

State of Florida



# Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

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**DATE:** May 18, 2001  
**TO:** Division of Records and Reporting  
**FROM:** Patricia Brady, Division of Regulatory Oversight *Pb BSJA*  
**RE:** Docket No. 001820-SU - Application for transfer of wastewater utility facility in Lee County from Cross Creek of Fort Myers Community Association, Inc., a not-for-profit Florida corporation, to Utilities, Inc. of Eagle Ridge, holder of Certificate No. 369-S, and for amendment of Certificate No. 369-S to include additional territory.

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Please add to the docket file the attached letter dated May 11, 2001, from Carl J. Wenz, Utilities, Inc., to Patricia Brady, staff, in response to staff's recent questions concerning the March 29, 2001, Original Cost Study and UIER's existing Eagle Ridge reuse facilities. Thank you.

Attachment

cc: (With copy of attachment)  
Division of Regulatory Oversight (Redemann)  
Division of Legal Services (Jaeger)  
Division of Records and Reporting (Security Copy)

DOCUMENT NUMBER-DATE

06339 MAY 21 01

FPSC-RECORDS/REPORTING

# UTILITIES, INC.

2335 Sanders Road  
Northbrook, Illinois 60062-6196  
Telephone 847 498-6440  
Facsimile 847 498-2066

**RECEIVED**

**MAY 17 2001**

Florida Public Service Commission  
Division of Regulatory Oversight

May 11, 2001

Ms. Patricia Brady  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

via fax & U.S. Mail

**RE: Docket No. 001820-SU**  
Application for Transfer of Sewer Utility Facilities from Cross Creek of Fort Myers  
Community Association, Inc. to Utilities, Inc. of Eagle Ridge

Dear Ms. Brady:

This letter is in response to our recent telephone conversation regarding the Eagle Ridge and Cross Creek wastewater systems. Below is a brief discussion of your three issues.

**Should the depreciated cost of the service lines and laterals be deducted from the original cost finding in the March 29, 2001 Original Cost Study?**

Yes. Attached is a letter from Mr. Seidman that contains the revised net depreciated cost of the Cross Creek system. The Original Cost Study will not be re-issued.

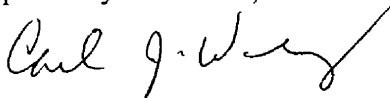
**When did Utilities, Inc. of Eagle Ridge begin providing reuse and at what rate?**

The reuse system was in service prior to Utilities, Inc.'s ownership. The reuse effluent is provided to the golf course at no cost.

**Should Utilities, Inc. of Eagle Ridge be required to file a reuse tariff showing a zero rate?**

Yes.

Respectfully submitted,



Carl J. Wenz  
Vice President, Regulatory Matters

Encl.



P.O. Box 13427  
Tallahassee, FL 32317-3427  
Phone or Fax (850) 877-0673  
e-mail: frankden@nettally.com

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**Management & Regulatory Consultants, Inc.**

May 11, 2001

By Fax and Hard Copy

Mr. Carl J. Wenz  
V.P. of Regulatory Accounting  
Utilities, Inc.  
2335 Sanders Road  
Northbrook, Illinois 60062-6196

Re: ORIGINAL COST STUDY -  
Utilities Inc. of Eagle Ridge - Cross Creek

Dear Carl:

On March 28, I transmitted to you, copies of the final report: ORIGINAL COST STUDY - CROSS CREEK WASTEWATER COLLECTION SYSTEM - ASSETS NOT INCLUDED IN PSC AUDIT. In that report, I included the value for service lines and laterals serving single family homes. Since that time I have been made aware of an amendment to the Asset Purchase Agreement that specifically excludes all service lines and service laterals from the purchase. The purpose of this letter is to inform you of the effect of that amendment on the original cost of the assets purchased.

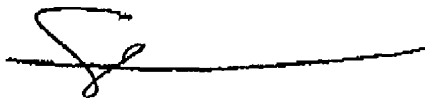
In my report, the cost of service lines and laterals is shown, in summary, in Table 2 as the line item identified as Account 363, Services to Customers. The cost of service lines and laterals is shown in detail in Tables 3, 4 and 5 as Service Connection Assemblies under Account 363. The trended original cost, accumulated depreciation and depreciated cost of Account 363 need to be removed to reflect the cost of the utility collection system without service lines and laterals.

The revised cost of the collection system, without service lines and laterals, is:

	Trended Original <u>Cost</u>	Accum. <u>Depr.</u>	Depreciated <u>Cost</u>
TOTAL COLLECTION SYSTEM	\$343,627	\$158,053	\$185,574

Please keep this letter as integral part of the report.  
Contact me if you have any questions.

Very truly yours,



Frank Seidman