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November 17, 2010

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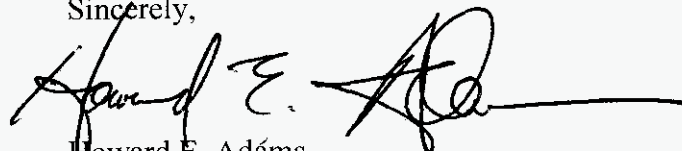
Ms. Ann Cole
Public Service Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Easley Building, Room 110
Tallahassee, FL 32399-0850

Re: Staff Assisted Rate Increase – Commercial Utilities, Inc.
Docket # 100326-SU

Dear Ms. Cole:

Please find enclosed with this letter for filing an Affidavit of Actions Taken by Commercial Utilities for Compliance with Accounting Principles. This letter is filed in response to the letter of October 19, 2010 by Ms. Martha Brown directed to Commercial Utilities and to myself. Please let me know if we can be of further assistance in this matter.

Sincerely,



Howard E. Adams
Attorney for Commercial Utilities

Enclosure

Ms. Anne Lee, Grace & Co.

HEA/kra
Ann Cole Ltr. 11-17-2010

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**AFFIDAVIT OF ACTIONS TAKEN BY COMMERCIAL UTILITIES
FOR COMPLIANCE WITH ACCOUNTING PRINCIPLES**

I, Anne G. Lee, President, Commercial Utilities, due solemnly swear or affirm that the following action has been taken in order to comply with Florida Public Service Commission Order # PSC-00-1508-PAA-SU, and to comply with the recommended actions at Finding #1 of the Audit Report of Commercial Utilities in the current staff assisted rate case Docket # 100326-SU. This affidavit is also in response to the letter of Ms. Martha Brown, dated October 19, 2010 informing Commercial Utilities of these findings. Commercial Utilities will undertake the following steps to come into compliance and to insure continued compliance in the future:

1. Commercial Utilities has contracted for the consulting assistance of Mr. Robert Dodrill, a consulting accountant to review and recommend changes in the accounting policies and procedures of Commercial Utilities in order to insure it is classifying and maintaining its books according to the uniform system of accounts as published by the National Association of Regulatory Utility Commissioners.

2. Mr. Cobb Harbeson of Harbeson, Fletcher, and Bateh, LLP, an accounting firm in Jacksonville, acts as the accountant for Commercial Utilities as well as for Grace and Company, Inc.. Mr. Harbeson has obtained copies of the National Association of Regulatory Utility Commissioners Uniform System of Accounts for Class B utilities. Mr. Harbeson will be consulting with Mr. Dodrill to insure that accounts are maintained according to the standards outlined for Class B utilities beginning immediately and continuing forward.

3. Mr. Harbeson, in consultation with Mr. Dodrill, and in response to the audit, will revise the books and records of Commercial Utilities and will file the 2010 Annual Report with the Florida Public Service Commission in compliance with National Association of Regulatory Utility Commissioners Uniform System of Accounts. Additionally, future annual reports will be

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4. Mr. Harbeson, at the request of Commercial Utilities, is currently working to review all other findings made in the audit report of the utility for the staff assisted rate case and any action necessary will be taken to comply with those findings as a part of this consultation with Mr. Dodrill.

5. Mr. Harbeson and Grace Utilities will take any other actions recommended by Mr. Dodrill in order to maintain the utility accounts in compliance with Uniform Systems of Accounts.

This affidavit is sworn and signed by:

Anne G. Lee

Applicant's Signature

Anne G. Lee

Applicant's Name (Typed)

President, Commercial Utilities,

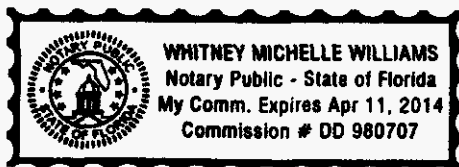
A Division of Grace & Co.

Applicant's Title

Subscribed and sworn to before me this 15th day in the month of November

In the year of 2010 by Anne G. Lee who is personally known to me _____

Or produced identification Orville License
Type of Identification Produced



Whitney Williams
Notary Public's Signature

Whitney Williams
Print, Type or Stamp Commissioned
Name of Notary Public