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

Public Service Commission

September 3, 2002

Mr. Martin S. Friedman, Esquire
 Rose, Sundstrom & Bentley, LLP
 650 S. North Lake Boulevard, Suite 420
 Altamonte Springs, Florida 32701

Re: Docket No. 020409-SU - Application for Rate Increase in Charlotte County by Utilities, Inc. of Sandalhaven

Dear Mr. Friedman:

We have reviewed the minimum filing requirements (MFRs) submitted on August 16, 2002, on behalf of the above-mentioned utility. After reviewing this information, we find the MFRs to be deficient. The specific deficiencies are identified below.

Pursuant to Rule 25-30.437, Florida Administrative Code, each Class B utility applying for a rate increase shall provide the information required by Form PSC/ECR 20, Class B Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum Filing Requirements. Deficiencies Nos. 1 through 4 are referenced by this rule section.

1. Schedule A-12, Schedule of Contribution in Aid of Construction By Classification
 Schedule A-14, Schedule of Accumulated Amortization of CIAC By Classification
 Schedule F-7, Used and Useful Calculations

The instructions for Schedule A-12 require that the utility provide CIAC balances by classification. A statement that CIAC is not maintained in this manner is not sufficient. Further, Schedule A-14 requires that the utility provide the accumulated amortization of CIAC balance, by classification, if possible. Based on the utility's note on F-7, the utility is aware that virtually all mains and lift stations are contributed. Thus, the utility has the capability to break out CIAC by classification, and is also required by the Uniform System of Accounts to support its CIAC account by amount of donation, from whom and when the donation was made.

2. Schedule D-4, Schedule of Simple Average Cost of Short-Term Debt

Column (2), requiring that the maturity dates be provided for each component, has been left blank.

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3. Schedule D-5, Cost of Long-Term Debt
 Schedule D-6, Cost of Variable Rate Long-Term Debt

On Schedule D-5, the information required in columns 6, 7, and 8 is missing. If this information does not apply, state such or place zeroes in the respective columns. Further, if there is any amount included in column (9) for Annual Amortization of Issuing Expense on Principle Outstanding, then there should be a balance in column (7) for Unamortized Issuing Expense Associated With Cost. Also line 7 on Schedule D-5 is not complete. If any of the debt issues on line 7 have variable interest rates, the information should be recorded on Schedule D-6, Cost of Variable Rate Long-Term Debt, with the required information from column 10 provided.

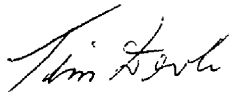
4. Schedule F-8, Margin Reserve Calculations

The instructions for margin reserve requires that the utility provide all calculations and analysis used to determine the amount of margin reserve for each portion of used and useful plant. The utility has provided a growth figure of 14 equivalent residential connections (ERC) per year that is not supported by any calculations or analysis.

5. Rule 25-30.436(4)(h), Florida Administrative Code, requires that any system that has costs allocated or charged to it from a parent, in addition to those reported on Schedule B-12 of Commission Form PSC/WAW 20, shall file three copies of additional schedules showing additional information as detailed in the rule. The utility has failed to provide these schedules.

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 4, 2002.

Sincerely,



Tim Devlin
Director

TD:tj

cc: Division of Economic Regulation (Willis, Merchant, Joyce, Revell)
 Office of the General Council (Stern)
 Division of Auditing and Safety (Vandiver)
 Division of the Commission Clerk and Administrative Services