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

Public Service Commission

September 19, 2006

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

**Re: Docket No. 080250-SU - Application for increase in wastewater rates in Pinellas County by Mid-County Services, Inc.**

Dear Mr. Friedman:

We have reviewed the minimum filing requirements (MFRs) submitted on August 22, 2008, on behalf Mid-County Services, Inc. (Mid-County or utility). After reviewing this information, we find the MFRs to be deficient. The specific deficiencies are listed below numerically.

Rule 25-30.437, Florida Administrative Code (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 A Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum Filing Requirements." Further, Rule 25-30.110, F.A.C., requires that each utility shall furnish any information the Commission requests or requires for determining rates of the utility and that the information be consistent with and reconcilable with the utility's annual report to the Commission.

1. MFR Schedule A-19 requires the utility to provide the balances of the equity capital and liabilities for the year ended December 31, 2006, December 31, 2007, and their average. The following are deficiencies on Schedule A-19:

- a) The amount for Advances from Associated Companies for Test Year Ended 12/31/07, \$0, does not equal the balance reflected in the 2007 Annual Report, F-2, \$477,239.
- b) The amount for Total Long-Term Debt for Test Year Ended 12/31/07, \$0, does not equal the balance reflected in the 2007 Annual Report, F-2, \$477,239.
- c) The amount for Notes & Accounts Payable – Associated Companies for Test Year Ended 12/31/07, \$299,157, does not equal the balance reflected in the 2007 Annual Report, F-2, -\$178,082.

Pursuant to Rule 25-30.110, F.A.C., please provide the reconciliation of the balances in MFR Schedule A-19 listed above and the 2007 Annual Report.

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2. Rule 25-30.440(8), 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, and certificates held, and an explanation of each employees' salary allocation method to the utility's capital or expense accounts. The total of MFR Schedule B-6, lines 1 and 2, reflects total salaries for employees and officers of \$259,385. The total of MFR Schedule B-12, lines 2, 3, and 4, reflects total salaries of \$264,834. Staff believes the difference between the allocation and actual expense of salaries may have been capitalized by the utility. However, the utility's cost allocation manuals, MFRs, and the list provided by the utility do not reflect which employees' salaries were capitalized. Please provide a list that contains an explanation of each employee's salary allocation method to the utility's capital or expense accounts as required by Rule 25-30.440(8), F.A.C.

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 October 20, 2008.

Sincerely,



Timothy Devlin  
Director

TD:db

cc: Office of Commission Clerk  
Office of the General Counsel (Keino)  
Division of Economic Regulation (D. Buys, Daniel, B. Fletcher, Maurey, Walden, Willis)