

Ruth Nettles

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Sent: Thursday, April 10, 2008 5:18 PM
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Subject: Filing in Docket No.: 070695-WS
Importance: High
Attachments: PSC Clerk 03 (Respond to Deficiencies).ltr.04-10-2008(3).pdf

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- b. Docket No. 070695-WS; Miles Grant Water and Sewer Company, 2007 General Rate Increase Application – Filing Deficiencies and Responses.
- c. Miles Grant Water and Sewer Company
- d. 24 pages.
- e. Letter to Commission Clerk – 4 pages; Exhibits in Response to Deficiency letter – 20 pages.

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REPLY TO CENTRAL FLORIDA OFFICE

April 10, 2008

E-Filing

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

Re: Docket No.: 070695-WS; Miles Grant Water and Sewer Company
2007 General Rate Increase Application
Our File No. 30057.149

Dear Ms. Cole:

The following are the Utility's responses to the Commission Staff's March 28, 2008, correspondence identifying deficiencies in the MFRs:

DEFICIENCIES and RESPONSES

1. Schedule B-7, Operation & Maintenance Expense Comparison – Water, the total for Prior TY 6/30/87 does not tie to the O&M approved in Order No. 20066, issued 9/26/88.

RESPONSE:

Please see the attached Schedule B-7.

2. Schedule B-8, Operation & Maintenance Expense Comparison - Wastewater, the total for Prior TY 6/30/87 does not tie to the O&M approved in Order No. 20026, issued 9/26/88.

RESPONSE:

Please see the attached Schedule B-8.

CENTRAL FLORIDA OFFICE

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MARTIN S. FRIEDMAN, P.A.
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(LICENSED IN NEW YORK ONLY)

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK,

Deficiencies #3-4: Rule 25-30.436(4)(a) F.A.C. requires in the rate cases application that each schedule shall be cross-referenced to identify related schedules as either supporting schedules or recap schedules. Pursuant to Rule 25-30.436(4)(a) F.A.C., please provide recap schedules B-1 and B-2 for Schedule C-1; recap schedules A-18, A-19 and D-8 for Schedule C-6; and supporting Schedule A-19 for Schedule D-2.

3. Schedule C-1, Reconciliation of Total Income Tax Provision.

RESPONSE:

Please see the attached Schedule C-1 Revised and Schedule C-1 (Interim) Revised.

4. Schedule C-6, Accumulated Deferred Income Taxes - Summary.

RESPONSE:

Please see the attached Schedule C-6 Revised. It should be noted that Staff's letter requested recap Schedule D-8 for Schedule C-6. The Utility believes that Schedule D-2 is the correct recap schedule for Schedule C-6. The Utility has contacted Staff to confirm that D-2 is, in fact, the desired recap schedule and is awaiting a call back.

5. Schedule D-2, Reconciliation of Capital Structure to Requested Rate Base Simple Average Balance.

RESPONSE:

Please see the attached revised Schedule D-2 Revised and Schedule D-2 (Interim) Revised.

6. Schedule C-1, Reconciliation of Total Income Tax Provision, does not tie to Schedules B-1 and B-2.

RESPONSE:

The Utility believes that no deficiency exists in this regard. The Utility has contacted Staff to further define the nature of the perceived deficiency and is awaiting a call back.

7. On Schedule D-2, Reconciliation of Capital Structure to Requested Rate Base Simple Average Balance, the simple average for deferred income taxes is stated as \$380,029. This does not tie to Schedule C-6 which states \$375,496. Additionally, supporting Schedule A-19 shows a zero balance and supporting A-18 shows a balance of \$383,118. Also, the 2006 annual report shows \$380,324.

RESPONSE:

Please see the attached Schedule D-1 Revised, Schedule D-1 (Interim) Revised, Schedule D-2 Revised, Schedule D-2 (Interim) Revised, Schedule C-6 Revised, Schedule A-18 Revised and Schedule A-19 Revised.

Additional errors requiring correction:

1. On Schedule C-5, Deferred Income Tax Expense (Final) – Water, the total deferred tax does not tie to Schedule C-1.

RESPONSE:

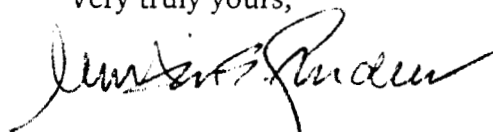
Please see the attached revised Schedule C-5 Revised and Schedule C-5 (Interim) Revised.

2. On Schedule D-2, Reconciliation of Capital Structure to Requested Rate Base Simple Average Balance, the simple average for deferred income taxes does not tie to Schedule C-6.

RESPONSE:

Schedule C-6 reflects annual balances beginning with the year of the last rate case and ending with the test year. Simple averages are not reflected on this schedule.

Very truly yours,



MARTIN S. FRIEDMAN
For The Firm

MSF/cm
Enclosures

Ann Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
April 10, 2008
Page 4

cc: John Hoy, Chief Regulatory Officer (w/enclosures)
Rick Durham, Regional Vice President for Operations (w/enclosures)
Patrick C. Flynn, Regional Director (w/enclosures)
Ms. Deborah Swain (w/enclosures)
Mr. Frank Seidman (w/enclosures)

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Operation & Maintenance Expense Comparison - Water

Florida Public Service Commission

Company: Miles Grant Water and Sewer Company
 Docket No.: 070695-WS
 Test Year Ended: June 30, 2007

Schedule: B-7
 Page 1 of 1
 Preparer: Michelle Rochow

Explanation: Complete the following comparison of the applicant's current and prior test year O&M expenses before this Commission. Provide an explanation of all differences which are not attributable to the change in customer growth and the CPI-U. If the applicant has not had a previous rate case, use the year 5 years prior to the test year for comparison. Provide an additional schedule, if necessary, to explain differences.

Line No.	(1) Account No. and Name	(2) Prior TY 6/30/87	(3) Current TY 6/30/07	(4) TY Adj.'s per B-3	(6) \$ Difference	(7) % Difference	Explanation
1	601 Salaries & Wages - Employees	\$ 27,154	\$ 92,763	\$ 35,209	100,819	371.29 %	Salaries and wages increased substantially over the last 20 years.
2	603 Salaries & Wages - Officers, Etc.	-	-	-	-	-	
3	604 Employee Pensions & Benefits	4,822	22,264	4,460	21,902	454.20 %	Pensions and benefit costs have increased as a result of salary and wage increases.
4	610 Purchased Water	-	-	-	-	%	
5	615 Purchased Power	8,335	12,422	-	4,087	49.04 %	Purchase power costs have increased at a rate higher than the CPI index.
6	616 Fuel for Power Purchased	-	-	-	-	%	
7	618 Chemicals	3,573	16,642	-	13,070	365.79 %	Cost of chemicals has increased substantially over the past 20 years.
8	620 Materials & Supplies	6,006	16,827	4,970	15,791	262.91 %	Materials and Supplies have increased substantially over the past 20 years.
9	631 Contractual Services - Engr.	-	-	-	-	%	
							Audit fees have increased substantially in the last twenty years at a rate higher than the CPI Index. Also, audit fees included engineering fees, accounting fees, management fees, and other services.
10	632 Contractual Services - Acct.	-	6,785	89	6,873	100.00 %	
11	633 Contractual Services - Legal	47	149	5	107	231.15 %	Legal fees have increased over the last 20 years.
12	634 Contractual Services - Mgmt. Fees	-	-	-	-	%	
13	635 Contractual Services - Testing	10,889	6,125	-	(4,764)	(43.75) %	This pertains to a decrease in the cost of testing over the last 20 years.
14	636 Contractual Services - Other	11,689	4,295	1,039	(6,354)	(54.36) %	Contractual Services in 1987 were combined for "Contractual Services- Accounting and Contractual Services-Other. In 2007, these 2 accounts were split.
15	641 Rental of Building/Real Prop.	1,059	-	-	-	(100.00) %	The utility does not have any rent expense in 2007 as a result of owning the building.
16	642 Rental of Equipment	-	-	-	-	%	
17	650 Transportation Expenses	601	2,671	4,864	6,934	1,153.90 %	Transportation expense increased over the past 20 years.
18	656 Insurance - Vehicle	-	-	-	-	%	
19	657 Insurance - General Liability	-	-	-	-	%	
20	658 Insurance - Workman's Comp.	-	-	-	-	%	
21	659 Insurance - Other	7,098	5,895	2,239	1,036	14.60 %	Insurance costs have increased as a result of salary and wage increases.
22	660 Advertising Expense	-	-	-	-	%	
23	666 Reg. Comm. Exp. - Rate Case Amort.	8,263	721	22,914	15,372	186.03 %	Rate Case Expense has increased substantially over the last 20 years.
24	667 Reg. Comm. Exp. - Other	-	-	-	-	%	
25	670 Bad Debt Expense	965	1,022	-	57	5.87 %	Bad debt expense increased due to a random increase in finaled accounts that were written off
							Other office expenses, office telephone, other office utilities, other office maintenance, and other miscellaneous general expenses have increased substantially over the last 20 years.
26	675 Miscellaneous Expenses	9,120	20,896	(533)	11,243	123.26 %	
27							
28	TOTAL	\$ 99,620	\$ 75,256	\$ 186,172	\$ 3,120	3.13 %	
29							
30	Total Customers (ERC's)	1,025.0			1,118.1	93.98 %	
31							
32	Consumer Price Index - U	113.50			208.352	94.85 83.57 %	
33							
34	Benchmark Index: Increase in Customer ERC's					1.0908	
35	Increase in CPI					1.8357	
36							
37		99620				2.0024	
38							

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Operation & Maintenance Expense Comparison - Wastewater

Florida Public Service Commission

Company: Miles Grant Water and Sewer Company
 Docket No.: 070695-WS
 Test Year Ended: June 30, 2007

Schedule: B-8
 Page 1 of 1
 Preparer: Michelle Rochow

Explanation: Complete the following comparison of the applicant's current and prior test year O&M expenses before this Commission. Provide an explanation of all differences which are not attributable to the change in customer growth and the CPI-U. If the applicant has not had a previous rate case, use the year 5 years prior to the test year for comparison. Provide an additional schedule, if necessary, to explain differences.

Line No.	(1) Account No. and Name	(2) Prior TY 6/30/1987	(3) Current TY 6/30/07	(4) TY Adj.'s per B-3	(5) Adjusted TY	(6) \$ Difference	(7) % Difference	Explanation
1	701 Salaries & Wages - Employees	\$ 27,155	\$ 87,360	\$ 34,751	\$ 122,110	94,956	349.68 %	Salaries and wages increased substantially over the last 20 years.
2	703 Salaries & Wages - Officers, Etc.		-	-	-		%	
3	704 Employee Pensions & Benefits	\$ 4,823	20,967	4,500	25,467	20,644	428.03 %	Pensions and benefit costs have increased as a result of salary and wage increases.
4	710 Purchased Sewage Treatment		-	-	-		%	
5	711 Sludge Removal Expense	\$ 10,164	40,164	-	40,164	30,000	295.15 %	Sludge volume and unit disposal cost have increased over the past 20 years.
6	715 Purchased Power	\$ 16,165	31,791	-	31,791	15,626	96.66 %	Purchase power costs have increased at a rate higher than the CPI index
7	716 Fuel for Power Purchased		-	-	-		%	
8	718 Chemicals	\$ 2,321	20,259	-	20,259	17,938	772.86 %	Cost of chemicals has increased substantially over the past 20 years.
9	720 Materials & Supplies	\$ 6,429	21,804	(10)	21,794	15,365	238.98 %	Materials and Supplies have increased substantially over the past 20 years.
10	731 Contractual Services - Engr.		-	-	-		%	
11	732 Contractual Services - Acct.		6,389	83	6,473	6,473	100.00 %	Audit fees have increased substantially in the last twenty years at a rate higher than the CPI Index.
12	733 Contractual Services - Legal	\$ 47	140	5	145	99	211.86 %	Legal fees have increased over the past 20 years.
13	734 Contractual Services - Mgmt Fees		-	-	-		%	
14	735 Contractual Services - Testing	\$ 2,440	13,288	-	13,288	10,848	444.56 %	This pertains to increased testing due to DEP and regulatory requirements Contractual Services in 1987 were combined for "Contractual Services- Accounting and Contractual Services-Other. In 2007, these 2 accounts were split.
16	736 Contractual Services - Other	\$ 11,689	4,045	979	5,023	(6,665)	(57.02) %	
16	741 Rental of Building/Real Prop.	\$ 1,059	-	-	-	(1,059)	(100.00) %	The utility does not have any rent expense in 2007 as a result of owning the building.
17	742 Rental of Equipment		-	-	-		%	
18	750 Transportation Expenses	\$ 601	2,515	4,580	7,096	6,495	1,080.85 %	Transportation expense increased over the past 20 years.
19	756 Insurance - Vehicle		-	-	-		%	
20	757 Insurance - General Liability		-	-	-		%	
21	758 Insurance - Workman's Comp.		-	-	-		%	
22	759 Insurance - Other	\$ 7,098	5,551	2,109	7,660	562	7.92 %	Insurance costs have increased as a result of salary and wage increases.
23	760 Advertising Expense		-	-	-		%	
24	766 Reg. Comm. Exp. - Rate Case Amort.	\$ 8,262	679	21,579	22,258	13,996	169.40 %	Rate case expense has increased substantially over the last 20 years.
25	767 Reg. Comm. Exp. - Other		-	-	-		%	
26	770 Bad Debt Expense	\$ 965	1,217	-	1,217	251	26.04 %	Bad debt expense has increased as a result of an increase in uncollectible accounts due to customers defaulting on payments.
27	775 Miscellaneous Expenses	\$ 9,200	33,215	(501)	32,714	23,514	255.58 %	Other office expenses, office telephone, other office utilities, other office maintenance, and other miscellaneous general expenses have increased substantially over the last 20 years.
28								
29	TOTAL	\$ 108,417	\$ 289,385	\$ 68,074	\$ 357,459	\$ 249,042	229.71 %	
30								
31	Total Customers (ERC's)	1,009.0			1,051.6	43	4.22 %	
32								
33	Consumer Price Index - U	113.50			208.352	94.85	83.57 %	
34								
35	Benchmark Index: Increase in Customer ERC's					1.0422		
36	Increase in CPI					1.8357		
37								
38		108417				1.9132		

Reconciliation of Total Income Tax Provision

Florida Public Service Commission

Company: Miles Grant Water and Sewer Company
 Docket No.: 070695-WS
 Test Year Ended: June 30, 2007
 Interim [] Final [X]
 Historic [X] Projected []

Schedule: C-1 REVISED
 Page 1 of 1
 Preparer: John Hoy

Explanation: Provide a reconciliation between the total operating income tax provision and the currently payable income taxes on operating income for the test year.

Line No.	Description	Ref.	Total Per Books	Utility Adjustments	Utility Adjusted	Water	Sewer
1	Current Tax Expense	C-2	\$ (105,083)	\$ 170,272	\$ 65,189	\$ 26,735	\$ 38,454
2							
3	Deferred Income Tax Expense	C-5	(22,079)	22,079	\$ -		
4							
5	ITC Realized This Year	C-8					
6							
7	ITC Amortization	C-8					
8							
9	Parent Debt Adjustment	C-9	-	-	-	-	-
10							
11	Total Income Tax Expense		\$ (127,162)	\$ 192,351	\$ 65,189	\$ 26,735	\$ 38,454

Supporting Schedules: C-2, C-5, C-8, C-9
 Recap Schedules: B-1, B-2

Company: Miles Grant Water and Sewer Company
 Docket No.: 070695-WS
 Test Year Ended: June 30, 2007
 Historic [X] or Projected []

Florida Public Service Commission
 Schedule: C-1(Interim) REVISED
 Page 1 of 1
 Preparer: John Hoy

Explanation: Provide a reconciliation between the total operating income tax provision and the currently payable income taxes on operating income for the test year.

Line No.	Description	Ref.	Total Per Books	Utility Adjustments	Utility Adjusted	Water	Sewer
1	Current Tax Expense	C-2(f)	\$ (105,083)	\$ 167,455	\$ 62,372	\$ 23,244	\$ 39,128
2							
3	Deferred Income Tax Expense	C-5(f)	(22,079)	22,079	-		
4							
5	ITC Realized This Year	C-8					
6							
7	ITC Amortization	C-8					
8	(3% ITC and IRC 46(f)(2))						
9							
10							
11	Total Income Tax Expense		\$ (127,162)	\$ 189,534	\$ 62,372	\$ 23,244	\$ 39,128
12							

Supporting Schedules: C-2, C-5, C-8, C-9
 Recap Schedules: B-1, B-2

Accumulated Deferred Income Taxes - Summary

Florida Public Service Commission

Company: Miles Grant Water and Sewer Company
 Docket No.: 070695-WS
 Schedule Year Ended: 12/31/2006
 Historic Projected

Schedule: C-6 REVISED
 Page 1 of 6
 Preparer: John Hoy

Explanation: For each of the accumulated deferred tax accounts provide a summary of the ending balances as reported on pages 2 & 3 of this schedule. The same annual balances should be shown.

Line No.	Year	Account No. 190.1011 / 2011			Account No. 190.1012 / 2012			Net Deferred Income Taxes		
		State	Federal	Total	State	Federal	Total	State	Federal	Total
1	1987	-	7,847	7,847	1,142	-	1,142	1,142	(27,549)	(26,407)
2	1988	-	15,570	15,570	2,468	-	2,468	2,468	(34,913)	(32,445)
3	1989	-	36,727	36,727	6,094	-	6,094	6,094	(23,840)	(17,746)
4	1990	-	36,350	36,350	6,032	-	6,032	4,539	(43,103)	(38,564)
5	1991	-	35,604	35,604	5,908	-	5,908	4,072	(73,730)	(69,658)
6	1992	-	37,235	37,235	6,191	-	6,191	5,861	(88,913)	(83,052)
7	1993	-	38,104	38,104	6,343	-	6,343	5,995	(117,337)	(111,342)
8	1994	-	31,312	31,312	5,247	-	5,247	3,149	(117,499)	(114,350)
9	1995	-	40,106	40,106	6,761	-	6,761	5,087	(150,729)	(145,642)
10	1996	-	36,633	36,633	6,176	-	6,176	5,014	(166,541)	(161,527)
11	1997	-	33,705	33,705	5,687	-	5,687	3,114	(199,584)	(196,470)
12	1998	-	30,870	30,870	5,210	-	5,210	3,198	(221,625)	(218,427)
13	1999	-	28,102	28,102	4,748	-	4,748	2,804	(239,704)	(236,900)
14	2000	-	-	-	4,300	25,446	29,746	2,899	(250,877)	(247,978)
15	2001	-	22,829	22,829	3,860	-	3,860	3,002	(261,438)	(258,436)
16	2002	3,428	20,256	23,684	-	-	-	3,106	(280,746)	(277,640)
17	2003	2,998	17,690	20,688	245	1,431	1,676	(275)	(329,340)	(329,615)
18	2004	2,571	15,139	17,710	347	2,025	2,372	(1,972)	(381,281)	(383,253)
19	2005	2,144	12,588	14,732	410	2,393	2,803	(3,151)	(388,167)	(391,318)
20	2006	2,144	12,588	14,732	410	2,393	2,803	377	(369,707)	(369,330)
21	6/30/2007	2,144	12,588	14,732	410	2,393	2,803	353	(375,849)	(375,496)
22		Account No. 190.1020 / 2020			Account No. 190.1021 / 2021			Account No. 190.1000 / 2000		
23	Year	State	Federal	Total	State	Federal	Total	State	Federal	Total
24	1987	-	-	-	-	-	-	-	-	-
25	1988	-	-	-	-	-	-	-	-	-
26	1989	-	-	-	-	-	-	-	(4,146)	(4,146)
27	1990	-	-	-	(1,493)	(8,993)	(10,486)	-	(6,050)	(6,050)
28	1991	-	-	-	(1,836)	(10,710)	(12,546)	-	(8,651)	(8,651)
29	1992	-	-	-	(330)	(1,907)	(2,237)	-	(18,769)	(18,769)
30	1993	(86)	(500)	(586)	(262)	(1,505)	(1,767)	-	(28,195)	(28,195)
31	1994	(124)	(717)	(841)	(1,974)	(11,509)	(13,483)	-	-	-
32	1995	(150)	(871)	(1,021)	(1,524)	(8,877)	(10,401)	-	-	-
33	1996	(93)	(538)	(631)	(1,069)	(6,216)	(7,285)	-	-	-
34	1997	(41)	(236)	(277)	(2,532)	(14,767)	(17,299)	-	-	-
35	1998	(31)	(176)	(207)	(1,981)	(11,575)	(13,556)	-	-	-
36	1999	(1)	1	-	(1,943)	(11,355)	(13,298)	-	-	-
37	2000	(1)	1	-	(1,400)	(8,186)	(9,586)	-	-	-
38	2001	(1)	1	-	(857)	(5,017)	(5,874)	-	-	-
39	2002	(8)	(43)	(51)	(314)	(1,848)	(2,162)	-	-	-
40	2003	-	1	1	(3,518)	(20,564)	(24,082)	-	-	-
41	2004	(17)	(100)	(117)	(4,873)	(28,477)	(33,350)	-	-	-
42	2005	1	1	2	(3,858)	(22,543)	(26,401)	-	-	-
43	2006	(237)	(1,391)	(1,628)	(2,561)	(14,967)	(17,528)	-	-	-
44	6/30/2007	(237)	(1,391)	(1,628)	(2,561)	(14,967)	(17,528)	-	(2,986)	(2,986)

Supporting Schedules: C-7, Pg 2&3
 Recap Schedules: A-18,A-19,D-2

Accumulated Deferred Income Taxes - State

Florida Public Service Commission

Company: Miles Grant Water and Sewer Company
 Schedule Year Ended: 12/31/2006
 Historic [X] Projected []

Schedule: C-6 REVISED
 Page 2 of 6
 Preparer: John Hoy

Explanation: For each of the accumulated deferred tax accounts provide annual balances beginning with the year of the last rate case and ending with the test year.

1	2	Year	Account No. 190.1024 /2024			Account No. 190.1031 / 2031		
			State	Federal	Total	State	Federal	Total
	3	1987	-	-	-	-	(35,396)	(35,396)
	4	1988	-	-	-	-	(50,483)	(50,483)
	5	1989	-	-	-	-	(56,421)	(56,421)
	6	1990	-	-	-	-	(64,410)	(64,410)
	7	1991	-	-	-	-	(89,973)	(89,973)
	8	1992	-	-	-	-	(105,472)	(105,472)
	9	1993	-	-	-	-	(125,241)	(125,241)
	10	1994	-	(510)	(510)	-	(136,075)	(136,075)
	11	1995	-	(1,020)	(1,020)	-	(180,067)	(180,067)
	12	1996	-	(1,530)	(1,530)	-	(194,890)	(194,890)
	13	1997	-	(2,040)	(2,040)	-	(216,246)	(216,246)
	14	1998	-	(2,550)	(2,550)	-	(238,194)	(238,194)
	15	1999	-	(2,550)	(2,550)	-	(253,902)	(253,902)
	16	2000	-	(2,571)	(2,571)	-	(265,567)	(265,567)
	17	2001	-	(2,592)	(2,592)	-	(276,659)	(276,659)
	18	2002	-	(2,613)	(2,613)	-	(296,498)	(296,498)
	19	2003	-	(2,825)	(2,825)	-	(325,073)	(325,073)
	20	2004	-	(3,037)	(3,037)	-	(366,831)	(366,831)
	21	2005	(31)	(3,217)	(3,248)	(1,817)	(377,389)	(379,206)
	22	2006	(62)	(3,397)	(3,459)	683	(364,933)	(364,250)
	23	6/30/2007	(62)	(3,397)	(3,459)	659	(368,089)	(367,430)

Supporting Schedules: C-7, Pg 2&3
 Recap Schedules: A-18,A-19,D-2

Explanation: For each of the accumulated deferred tax accounts provide annual balances beginning with the year of the last rate case and ending with the test year.

Account No. 190.2011 Deferred Tax Debits- Tap Fees						Account No. 190.2012 Deferred Tax Debits- Tap Fees					
Year	Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance	Year	Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance
1987	-				-	1987		1,142			1,142
1988	-				-	1988	1,142	1,326			2,468
1989	-				-	1989	2,468	3,626			6,094
1990	-				-	1990	6,094	(62)			6,032
1991	-				-	1991	6,032	(124)			5,908
1992	-				-	1992	5,908	283			6,191
1993	-				-	1993	6,191	152			6,343
1994	-				-	1994	6,343	(1,096)			5,247
1995	-				-	1995	5,247	1,514			6,761
1996	-				-	1996	6,761	(585)			6,176
1997	-				-	1997	6,176	(489)			5,687
1998	-				-	1998	5,687	(477)			5,210
1999	-				-	1999	5,210	(462)			4,748
2000	-				-	2000	4,748	(448)			4,300
2001	-				-	2001	4,300	(440)			3,860
2002	-	3,428			3,428	2002	3,860	(3,860)			-
2003	3,428	(430)			2,998	2003	-	245			245
2004	2,998	(427)			2,571	2004	245	102			347
2005	2,571	(427)			2,144	2005	347	63			410
2006	2,144				2,144	2006	410				410
6/30/2007	2,144				2,144	6/30/2007	410				410
Account No. 190.2020 Deferred Tax Credits- Rate Case						Account No. 190.2021 Deferred Tax Credits- Maint Fee					
Year	Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance	Year	Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance
1987	-				-	1987	-				-
1988	-				-	1988	-				-
1989	-				-	1989	-				-
1990	-				-	1990	-	(1,493)			(1,493)
1991	-				-	1991	(1,493)	(343)			(1,836)
1992	-				-	1992	(1,836)	1,506			(330)
1993	-	(86)			(86)	1993	(330)	68			(262)
1994	(86)	(38)			(124)	1994	(262)	(1,712)			(1,974)
1995	(124)	(26)			(150)	1995	(1,974)	450			(1,524)
1996	(150)	57			(93)	1996	(1,524)	455			(1,069)
1997	(93)	52			(41)	1997	(1,069)	(1,463)			(2,532)
1998	(41)	10			(31)	1998	(2,532)	551			(1,981)
1999	(31)	30			(1)	1999	(1,981)	38			(1,943)
2000	(1)				(1)	2000	(1,943)	543			(1,400)
2001	(1)				(1)	2001	(1,400)	543			(857)
2002	(1)	(7)			(8)	2002	(857)	543			(314)
2003	(8)	8			-	2003	(314)	(3,204)			(3,518)
2004	-	(17)			(17)	2004	(3,518)	(1,355)			(4,873)
2005	(17)	18			1	2005	(4,873)	1,015			(3,858)
2006	1	(238)			(237)	2006	(3,858)	1,297			(2,561)
6/30/2007	(237)				(237)	6/30/2007	(2,561)				(2,561)

Supporting Schedules: None
 Recap Schedules: C-6

Explanation: For each of the accumulated deferred tax accounts provide annual balances beginning with the year of the last rate case and ending with the test year.

Account No. 190.2024 Deferred T St Tax - Org						Account No. 190.2031 Deferred Tax Credits- Depreciation					
Year	Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance	Year	Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance
1987	-				-	1987	-				-
1988	-				-	1988	-				-
1989	-				-	1989	-				-
1990	-				-	1990	-				-
1991	-				-	1991	-				-
1992	-				-	1992	-				-
1993	-				-	1993	-				-
1994	-				-	1994	-				-
1995	-				-	1995	-				-
1996	-				-	1996	-				-
1997	-				-	1997	-				-
1998	-				-	1998	-				-
1999	-				-	1999	-				-
2000	-				-	2000	-				-
2001	-				-	2001	-				-
2002	-				-	2002	-				-
2003	-				-	2003	-				-
2004	-				-	2004	-				-
2005	-	(31)			(31)	2005	-	(1,817)			(1,817)
2006	(31)	(31)			(62)	2006	(1,817)	2,500			683
6/30/2007	(62)				(62)	6/30/2007	683	(24)			659
Account No. 190.1012 Deferred Tax Debits- Tap Fees						Account No. 190.1011 Deferred Tax Debits- Tap Fees					
Year	Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance	Year	Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance
1987	-				-	1987	-	7,847			7,847
1988	-				-	1988	7,847	7,723			15,570
1989	-				-	1989	15,570	21,157			36,727
1990	-				-	1990	36,727	(377)			36,350
1991	-				-	1991	36,350	(746)			35,604
1992	-				-	1992	35,604	1,631			37,235
1993	-				-	1993	37,235	869			38,104
1994	-				-	1994	38,104	(6,792)			31,312
1995	-				-	1995	31,312	8,794			40,106
1996	-				-	1996	40,106	(3,473)			36,633
1997	-				-	1997	36,633	(2,928)			33,705
1998	-				-	1998	33,705	(2,835)			30,870
1999	-				-	1999	30,870	(2,768)			28,102
2000	-	25,446			25,446	2000	28,102	(28,102)			-
2001	25,446	(25,446)			-	2001	-	22,829			22,829
2002	-				-	2002	22,829	(2,573)			20,256
2003	-	1,431			1,431	2003	20,256	(2,566)			17,690
2004	1,431	594			2,025	2004	17,690	(2,551)			15,139
2005	2,025	368			2,393	2005	15,139	(2,551)			12,588
2006	2,393				2,393	2006	12,588				12,588
6/30/2007	2,393				2,393	6/30/2007	12,588				12,588

Supporting Schedules: None
 Recap Schedules: C-6

Company: Miles Grant Water and Sewer Company

Docket No.: 070695-WS

Schedule Year Ended: 12/31/2005

Historic [X] Projected []

Explanation: For each of the accumulated deferred tax accounts provide annual balances beginning with the year of the last rate case and ending with the test year.

Florida Public Service Commission

Schedule: C-6 REVISED

Page 5 of 6

Preparer: John Hoy

Line No.	Account No. 190.1020 Deferred Tax Credits- Rate Case					Account No. 190.1021 Deferred Tax Credits- Maint Fee						
	Year	Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance	Year	Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance
1												
2	1987					-	1987					-
3	1988	-				-	1988	-				-
4	1989	-				-	1989	-				-
5	1990	-				-	1990	-	(8,993)			(8,993)
6	1991	-				-	1991	(8,993)	(1,717)			(10,710)
7	1992	-				-	1992	(10,710)	8,803			(1,907)
8	1993	-	(500)			(500)	1993	(1,907)	402			(1,505)
9	1994	(500)	(217)			(717)	1994	(1,505)	(10,004)			(11,509)
10	1995	(717)	(154)			(871)	1995	(11,509)	2,632			(8,877)
11	1996	(871)	333			(538)	1996	(8,877)	2,661			(6,216)
12	1997	(538)	302			(236)	1997	(6,216)	(8,551)			(14,767)
13	1998	(236)	60			(176)	1998	(14,767)	3,192			(11,575)
14	1999	(176)	177			1	1999	(11,575)	220			(11,355)
15	2000	1				1	2000	(11,355)	3,169			(8,186)
16	2001	1				1	2001	(8,186)	3,169			(5,017)
17	2002	1	(44)			(43)	2002	(5,017)	3,169			(1,848)
18	2003	(43)	44			1	2003	(1,848)	(18,716)			(20,564)
19	2004	1	(101)			(100)	2004	(20,564)	(7,913)			(28,477)
20	2005	(100)	101			1	2005	(28,477)	5,934			(22,543)
21	2006	1	(1,392)			(1,391)	2006	(22,543)	7,576			(14,967)
22	6/30/2007	(1,391)				(1,391)	6/30/2007	(14,967)				(14,967)
23												
24		Account No. 190.1024 Deferred Tax Credits- Org. Exp.					Account No. 190.1000 Accum Def Income Tax - Fed					
25		Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance	Year	Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance
26	1987					-	1987	-				-
27	1988	-				-	1988	-				-
28	1989	-				-	1989	-	(4,146)			(4,146)
29	1990	-				-	1990	(4,146)	(1,904)			(6,050)
30	1991	-				-	1991	(6,050)	(2,601)			(8,651)
31	1992	-				-	1992	(8,651)	(10,118)			(18,769)
32	1993	-				-	1993	(18,769)	(9,428)			(28,195)
33	1994	-	(510)			(510)	1994	(28,195)	28,195			-
34	1995	(510)	(510)			(1,020)	1995	-				-
35	1996	(1,020)	(510)			(1,530)	1996	-				-
36	1997	(1,530)	(510)			(2,040)	1997	-				-
37	1998	(2,040)	(510)			(2,550)	1998	-				-
38	1999	(2,550)				(2,550)	1999	-				-
39	2000	(2,550)	(21)			(2,571)	2000	-				-
40	2001	(2,571)	(21)			(2,592)	2001	-				-
41	2002	(2,592)	(21)			(2,613)	2002	-				-
42	2003	(2,613)	(212)			(2,825)	2003	-				-
43	2004	(2,825)	(212)			(3,037)	2004	-				-
44	2005	(3,037)	(180)			(3,217)	2005	-				-
45	2006	(3,217)	(180)			(3,397)	2006	-				-
46	6/30/2007	(3,397)				(3,397)	6/30/2007	-	(2,986)			(2,986)

Supporting Schedules: None

Recap Schedules: C-6

Company: Miles Grant Water and Sewer Company
 Docket No.: 070695-WS
 Schedule Year Ended: 12/31/2005
 Historic Projected

Florida Public Service Commission
 Schedule: C-6 REVISED
 Page 6 of 6
 Preparer: John Hoy

Explanation: For each of the accumulated deferred tax accounts provide annual balances beginning with the year of the last rate case and ending with the test year.

Account No. 190.1031 Deferred Tax Credits- Depr						
		Beginning	Current	Flowback	Adjust.	Ending
		Balance	Year	To Curr.	Debit	Balance
			Deferral	Year	(Credit)	
5	1987		(35,396)			(35,396)
6	1988	(35,396)	(15,087)			(50,483)
7	1989	(50,483)	(5,938)			(56,421)
8	1990	(56,421)	(7,989)			(64,410)
9	1991	(64,410)	(25,563)			(89,973)
10	1992	(89,973)	(15,499)			(105,472)
11	1993	(105,472)	(19,769)			(125,241)
12	1994	(125,241)	(10,834)			(136,075)
13	1995	(136,075)	(43,992)			(180,067)
14	1996	(180,067)	(14,823)			(194,890)
15	1997	(194,890)	(21,356)			(216,246)
16	1998	(216,246)	(21,948)			(238,194)
17	1999	(238,194)	(15,708)			(253,902)
18	2000	(253,902)	(11,665)			(265,567)
19	2001	(265,567)	(11,092)			(276,659)
20	2002	(276,659)	(19,839)			(296,498)
21	2003	(296,498)	(28,575)			(325,073)
22	2004	(325,073)	(41,758)			(366,831)
23	2005	(366,831)	(10,558)			(377,389)
24	2006	(377,389)	12,456			(364,933)
25	6/30/2007	(364,933)	(3,156)			(368,089)

Supporting Schedules: None
 Recap Schedules: C-6

Schedule of Requested Cost of Capital
Simple Average Balance

Florida Public Service Commission

Company: Miles Grant Water and Sewer Company
Docket No.: 070695-WS
Test Year Ended: June 30, 2007
Interim Final
Historical Projected

Schedule D-1 REVISED
Page 1 of 1

Preparer: Michelle Rochow

Explanation: Provide a schedule which calculates the requested cost of capital on a simple average basis. If a year-end basis is used, submit an additional schedule reflecting year-end calculations.

(1)	(2)	(3)	(4)	(5)	
Line No.	Class of Capital	Reconciled to Requested Rate Base AYE	Ratio	Cost Rate	Weighted Cost
1	Long Term Debt	1,007,728	38.91%	6.63%	2.58%
2	Short Term Debt	241,049	9.31%	0.25%	0.02%
3	Preferred Stock	-	0.00%	0.00%	0.00%
4	Common Equity	916,983	35.40%	11.78%	4.17%
5	Customer Deposits	17,763	0.69%	6.00%	0.04%
6	Tax Credits - Zero Cost	23,297	0.90%	0.00%	0.00%
7	Tax Credits - Weighted Cost	-	0.00%	0.00%	0.00%
8	Accumulated Deferred Income Tax	383,164	14.79%	0.00%	0.00%
9	Other (Explain)	-	0.00%	0.00%	0.00%
10					
11	Total	<u>2,589,983</u>	<u>100.00%</u>		<u>6.81%</u>

Supporting Schedules: D-2

Recap Schedules: A-1, A-2

Schedule of Requested Cost of Capital
Simple Average Balance

Florida Public Service Commission

Company: Miles Grant Water and Sewer Company

Schedule D-1 (Interim) REVISED

Docket No.: 070695-WS

Page 1 of 1

Schedule Year Ended:

Interim Final

Preparer: Michelle Rochow

Historical Projected

Explanation: Provide a schedule which calculates the requested cost of capital on a simple average basis. If a year-end basis is used, submit an additional schedule reflecting year-end calculations.

(1)	(2)	(3)	(4)	(5)	
Line No.	Class of Capital	Reconciled to Requested Rate Base AYE	Ratio	Cost Rate	Weighted Cost
1	Long Term Debt	915,495	38.28%	6.63%	2.54%
2	Short Term Debt	218,987	9.16%	0.25%	0.02%
3	Preferred Stock	-	0.00%	0.00%	0.00%
4	Common Equity	833,055	34.83%	13.16%	4.58%
5	Customer Deposits	17,763	0.74%	6.00%	0.04%
6	Tax Credits - Zero Cost	23,297	0.97%	0.00%	0.00%
7	Tax Credits - Weighted Cost	-	0.00%	0.00%	0.00%
8	Accumulated Deferred Income Tax	383,164	16.02%	0.00%	0.00%
9	Other (Explain)	-	0.00%	0.00%	0.00%
10					
11	Total	<u>2,391,760</u>	<u>100.00%</u>		<u>7.18%</u>
12					

Supporting Schedules: D-2

Recap Schedules: A-1, A-2

Reconciliation of Capital Structure to Requested Rate Base
Simple Average Balance

Florida Public Service Commission

Company: Miles Grant Water and Sewer Company
Docket No.: 070695-WS
Test Year Ended: June 30, 2007
Interim [] Final [x]
Historical [x] Projected []

Schedule D-2 REVISED
Page 1 of 1

Preparer: Michelle Rochow

Explanation: Provide a reconciliation of the simple average structure to requested rate base. Explain all adjustments. Submit an additional schedule if a year-end basis is used.

Line No.	(1) Class of Capital	(2)	(3)	(4)	(5) Reconciliation Adjustments		(7)
		6/30/2006 Prior Year Balance	6/30/2007 Test Year Balance	Simple Average	Pro Rata	Pro Rata Percentage	Reconciled to Requested Rate Base AYE
1	Long Term Debt	180,000,000	97,275,520	138,637,760	(137,630,032)	46.53%	1,007,728
2	Short Term Debt	-	66,317,000	33,158,500	(32,917,451)	11.13%	241,049
3	Preferred Stock	-	-	-	-	0.00%	-
4	Common Equity	158,486,069	93,830,258	126,158,164	(125,241,181)	42.34%	916,983
5	Customer Deposits	17,575	17,950	17,763	-	n/a	17,763
6	Tax Credits - Zero Cost	23,650	22,944	23,297	-	n/a	23,297
7	Tax Credits - Weighted Cost	-	-	-	-	0.00%	-
8	Accumulated Deferred Income Taxes	390,831	375,496	383,164	-	n/a	383,164
9	Other (Explain)	-	-	-	-	0.00%	-
10							
11	Total	<u>338,918,125</u>	<u>257,839,168</u>	<u>298,378,648</u>	<u>(295,788,665)</u>	<u>100.00%</u>	<u>2,589,983</u>
12							
13							

14 Notes: Long term debt, short tem debt, preferred stock, and common equity are actual for Miles Grant's parent company, Utilities, Inc.

Supporting Schedules: A-19, C-7, C-8, D-3, D-4, D-5, D-7

Recap Schedules: D-1

Reconciliation of Capital Structure to Requested Rate Base
Simple Average Balance

Florida Public Service Commission

Company: Miles Grant Water and Sewer Company
Docket No.: 070695-WS
Schedule Year Ended:
Interim Final
Historical Projected

Schedule D-2 (Interim) REVISED
Page 1 of 1

Preparer: Michelle Rochow

Explanation: Provide a reconciliation of the simple average structure to requested rate base. Explain all adjustments. Submit an additional schedule if a year-end basis is used.

Line No.	(1) Class of Capital	(2) Prior Year Balance	(3) Test Year Balance	(4) Simple Average	(5) (6) Reconciliation Adjustments		(7) Reconciled to Requested Rate Base AYE
					Pro Rata	Pro Rata Percentage	
1	Long Term Debt	180,000,000	97,275,520	138,637,760	(137,722,265)	46.53%	915,495
2	Short Term Debt	-	66,317,000	33,158,500	(32,939,513)	11.13%	218,987
3	Preferred Stock	-	-	-	-	0.00%	-
4	Common Equity	158,486,069	93,830,258	126,158,164	(125,325,109)	42.34%	833,055
5	Customer Deposits	17,575	17,950	17,763	-	n/a	17,763
6	Tax Credits - Zero Cost	23,650	22,944	23,297	-	n/a	23,297
7	Tax Credits - Weighted Cost	-	-	-	-	0.00%	-
8	Accumulated Deferred Income Taxes	390,831	375,496	383,164	-	n/a	383,164
9	Other (Explain)	-	-	-	-	0.00%	-
10							
11	Total	<u>338,918,125</u>	<u>257,839,168</u>	<u>298,378,648</u>	<u>(295,986,888)</u>	<u>100.00%</u>	<u>2,391,760</u>
12							
13							

14 Notes: Long term debt, short term debt, preferred stock, and common equity are actual for Miles Grant's parent company, Utilities, Inc.

Supporting Schedules: A-19, C-7, C-8, D-3, D-4, D-5, D-7

Recap Schedules: D-1

Company: Utilities, Inc. of Florida
 Docket No.: 070695-WS
 Test Year Ended: June 30, 2007

Schedule: A-18 REVISED
 Page 1 of 1
 Preparer: John Hoy

Explanation: Provide a balance sheet for years requested. Provide same for historical base or intermediate years, if not already shown.

Line No.	(1) ASSETS	(2) Prior Year Ended 6/30/06	(3) Test Year Ended 6/30/07	(4) Adjustments	(5) Adjusted Test Year	(6) Average
1	Utility Plant in Service	\$ 3,839,136	\$ 4,040,205		\$ 4,040,205	\$ 3,939,670
2	Construction Work in Progress	9,254	524,073		524,073	266,663
3	Other Utility Plant Adjustments					
4						
5	GROSS UTILITY PLANT	3,848,390	4,564,278	-	4,564,278	4,206,334
6	Less: Accumulated Depreciation	(1,114,479)	(1,251,844)		(1,251,844)	(1,183,162)
7						
8	NET UTILITY PLANT	2,733,910	3,312,434	-	3,312,434	3,023,172
9						
10	Cash	93	-		-	46
11	Accounts Rec'b - trade	62,924	67,718		67,718	65,321
12	Notes Receivable					
13	Accts. Rec'b - Assoc. Cos.					
14	Notes Rec'b - Assoc. Cos.					
15	Accts. Rec'b - Other					
16	Accrued Interest Rec'b					
17	Allowance for Bad Debts					
18	Materials & Supplies					
19	Miscellaneous Current & Accrued Assets	750	750		750	750
20						
21	TOTAL CURRENT ASSETS	63,767	68,468	-	68,468	66,117
22						
23	Net nonutility property					
24	Unamortized Debt Discount & Exp.					
25	Prelim. Survey & Investigation Charges					
26	Clearing Accounts					
27	Deferred Rate Case Expense	2,386	4,611	(1,918)	2,693	2,540
28	Other Miscellaneous Deferred Debits	58,548	36,083	1,338	37,421	47,985
29	Accum. Deferred Income Taxes	(390,831)	(375,496)	-	(375,496)	(383,164)
30	TOTAL OTHER ASSETS	(329,897)	(334,801)	(580)	(335,381)	(332,639)
31						
32	TOTAL ASSETS	\$ 2,467,780	\$ 3,046,101	\$ (580)	\$ 3,045,521	\$ 2,756,650

Company: Utilities, Inc. of Florida
 Docket No.: 070695-WS
 Test Year Ended: June 30, 2007

Schedule: A-19 REVISED
 Page 1 of 1
 Preparer: John Hoy

Explanation: Provide a balance sheet for years requested. Provide same for historical base or intermediate years, if not already shown.

Line No.	(1) EQUITY CAPITAL & LIABILITIES	(2) Prior Year Ended 6/30/06	(3) Test Year Ended 6/30/07	(4) Adjustments	(5) Adjusted Test Year	(6) Average
1	Common Stock Issued	\$ 1,000	\$ 1,000		\$ 1,000	\$ 1,000
2	Preferred Stock Issued					
3	Additional Paid in Capital	1,646,916	1,678,796		1,678,796	1,662,856
4	Retained Earnings	439,680	285,785	(580)	285,205	362,441
5	Other Equity Capital					
6						
7	TOTAL EQUITY CAPITAL	2,087,596	1,965,581	(580)	1,965,001	2,026,297
8						
9	Bonds					
10	Reacquired Bonds					
11	Advances From Associated Companies	1,906,240	2,300,043		2,300,043	2,103,142
12	Other Long-Term Debt					
13						
14	TOTAL LONG-TERM DEBT	1,906,240	2,300,043	-	2,300,043	2,103,142
15						
16	Accounts Payable	8,818	3,292		3,292	6,055
17	Notes Payable					
18	Notes & Accounts Payable - Assoc. Cos.	(2,058,478)	(1,719,405)		(1,719,405)	(1,888,941)
19	Customer Deposits	17,575	17,950		17,950	17,763
20	Accrued Taxes	29,649	26,648		26,648	28,148
21	Current Portion Long Term Debt					
22	Accrued Interest	(1,144)	(1,126)		(1,126)	(1,135)
23	Accrued Dividends					
24	Misc. Current and Accrued Liabilities					
25						
26	TOTAL CURRENT & ACCRUED LIABILITIES	(2,003,580)	(1,672,641)	-	(1,672,641)	(1,838,110)
27						
28	Advances for Construction					
29	Prepaid Capacity Charges					
30	Accum. Deferred ITC's	23,650	22,944		22,944	23,297
31	Operating Reserves					
32						
33	TOTAL DEFERRED CREDITS & OPER. RESERVES	23,650	22,944	-	22,944	23,297
34						
35	Contributions In Aid of Construction	751,995	751,995		751,995	751,995
36	Less: Accum. Amortization of CIAC	(298,121)	(321,821)		(321,821)	(309,971)
37						
38	Accumulated Deferred Income Taxes					
39						
40	Total Equity Capital and Liabilities	\$ 2,467,780	\$ 3,046,101	\$ (580)	\$ 3,045,521	\$ 2,756,650

Deferred Income Tax Expense (Final) - Water

Florida Public Service Commission

Company: Miles Grant Water and Sewer Company
 Docket No.: 070695-WS
 Schedule Year Ended: June 30, 2007
 Historic [X] Projected []

Schedule: C-5 REVISED
 Page 1 of 2
 Preparer: John Hoy

Explanation: Provide the calculation of total deferred income tax expense for the test year. Provide detail on items resulting in tax deferrals other than accelerated depreciation.

Line No.	Description	Total Per Books	Adjustments	Utility Adjusted	Utility Adjustments	Water
1	Timing Differences:					
2						
3	Tax Depreciation and Amortization	\$ 84,994	\$ -	\$ 84,994	\$ (84,994)	\$ -
4	Book Depreciation and Amortization	151,703	(85,333)	66,370	(66,370)	-
5						
6	Difference	(66,709)	85,333	18,624	(18,624)	-
7						
8	Other Timing Differences (Itemize):					
9	Tap Fees			-		-
10	Deferred ITC Amortization	432		432	(432)	-
11	Deferred Maintenance Additions	-	690	690	(690)	-
12	Deferred Maintenance Amortization	(12,367)		(12,367)	12,367	-
13	Deferred Rate Case Additions	1,147	(988)	159	(159)	-
14	Deferred Rate Case Amortization	(721)	(988)	(1,709)	1,709	-
15						
16	Total Timing Differences (To C-2)	(78,218)	84,047	5,829	(5,829)	-
17						
18	State Tax Rate	0.055	0.055	0.055		0.055
19	State Deferred Taxes (Line 15 x Line 17)	(4,302)	4,623	321	(321)	-
20	(Limited by NOL)					
21	State Tax Deferred	(4,302)	4,623	321	(321)	-
22	Total State Tax Deferred	(4,302)	4,623	321	(321)	-
23						
24	Timing Differences For Federal Deferred Taxes (Line 16 - 21)	(73,916)	79,424	5,508	(5,508)	-
25						
26	Federal Tax Rate	0.34	0.34	0.34	0.34	0.34
27						
28	Federal Deferred Taxes (Line 23 x Line 24)	(25,131)	27,004	1,873	(1,873)	-
29						
30	Add: State Deferred Taxes (Line 20)	(4,302)	4,623	321	(321)	-
31						
32	Total Deferred Tax Expense (To C-1)	\$ (29,433)	\$ 31,627	\$ 2,194	\$ (2,194)	\$ -

Supporting Schedules: None
 Recap Schedules: C-2

Company: Miles Grant Water and Sewer Company
 Docket No.: 070695-WS
 Schedule Year Ended: June 30, 2007
 Historic Projected

Schedule: C-5 REVISED
 Page 2 of 2
 Preparer: John Hoy

Explanation: Provide the calculation of total deferred income tax expense for the test year. Provide detail on items resulting in tax deferrals other than accelerated depreciation.

Line No.	Description	Total Per Books	Adjustments	Utility Adjusted	Utility Adjustments	Sewer
1	Timing Differences:					
2						
3	Tax Depreciation and Amortization	\$ 86,657	\$ -	\$ 86,657	\$ (86,657)	\$ -
4	Book Depreciation and Amortization	56,172	20,325	76,497	(76,497)	-
5						
6	Difference	30,485	(20,325)	10,160	(10,160)	-
7						
8	Other Timing Differences (Itemize):					
9	Tap Fees	-		-	-	-
10	Deferred ITC Amortization	288		288	(288)	-
11	Deferred Maintenance Additions		648	648	(648)	-
12	Deferred Maintenance Amortization	(11,632)		(11,632)	11,632	-
13	Deferred Rate Case Additions	1,079	(930)	149	(149)	-
14	Deferred Rate Case Amortization	(678)	(930)	(1,608)	1,608	-
15						
16	Total Timing Differences (To C-2)	19,542	(21,537)	(1,995)	1,995	-
17						
18	State Tax Rate	0.055	0.055	0.055	0.055	0.055
19	State Deferred Taxes (Line 16 x Line 18)	1,075	(1,185)	(110)	110	-
20	(Limited by NOL)					
21	Total State Tax Deferred	1,075	(1,185)	(110)	110	-
22						
23	Timing Differences For Federal Deferred Taxes					
24	(Line 15 - 18)	18,467	(20,352)	(1,885)	1,885	-
25	Federal Tax Rate	0.34	0.34	0.34	0.34	0.34
26						
27	Federal Deferred Taxes (Line 23 x Line 24)	6,279	(6,920)	(641)	641	-
28	Add: State Deferred Taxes (Line 21)	1,075	(1,185)	(110)	110	-
29						
30	Total Deferred Tax Expense (To C-1)	\$ 7,354	\$ (8,105)	\$ (751)	\$ 751	\$ -

Supporting Schedules: None
 Recap Schedules: C-2

Deferred Income Tax Expense (Interim) - Water

Florida Public Service Commission

Company: Miles Grant Water and Sewer Company
 Docket No.: 070695-WS
 Schedule Year Ended: June 30, 2007
 Historic [X] Projected []

Schedule: C-5(Interim) REVISED
 Page 1 of 2
 Preparer: John Hoy

Explanation: Provide the calculation of total deferred income tax expense for the test year. Provide detail on items resulting in tax deferrals other than accelerated depreciation.

Line No.	Description	Total Per Books	Adjustments	Utility Adjusted	Utility Adjustments	Water
1	Timing Differences:					
2						
3	Tax Depreciation and Amortization	\$ 84,994	\$ -	\$ 84,994	\$ (84,994)	-
4	Book Depreciation and Amortization	151,703	(85,333)	66,370	(66,370)	-
5						
6	Difference	(66,709)	85,333	18,624	(18,624)	-
7						
8	Other Timing Differences (Itemize):					
9	Deferred ITC Amortization	432		432	(432)	-
9	Tap Fees	-		-	-	-
10	Deferred Maintenance Additions	-	690	690	(690)	-
11	Deferred Maintenance Amortization	(12,367)		(12,367)	12,367	-
12	Deferred Rate Case Additions	1,147	(988)	159	(159)	-
13	Deferred Rate Case Amortization	(721)	(988)	(1,709)	1,709	-
14						
15	Total Timing Differences (To C-2)	(78,218)	84,047	5,829	(5,829)	-
16						
17	State Tax Rate	0.055	0.055	0.055	0.055	0.055
18	State Deferred Taxes (Line 15 x Line 17)	(4,302)	4,623	321	(321)	-
19	(Limited by NOL)					
20	Total State Tax Deferred	(4,302)	4,623	321	(321)	-
21						
22	Timing Differences For Federal Deferred Taxes					
23	(Line 15 - 20)	(73,916)	79,424	5,508	(5,508)	-
24	Federal Tax Rate	0.34	0.34	0.34	0.34	0.34
25						
26	Federal Deferred Taxes (Line 23 x Line 24)	(25,131)	27,004	1,873	(1,873)	-
27	Add: State Deferred Taxes (Line 20)	(4,302)	4,623	321	(321)	-
28						
29	Total Deferred Tax Expense (To C-1)	\$ (29,433)	\$ 31,627	\$ 2,194	\$ (2,194)	\$ -

Supporting Schedules: None
 Recap Schedules: C-2

Deferred Income Tax Expense (Interim) - Sewer

Florida Public Service Commission

Company: Miles Grant Water and Sewer Company
 Docket No.: 070695-WS
 Schedule Year Ended: June 30, 2007
 Historic Projected

Schedule: C-5(Interim) REVISED
 Page 2 of 2
 Preparer: John Hoy

Explanation: Provide the calculation of total deferred income tax expense for the test year. Provide detail on items resulting in tax deferrals other than accelerated depreciation.

Line No.	Description	Total Per Books	Adjustments	Utility Adjusted	Utility Adjustments	Sewer
1	Timing Differences:					
2						
3	Tax Depreciation and Amortization	\$ 86,657	\$ -	\$ 86,657	\$ (86,657)	\$ -
4	Book Depreciation and Amortization	56,172	20,325	76,497	(76,497)	-
5						
6	Difference	30,485	(20,325)	10,160	(10,160)	-
7						
8	Other Timing Differences (Itemize):					
9	Tap Fees	-		-	-	-
10	Deferred ITC Amortization	288		288	(288)	-
10	Deferred Maintenance Additions		648	648	(648)	-
11	Deferred Maintenance Amortization	(11,632)		(11,632)	11,632	-
12	Deferred Rate Case Additions	1,079	(930)	149	(149)	-
13	Deferred Rate Case Amortization	(678)	(930)	(1,608)	1,608	-
14						
15	Total Timing Differences (To C-2)	19,542	(21,537)	(1,995)	1,995	-
16						
17	State Tax Rate	0.055	0.055	0.055	0.055	0.055
18	State Deferred Taxes (Line 15 x Line 17)	1,075	(1,185)	(110)	110	-
19	(Limited by NOL)					
20	Total State Tax Deferred	1,075	(1,185)	(110)	110	-
21						
22	Timing Differences For Federal Deferred Taxes					
23	(Line 15 - 20)	18,467	(20,352)	(1,885)	1,885	-
24	Federal Tax Rate	0.34	0.34	0.34	0.34	0.34
25						
26	Federal Deferred Taxes (Line 23 x Line 24)	6,279	(6,920)	(641)	641	-
27	Add: State Deferred Taxes (Line 21)	1,075	(1,185)	(110)	110	-
28						
29	Total Deferred Tax Expense (To C-1)	\$ 7,354	\$ (8,105)	\$ (751)	\$ 751	\$ -

Supporting Schedules: None
 Recap Schedules: C-2