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

Public Service Commission

October 30, 2008

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COMMISSION  
CLERK

Mr. Martin Friedman  
Rose, Sundstrom & Bentley, LLP  
Sanlando Center  
2180 W. State Road 434, Suite 2118  
Longwood, FL 32779

**Re: Docket No. 080248-SU - Application for increase in wastewater rates in Pinellas County by Tierra Verde Utilities, Inc.**

Dear Mr. Friedman:

We have reviewed Tierra Verde Utilities, Inc.'s (Tierra Verde or Utility) responses to Commission staff's letter of September 26, 2008, identifying deficiencies in the Utility's MFRs. After reviewing the information, we determined that Item No. 3 is still deficient. Rule 25-30.440(8), Florida Administrative Code (F.A.C.), requires that each applicant for a rate increase shall provide the Commission one copy of a list of all field employees, their duties, responsibilities, certificates held, and an explanation of each employees' salary allocation method to the utility's capital or expense accounts. Tierra Verde's response failed to provide an explanation of each employee's salary allocation method to each respective Utility's capital or expense accounts as required by this Rule.

The revised MFR Schedule B-12 and the document titled *B-12 TO GL TIE OUT FOR DEFICIENCY 3* submitted with Tierra Verde's response did not rectify the deficiency. MFR Schedule B-12, lines 2, 3, and 4, now reflect a total allocation of salaries in the amount of \$37,083; an increase of \$1,902 compared to the original total allocation of \$35,181. The total of MFR Schedule B-6, lines 1 and 2, reflects total salaries for employees and officers of \$32,492. The difference between the allocation and actual expense of salaries equals \$4,591. This amount appears to have been capitalized by the Utility. However, Tierra Verde's response does not indicate the salary allocation method and amount debited to the Utility's capital or expense accounts for each employee listed. In order to assist in meeting the requirements of Rule 25-30.440(8), F.A.C., please provide the information necessary in the same or similar format as shown on Attachment A. For each employee listed, please indicate the total salary in 2007, the amount in Account 701 or 703, the amount in a plant expense accounts, and the total capitalized amount. In addition, please provide a narrative explanation of how each employee's salary was allocated to each respective Utility's capital expense accounts.

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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 December 1, 2008.

Sincerely,



Timothy Devlin  
Director

TD:db

Attachment

cc: Office of Commission Clerk  
Office of the General Counsel (Young)  
Division of Economic Regulation (Bulecza-Banks, Buys, Daniel, Fletcher, Livingston,  
Walden, Willis)

Attachment A

<b>Tierra Verde Utilities, Inc.</b>		<b>Docket No. 080248-SU</b>				
<u>Line</u> <u>No.</u>	<u>Employee Name</u>	<u>Total Salary</u> <u>2007</u>	<u>Account</u> <u>No. 701</u>	<u>Account</u> <u>No. 703</u>	<u>Plant Acct.</u> <u>No. _____</u>	<u>Plant Acct.</u> <u>No. _____</u>
1	Patrick Flynn					
2	Tony Wierzbicki					
3	Jeffrey Finehirsh					
4	Jeffrey McPeeks					
5	Total					