CURIS H. BENTLEY, P.A.
ROBERT C. BRANNAN
F. MARSHALL DETERDING
JOHN R. JENKINS, P.A.
KYLE L. KEMPER
STEVEN T. MINDLIN, P.A.
CHASITY H. O'STEEN
DAREN L. SHIPPY
WILLIAM E. SUNDBSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON
ROBERT M. C. ROSE (1924-2006)

(850) 877-6555
FAX (850) 656-4029
www.rsbatorneys.com

REPLY TO CENTRAL FLORIDA OFFICE

June 20, 2007

CENTRAL FLORIDA OFFICE
SANLANDO CENTER
2180 W. STATE ROAD 434, SUITE 2118
LONGWOOD, FLORIDA 32779
(407) 830-6331
FAX (407) 830-8522

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

RECEIVED-FPSC
07 JUN 22 AM 9:42
COMMISSION
CLERK

Ann Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

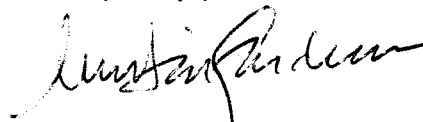
RE: Docket No.: 060285-SU; Utilities, Inc. of Sandalhaven's Application for Rate Increase
in Charlotte County, Florida
Our File No.: 30057.114

Dear Ms. Cole:

On May 23, 2007, the Utility filed a Notice of Intent and Request for Confidential Classification with regard to certain documents obtained by the auditors in the above-referenced matter. The Commission Staff has expressed some reservations regarding the Request for Confidential Classification. There is presently an issue pending addressing the confidentiality of the entire financial statements of Utilities, Inc. of Sandalhaven's parent company, the resolution of which may also resolve the Request for Confidential Classification in this matter. Thus, the Commission Staff and Utility have agreed that it is best to wait for the outcome of that determination before addressing it in this Docket.

- DMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- RCA _____
- SCR _____
- SGA _____
- SEC _____ MSF/tlc
- OTH _____ Enclosures

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

DOCUMENT NUMBER-DATE
05008 JUN 22 06
FPSC-COMMISSION CLERK

cc: Steven M. Lubertozi, Chief Regulatory Officer (w/enclosures - via U.S. Mail)
Ms. Kirsten E. Weeks (w/enclosures - via U.S. Mail)
John P. Hoy, Regional Vice President of Operations (w/enclosures - via U.S. Mail)
Patrick C. Flynn, Regional Director (w/enclosures - via U.S. Mail)
Mr. John Williams (w/enclosures - via U.S. Mail)

ORIGINAL

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

Draft of June 15, 2007

Re: Docket 060285-SU, Application for increase in water and wastewater rates in Charlotte County by Utilities Inc of Sandalhaven (Sandalhaven),

(A) Pertaining to sensitive materials reported retained by staff auditors during the April 19, 2007 audit exit conference for Sandalhaven's File and Suspend Rate Case Investigation as of December 31, 2006, Audit Control No. 07-052-4-1, Document 03437-07, and

(B) Pertaining to May 23, 2007 Notice of Intent and Request for Confidential Classification concerning additional sensitive documents (audited financial statements) filed by Sandalhaven, its parent and affiliate companies, Document 04174-07

Dear Mr. Friedman:

We have tracked the information which was identified as confidential at the April 19, 2007 Sandalhaven audit exit conference and read your request for a confidential classification for additional sensitive information filed on May 23, 2007, in Docket 060285-SU, and find the following 2 perceived deficiencies;

Item 1

Pertaining to sensitive materials identified at the April 19, 2007, audit exit conference by staff auditors during Sandalhaven's File and Suspend Rate Case Investigation as of December 31, 2006, Audit Control No. 07-052-4-1, Document 03437-07

Rule 25-22.006(3)(a)2., Florida Administrative Code (FAC) provides: *"In the case of material obtained by the Commission's auditors, the utility shall indicate on the document request Form PSC/AFA 6 (2/95) whether the material is believed by the utility to be confidential. To maintain continued confidential handling of the material, the utility must, within 21 days after the exit conference or if waived, the date the audit exit conference would have taken place, file a request for confidential classification with the Division of Records and Reporting. Absent good cause shown, failure to file such a request within 21 days shall constitute a waiver of confidentiality."*

DOCUMENT NUMBER-DATE

05008 JUN 22 07

Confidentiality Letter – Sandalhaven
June 15, 2007

Item 1 (continued)

At the audit exit conference held on April 19, 2007, Mr. Steve Lubertozi, Director Regulatory Affairs for Utilities Incorporated, was notified through the use of a cover letter that the audit staff was retaining certain information held in a temporary confidential status. Also the cover letter advised that utility had 21 days to file a Request for Confidential Classification according to Rule 25-22.006, FAC, in order to maintain this confidentiality. Lastly, the cover letter transmitted by attachment a listing of all the sensitive material kept by the staff auditor and copies of those materials. That listing covered the following 7 working papers, comprised of 76 pages:

| Audit Working Paper Number | Description | Number Of Pages |
|----------------------------|--|-----------------|
| WP 32-2 | 2006 Consolidated Statement of Common Shareholders Equity and Retained Earnings Explanations | 3 |
| WP 33-3 | Schedule of Long-Term Debt Acquisition Expense and Amortization (New Debt Issue) | 1 |
| WP 33-4 | Amortization Schedule of Long-Term Debt Acquisition Expense (Existing debt) | 2 |
| WP 33-5 | Information on Debt Acquisition Expense that was written off in 2006 | 5 |
| WP 33-6 | New Debt Issue Documents | 37 |
| WP 34-2 | Short Term Interest Expense Schedules | 13 |
| WP 34-3 | Short Term Debt Monthly Balance and Interest Expense Accrual Schedules | 15 |

The 21 days provided by Rule has expired and the utility has not filed a Request for Confidential Classification. Do you intend to request a confidential classification for these materials? If so you should promptly file the request and include the cause why this request is late.

Confidentiality Letter – Sandalhaven
June 15, 2007

Item 2

Pertaining to May 23, 2007 Notice of Intent and Request for Confidential Classification concerning additional sensitive documents (audited financial statements) filed by Sandalhaven, its parent and affiliate companies, Document 04174-07

Rule 25-22.006(4), FAC, "Requests for Confidential Classification", in part, provides: "...Along with the highlighted copy, the utility or other person shall file two or more edited copies as required by the type of proceeding, which will be made available for public inspection...."

Reading the utility's request for confidential classification, edited copies were filed, but it is not clear within the request that these edited copies were intended to be placed in the public records. Does the utility intend that the edited copies be placed in the Commission Clerk's public files?

Response to Perceived Deficiencies

In response to this letter, the utility may provide additional justification as to why the Commission should grant the above material a confidential classification. Within 21 days from the date of this letter, as deemed necessary, the utility may: revise, modify or withdraw its pleading; modify any justification; or provide additional redacted copies or highlighted copies within its request; otherwise, a recommendation will be presented to the prehearing officer based upon the existing record.

If you have procedural or other questions regarding this matter, please contact me (Email: mbrown@psc.state.fl.us or telephone: 850-413-6187. If you have any technical questions regarding this matter, please contact Robert Freeman (email bfreeman@psc.state.fl.us or telephone: 850-413-6485.

Sincerely,

Martha Brown
Staff Attorney

CC: Bureau of Auditing (Vandiver, Freeman, Welch)
Bureau of Records (Lockard, Cole)
Bureau of Rate Filings, Surveillance, Finance and Tax (Maury)