

LAW OFFICES
ROSE, SUNDBSTROM & BENTLEY, LLP
2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

FREDERICK L. ASCHAUER, JR.
CHRIS H. BENTLEY, P.A.
ROBERT C. BRANNAN
F. MARSHALL DETERDING
JOHN R. JENKINS, P.A.
KYLE L. KEMPER
STEVEN T. MINDLIN, P.A.
CHASITY H. O'STEEN
DAREN L. SHIPPY
WILLIAM E. SUNDBSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON
ROBERT M. C. ROSE (1924-2006)

(850) 877-6555
FAX (850) 656-4029
www.rsbatorneys.com

REPLY TO CENTRAL FLORIDA OFFICE

April 10, 2008

E-Filing

CENTRAL FLORIDA OFFICE
SANLANDO CENTER
2180 W. STATE ROAD 434, SUITE 2118
LONGWOOD, FLORIDA 32779
(407) 830-6331
FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A.
BRIAN J. STREET

CHRISTIAN W. MARCELLI, OF COUNSEL
(LICENSED IN NEW YORK ONLY)

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:

DEFIENCIES 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.

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:

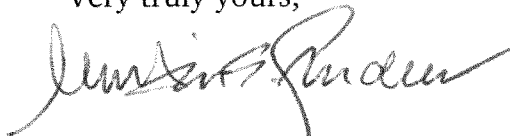
Please see the attached revised Schedule C-5 Revised and Schedule C-5 (Interim) Revised.

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)

M:\1 ALTAMONTE\UTILITIES INC\MILES GRANT\(.149) 2007 RATE CASE\PSC Clerk 03 (Respond to Deficiencies).ltr.doc

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. 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.	-	-	-	-	-	
10	632 Contractual Services - Acct.	-	6,785	89	6,873	100.00 %	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.
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 finalized accounts that were written off
26	675 Miscellaneous Expenses	9,120	20,896	(533)	11,243	123.28 %	Other office expenses, office telephone, other office utilities, other office maintenance, and other miscellaneous general expenses have increased substantially over the last 20 years.
27	TOTAL	\$ 99,620	\$ 186,172	\$ 75,256	\$ 186,172	3.120	3.13 %
29	Total Customers (ERC's)	1,025.0	1,118.1	93	9.08	9.08 %	
31	Consumer Price Index - U	113.50	208.352	94.85	83.57	83.57 %	
33	Benchmark Index: Increase in Customer ERC's				1,0908		
34	Increase in CPI				1,8357		
35					2,0024		
36							
37							
38							

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.	\$ 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.
3	704 Employee Pensions & Benefits	\$ 10,164	40,164	-	40,164	30,000	295.15 %	Sludge volume and unit disposal cost have increased over the past 20 years.
4	710 Purchased Sewage Treatment	\$ 16,165	31,791	-	31,791	15,626	96.66 %	Purchase power costs have increased at a rate higher than the CPI index.
5	711 Sludge Removal Expense	\$ 2,321	20,259	-	20,259	17,938	772.86 %	Cost of chemicals has increased substantially over the past 20 years.
6	715 Purchased Power	\$ 6,429	21,804	(10)	21,794	15,365	238.98 %	Materials and Supplies have increased substantially over the past 20 years.
7	716 Fuel for Power Purchased	\$ 47	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.
8	718 Chemicals	\$ 2,440	13,288	-	13,288	10,848	444.56 %	Legal fees have increased over the past 20 years.
9	720 Materials & Supplies	\$ 11,669	4,045	979	5,023	(6,665)	(57.02) %	This pertains to increased testing due to DEP and regulatory requirements.
10	731 Contractual Services - Engr.	\$ 1,059	-	-	-	(1,059)	(100.00) %	Contractual Services in 1987 were combined for "Contractual Services- Accounting and Contractual Services-Other. In 2007, these 2 accounts were split.
11	732 Contractual Services - Acct.	\$ 601	2,515	4,580	7,096	6,495	1,080.85 %	The utility does not have any rent expense in 2007 as a result of owning the building.
12	733 Contractual Services - Legal	\$ 7,098	5,551	2,109	7,660	562	7.92 %	Transportation expense increased over the past 20 years.
13	734 Contractual Services - Mgmt Fees	\$ 8,252	679	21,579	22,258	13,996	169.40 %	Insurance costs have increased as a result of salary and wage increases.
14	735 Contractual Services - Testing	\$ 965	1,217	-	1,217	251	26.04 %	Rate case expense has increased substantially over the last 20 years.
15	736 Contractual Services - Other	\$ 9,200	33,215	(501)	32,714	23,514	255.58 %	Bad debt expense has increased as a result of an increase in uncollectible accounts due to customers defaulting on payments.
16	741 Rental of Building/Real Prop.	\$ 108,417	\$ 289,385	\$ 68,074	\$ 357,459	\$ 249,042	229.71 %	Other office expenses, office telephone, other office utilities, other office maintenance, and other miscellaneous general expenses have increased substantially over the last 20 years.
17	742 Rental of Equipment							
18	750 Transportation Expenses							
19	756 Insurance - Vehicle							
20	757 Insurance - General Liability							
21	758 Insurance - Workman's Comp.							
22	759 Insurance - Other							
23	760 Advertising Expense							
24	765 Reg. Comm. Exp. - Rate Case Amort.							
25	767 Reg. Comm. Exp. - Other							
26	770 Bad Debt Expense							
27	775 Miscellaneous Expenses							
28	TOTAL	\$ 1,009.0	\$ 289,385	\$ 68,074	\$ 357,459	\$ 249,042	229.71 %	
29								
30								
31	Total Customers (ERC's)	1,009.0			1,051.6	43	4.22 %	
32	Consumer Price Index - U	113.50			208,352	94,85	83.57 %	
33								
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(l)	\$ (105,083)	\$ 167,455	\$ 62,372	\$ 23,244	\$ 39,128
2							
3	Deferred Income Tax Expense	C-5(l)	(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

Schedule: C-6 REVISED

Docket No.: 070695-WS

Page 1 of 6

Schedule Year Ended: 12/31/2005

Preparer: John Hoy

Historic [X] Projected []

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			Account No. 190.1000 / 2000		
		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	6,032	(43,103)	(38,564)
5	1991	-	35,604	35,604	5,908	-	5,908	5,908	(73,730)	(69,658)
6	1992	-	37,235	37,235	6,191	-	6,191	6,191	(86,913)	(83,052)
7	1993	-	38,104	38,104	6,343	-	6,343	6,343	(117,337)	(111,342)
8	1994	-	31,312	31,312	5,247	-	5,247	5,247	(117,499)	(114,350)
9	1995	-	40,106	40,106	6,761	-	6,761	6,761	(150,729)	(145,642)
10	1996	-	36,633	36,633	6,176	-	6,176	6,176	(166,541)	(161,527)
11	1997	-	33,705	33,705	5,687	-	5,687	5,687	(199,584)	(196,470)
12	1998	-	30,870	30,870	5,210	-	5,210	5,210	(221,625)	(218,427)
13	1999	-	28,102	28,102	4,748	-	4,748	4,748	(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	3,860	(261,438)	(258,436)
16	2002	3,428	20,256	23,684	-	-	-	3,106	(280,746)	(277,640)
17	2003	2,988	17,690	20,678	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)	(391,318)	(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)
		Account No. 190.1020 / 2020			Account No. 190.1021 / 2021			Account No. 190.1000 / 2000		
		State	Federal	Total	State	Federal	Total	State	Federal	Total
23	1987	-	-	-	-	-	-	-	-	-
24	1988	-	-	-	-	-	-	-	-	-
25	1989	-	-	-	-	-	-	-	-	-
26	1990	-	-	-	-	-	-	-	-	-
27	1991	-	-	-	(1,493)	(8,993)	(10,486)	(4,146)	(6,050)	(4,146)
28	1992	-	-	-	(1,836)	(10,710)	(12,546)	(6,651)	(8,651)	(6,651)
29	1993	(86)	(500)	(586)	(330)	(1,907)	(2,237)	(18,769)	(18,769)	(18,769)
30	1994	(124)	(717)	(841)	(1,974)	(11,509)	(13,483)	(28,195)	(28,195)	(28,195)
31	1995	(150)	(871)	(1,021)	(1,524)	(8,877)	(10,401)	-	-	-
32	1996	(93)	(536)	(631)	(1,069)	(6,216)	(7,285)	-	-	-
33	1997	(41)	(236)	(277)	(2,532)	(14,767)	(17,299)	-	-	-
34	1998	(31)	(176)	(207)	(1,981)	(11,575)	(13,556)	-	-	-
35	1999	(1)	1	-	(1,943)	(11,355)	(13,298)	-	-	-
36	2000	(1)	1	-	(1,400)	(8,186)	(9,586)	-	-	-
37	2001	(1)	1	-	(857)	(5,017)	(5,874)	-	-	-
38	2002	(8)	(43)	(51)	(314)	(1,848)	(2,162)	-	-	-
39	2003	-	(100)	(117)	(4,873)	(28,477)	(33,350)	-	-	-
40	2004	1	1	2	(3,858)	(14,967)	(17,528)	-	-	-
41	2005	(237)	(1,391)	(1,628)	(2,561)	(14,967)	(17,528)	-	-	-
42	2006	(237)	(1,391)	(1,628)	(2,561)	(14,967)	(17,528)	-	-	-
43	6/30/2007	(237)	(1,391)	(1,628)	(2,561)	(14,967)	(17,528)	-	-	-
44									(2,986)	(2,986)

Accumulated Deferred Income Taxes - State

Florida Public Service Commission

Company: Miles Grant Water and Sewer Company
 Schedule Year Ended: 12/31/2005
 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.

	Year	Account No. 190.1024/2024			Account No. 190.1031 / 2031		
		State	Federal	Total	State	Federal	Total
1							
2							
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
1	1987	-	-	-	-	-	1987	1,142	1,142	-	-	1,142
2	1988	-	-	-	-	-	1988	1,326	1,326	-	-	2,468
3	1989	-	-	-	-	-	1989	2,468	2,468	-	-	6,094
4	1990	-	-	-	-	-	1990	6,094	(62)	-	-	6,032
5	1991	-	-	-	-	-	1991	6,032	(124)	-	-	5,908
6	1992	-	-	-	-	-	1992	5,908	283	-	-	6,191
7	1993	-	-	-	-	-	1993	6,191	152	-	-	6,343
8	1994	-	-	-	-	-	1994	6,343	(1,096)	-	-	5,247
9	1995	-	-	-	-	-	1995	5,247	1,514	-	-	6,761
10	1996	-	-	-	-	-	1996	6,761	(585)	-	-	6,176
11	1997	-	-	-	-	-	1997	6,176	(489)	-	-	5,687
12	1998	-	-	-	-	-	1998	5,687	(477)	-	-	5,210
13	1999	-	-	-	-	-	1999	5,210	(462)	-	-	4,748
14	2000	-	-	-	-	-	2000	4,748	(448)	-	-	4,300
15	2001	-	-	-	-	-	2001	4,300	(440)	-	-	3,860
16	2002	-	3,428	-	-	3,428	2002	3,860	(3,860)	-	-	-
17	2003	3,428	(430)	-	-	2,998	2003	-	245	-	-	245
18	2004	2,998	(427)	-	-	2,571	2004	245	102	-	-	347
19	2005	2,571	(427)	-	-	2,144	2005	347	63	-	-	410
20	2006	2,144	-	-	-	2,144	2006	410	-	-	-	410
21	6/30/2007	2,144	-	-	-	2,144	6/30/2007	410	-	-	-	410
22												
23												
24												
25												
26												
27												
28												
29												
30	1987	-	-	-	-	-	1987	-	-	-	-	-
31	1988	-	-	-	-	-	1988	-	-	-	-	-
32	1989	-	-	-	-	-	1989	-	-	-	-	-
33	1990	-	-	-	-	-	1990	-	-	-	-	-
34	1991	-	-	-	-	-	1991	(1,493)	(343)	-	-	(1,493)
35	1992	-	-	-	-	-	1992	(1,836)	1,506	-	-	(330)
36	1993	-	(86)	-	-	(86)	1993	(330)	68	-	-	(262)
37	1994	(86)	(38)	-	-	(124)	1994	(262)	(1,712)	-	-	(1,974)
38	1995	(124)	(26)	-	-	(150)	1995	(1,974)	450	-	-	(1,524)
39	1996	(150)	57	-	-	(93)	1996	(1,524)	455	-	-	(1,069)
40	1997	(93)	52	-	-	(41)	1997	(1,069)	(1,463)	-	-	(2,532)
41	1998	(41)	10	-	-	(31)	1998	(2,532)	551	-	-	(1,981)
42	1999	(31)	30	-	-	(1)	1999	(1,981)	38	-	-	(1,943)
43	2000	(1)	-	-	-	(1)	2000	(1,943)	543	-	-	(1,400)
44	2001	(1)	-	-	-	(1)	2001	(1,400)	543	-	-	(857)
45	2002	(1)	(7)	-	-	(8)	2002	(857)	543	-	-	(314)
46	2003	(8)	8	-	-	-	2003	(314)	(3,204)	-	-	(3,518)
47	2004	-	(17)	-	-	(17)	2004	(3,518)	1,015	-	-	(4,873)
48	2005	(17)	18	-	-	1	2005	(4,873)	1,297	-	-	(3,856)
49	2006	1	(238)	-	-	(237)	2006	(3,856)	-	-	-	(2,561)
50	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
1	1987	-	-	-	-	-	1987	-	-	-	-	-
2	1988	-	-	-	-	-	1988	-	-	-	-	-
3	1989	-	-	-	-	-	1989	-	-	-	-	-
4	1990	-	-	-	-	-	1990	-	-	-	-	-
5	1991	-	-	-	-	-	1991	-	-	-	-	-
6	1992	-	-	-	-	-	1992	-	-	-	-	-
7	1993	-	-	-	-	-	1993	-	-	-	-	-
8	1994	-	-	-	-	-	1994	-	-	-	-	-
9	1995	-	-	-	-	-	1995	-	-	-	-	-
10	1996	-	-	-	-	-	1996	-	-	-	-	-
11	1997	-	-	-	-	-	1997	-	-	-	-	-
12	1998	-	-	-	-	-	1998	-	-	-	-	-
13	1999	-	-	-	-	-	1999	-	-	-	-	-
14	2000	-	-	-	-	-	2000	-	-	-	-	-
15	2001	-	-	-	-	-	2001	-	-	-	-	-
16	2002	-	-	-	-	-	2002	-	-	-	-	-
17	2003	-	-	-	-	-	2003	-	-	-	-	-
18	2004	-	-	-	-	-	2004	-	-	-	-	-
19	2005	-	(31)	-	-	(31)	2005	(1,817)	-	-	(1,817)	-
20	2006	(31)	(31)	-	-	(62)	2006	2,500	-	-	2,500	683
21	6/30/2007	(62)	-	-	-	(62)	6/30/2007	683	(24)	-	-	659
22												
23												
24												
25												
26												
27												
28												
29												
30												
31												
32												
33												
34												
35												
36												
37												
38												
39												
40												
41												
42												
43												
44												
45												
46												
47												
48												
49												
50												
Supporting Schedules:												
Recap Schedules:												

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										
	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)
1	1987	-	-	-	-	-	1987	-	-	-	-
4	1988	-	-	-	-	-	1988	-	-	-	-
5	1989	-	-	-	-	-	1989	-	-	-	-
6	1990	-	-	-	-	-	1990	-	-	-	-
7	1991	-	-	-	-	-	1991	-	-	-	-
8	1992	-	-	-	-	-	1992	-	-	-	-
9	1993	-	(500)	-	-	(500)	1993	(8,993)	(8,993)	-	(8,993)
10	1994	(500)	(217)	-	-	(717)	1994	(1,907)	(1,717)	-	(10,710)
11	1995	(717)	(154)	-	-	(871)	1995	(1,505)	402	-	(1,505)
12	1996	(871)	333	-	-	(538)	1996	(11,509)	2,632	-	(11,509)
13	1997	(538)	302	-	-	(236)	1997	(8,877)	2,661	-	(8,877)
14	1998	(236)	60	-	-	(176)	1998	(6,216)	(8,551)	-	(6,216)
15	1999	(176)	177	-	-	1	1999	(14,767)	3,192	-	(14,767)
16	2000	1	-	-	-	1	2000	(11,575)	220	-	(11,575)
17	2001	1	-	-	-	1	2001	(11,355)	3,169	-	(8,186)
18	2002	1	(44)	-	-	(43)	2002	(6,186)	3,169	-	(5,017)
19	2003	(43)	44	-	-	1	2003	(5,017)	3,169	-	(1,848)
20	2004	1	(101)	-	-	(100)	2004	(1,848)	(18,716)	-	(20,564)
21	2005	(100)	101	-	-	1	2005	(20,564)	(7,913)	-	(28,477)
22	2006	1	(1,392)	-	-	(1,391)	2006	(28,477)	5,934	-	(22,543)
23	6/30/2007	(1,391)	-	-	-	(1,391)	6/30/2007	(22,543)	7,576	-	(14,967)

Line No.	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)
25	1987	-	-	-	-	-	1987	-	-	-	-
26	1988	-	-	-	-	-	1988	-	-	-	-
27	1989	-	-	-	-	-	1989	-	-	-	-
28	1990	-	-	-	-	-	1990	(4,146)	(4,146)	-	(4,146)
29	1991	-	-	-	-	-	1991	(6,050)	(2,601)	-	(6,050)
30	1992	-	-	-	-	-	1992	(6,651)	(10,118)	-	(18,769)
31	1993	-	-	-	-	-	1993	(18,769)	(9,426)	-	(28,195)
32	1994	-	(510)	-	-	(510)	1994	(28,195)	28,195	-	-
33	1995	(510)	(510)	-	-	(1,020)	1995	-	-	-	-
34	1996	(1,020)	(510)	-	-	(1,530)	1996	-	-	-	-
35	1997	(1,530)	(510)	-	-	(2,040)	1997	-	-	-	-
36	1998	(2,040)	(510)	-	-	(2,550)	1998	-	-	-	-
37	1999	(2,550)	(21)	-	-	(2,571)	1999	-	-	-	-
38	2000	(2,571)	(21)	-	-	(2,592)	2000	-	-	-	-
39	2001	(2,592)	(21)	-	-	(2,613)	2001	-	-	-	-
40	2002	(2,613)	(212)	-	-	(2,825)	2002	-	-	-	-
41	2003	(2,825)	(180)	-	-	(3,007)	2003	-	-	-	-
42	2004	(3,007)	(180)	-	-	(3,217)	2004	-	-	-	-
43	2005	(3,217)	(180)	-	-	(3,397)	2005	-	-	-	-
44	2006	(3,397)	-	-	-	(3,397)	2006	-	-	-	-
45	6/30/2007	(3,397)	-	-	-	(3,397)	6/30/2007	-	(2,986)	-	(2,986)

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. 190.1031 Deferred Tax Credits- Depr				
	Beginning Balance	Current Year Deferral	Flowback To Curr. Year	Adjust. Debit (Credit)	Ending Balance
1					
2					
3					
4					
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		(384,933)
25	6/30/2007	(384,933)	(3,156)		(388,089)

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

Schedule D-1 REVISED

Docket No.: 070695-WS

Page 1 of 1

Test Year Ended: June 30, 2007

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.

Line No.	Class of Capital	Reconciled to			Ratio	Cost Rate	Weighted Cost
		(1)	(2)	(3)			
		Requested Rate Base					
		AYE					
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		2,589,983	100.00%		6.81%	

Supporting Schedules: D-2
 Recap Schedules: A-1, A-2

Company: Miles Grant Water and Sewer Company
 Docket No.: 070695-WS
 Schedule Year Ended: Interim Final
 Historical Projected
 Schedule D-1 (Interim) 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.

Line No.	Class of Capital	Reconciled to			Ratio	Cost Rate	Weighted Cost
		(1)	(2)	(3)			
		Requested Rate Base					
		AYE					
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		2,391,760	100.00%		7.18%	
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
Historical 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)		(6)		(7)
		6/30/2006 Prior Year Balance	6/30/2007 Test Year Balance	6/30/2007 Test Year Balance	Simple Average	Reconciliation Adjustments Pro Rate	Percentage	Reconciliation Adjustments Pro Rate	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	338,918,125	257,839,168	298,378,648	(295,788,665)	100.00%			2,589,983		
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

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)		(3)	(4)		(5)		(6)		(7)
		Prior Year Balance	Test Year Balance	Simple Average	Reconciliation Adjustments Pro Rata	Pro Rata Percentage	Reconciled to Requested Rate Base AYE				
1	Long Term Debt	180,000,000	97,275,520	138,637,760	(137,722,265)	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	350,831	375,496	383,164	-	n/a	383,164				
9	Other (Explain)	-	-	-	-	0.00%	-				
10											
11	Total	338,918,125	257,839,168	298,378,648	(295,986,888)	100.00%	2,391,760				
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

Comparative Balance Sheet - Assets

Florida Public Service Commission

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

Schedule: A-19 REVISED

Docket No.: 070695-WS

Page 1 of 1

Test Year Ended: June 30, 2007

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					
25	(Line 16 - 21)	(73,916)	79,424	5,508	(5,508)	-
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)	-
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						
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

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