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REPLY TO ALTAMONTE SPRINGS

MARTIN S. FRIEDMAN, P.A.
VALERIE L. LORD

March 18, 2005

HAND DELIVERY

RECEIVED-FPSC
03 MAR 18 PM 1:34
COMMISSION
CLERK

Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket No. 030445-SU; Application by Utilities, Inc. of Eagle Ridge for Rate Increase
in Lee County, Florida
Our File No.: 30057.43

Dear Ms. Bayo:

Pursuant to Commission Order No. PSC-04-1107-PAA-SU, enclosed are documents
evidencing that the required adjustments to the primary accounts have been made.

Should you have any questions concerning the enclosed, please do not hesitate to
give me a call.

Very truly yours,

VALERIE L. LORD
For the Firm

VLL/mp
Enclosure

cc: Ms. Tricia Merchant (by facsimile only) (w/enclosure)
Rosanne Gervasi, Esquire (by facsimile only) (w/enclosure)
Mr. Steven M. Lubertozzi (w/enclosure)
Mr. Patrick Flynn (w/enclosure)

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Docket No. 030445-SU
 Utilities, Inc. of Eagle Ridge
 Commission Ordered [Order No. PSC-04-1107-PAA-SU] Adjustments

Summary of Rate Base Adjustments

<u>Line</u>	<u>Description</u>	<u>Plant</u>	<u>Accum. Depreciation</u>	<u>Depreciation Expense</u>
(1)	Organization Cost (A/E 2)	\$ (14,483.00)	\$ 543.00	\$ (362.00)
(2)	Miscellaneous Plant (A/E 3 & 4)	(27,081)	4,439	(1,415)
(3)	Retirements (A/D 3)	(306,117)	306,117	(16,789)
(4)	Pro Forma Plant (A/D 1)	(45,285)	1,906	(1,906)
(5)	Retirements of Pro Forma	(25,399)	25,399	(1,412)
(6)	WSC Common Plant (A/E 5)	25,263	-	-
(7)	Total	<u>\$ (393,102.00)</u>	<u>\$ 338,404.00</u>	<u>\$ (21,884.00)</u>

Note: Line items (4), (5) & (6) are not required journal entries

- (1) See page 2
- (2) See page 3
- (3) See page 4
- (4) The Utility's filing reflected over two hundred thousand dollars of additional pro forma plant, which the Utility anticipated would be in service prior to the Commission's order and at the amount reflected in the filing. This adjustment reduces the estimated pro forma plant to actual costs for plant in service items. The Utility's books and records accurately reflect these costs.
- (5) This adjustment is to reflect retirements directly related to pro forma plant. The Utility's books and records accurately reflect these costs.
- (6) The Utility's filing inadvertently omitted the allocation of WSC rate base. No adjustment or journal entry is required.

Docket No. 030445-SU
Utilities, Inc. of Eagle Ridge
Commission Ordered [Order No. PSC-04-1107-PAA-SU] Adjustments

Journal entry required to reduce organization cost

<u>Line</u>	<u>Acct. No.</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
(1)	3511001	Organization Cost		14,483
(2)	1084001	Accum. Depreciation	543	

Note:

The account required to balance the above mentioned journal entry will be recorded on Utilities, Inc's book as an intercompany transaction.

Docket No. 030445-SU
 Utilities, Inc. of Eagle Ridge
 Commission Ordered [Order No. PSC-04-1107-PAA-SU] Adjustments

Journal entry required to reduce misc. plant accounts

<u>Line</u>	<u>Acct. No.</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
(1)	3612008	Sewer Mains		1,708
(2)	3612008	Sewer Mains		1,005
(3)	3804004	Sewage Trtmt Plant		5,024
(4)	3804004	Sewage Trtmt Plant		1,606
(5)	3804004	Sewage Trtmt Plant		141
(6)	3804005	Sewer Lagoons		17,597
(7)	1084008	Accum. Deprec.	43	
(8)	1084008	Accum. Deprec.	25	
(9)	1084008	Accum. Deprec.	279	
(10)	1084008	Accum. Deprec.	89	
(11)	1084004	Accum. Deprec.	32	
(12)	1084005	Accum. Deprec.	3,971	

Note:

- (1) This rate base reduction relates to a missing invoice.
 - (2) This rate base reduction relates to an invoice/expenditure that should have been recorded on the books and records of Cypress Lakes
 - (3) This rate base reduction relates to a missing invoice.
 - (4) This rate base reduction relates to an expenditure that should have been recorded as an expense.
 - (5) The Utility was required to reduce rate base because it did not have an authorized AFUDC rate.
 - (6) The Utility was required to reduce rate base because it did not have an authorized AFUDC rate.
 - (7) This rate base reduction relates to a missing invoice.
 - (8) This rate base reduction relates to an invoice/expenditure that should have been recorded on the books and records of Cypress Lakes
 - (9) This rate base reduction relates to a missing invoice.
 - (10) This rate base reduction relates to an expenditure that should have been recorded as an expense.
 - (11) The Utility was required to reduce rate base because it did not have an authorized AFUDC rate.
 - (12) The Utility was required to reduce rate base because it did not have an authorized AFUDC rate.
- ** transaction or on Cypress Lakes' books for the incorrectly coded entry [Nos. (2) and (8)].

Docket No. 030445-SU
 Utilities, Inc. of Eagle Ridge
 Commission Ordered [Order No. PSC-04-1107-PAA-SU] Adjustments

Journal entry is required to account for retirements

<u>Line</u>	<u>Acct. No.</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
(1)	380	Treatment & Disposal Equipment		41,798
(2)	380	Treatment & Disposal Equipment		30,805
(3)	380	Treatment & Disposal Equipment		103,764
(4)	354	Structures & Improvements		9,505
(5)	380	Treatment & Disposal Equipment		23,105
(6)	380	Treatment & Disposal Equipment		14,916
(7)	380	Treatment & Disposal Equipment		15,712
(8)	380	Treatment & Disposal Equipment		66,512
(9)	1084004	Accumulated Depreciation	41,798	
(10)	1084004	Accumulated Depreciation	30,805	
(11)	1084004	Accumulated Depreciation	103,764	
(12)	1084005	Accumulated Depreciation	9,505	
(13)	See page 2	Accumulated Depreciation	23,105	
(14)	See page 3	Accumulated Depreciation	14,916	
(15)	See page 4	Accumulated Depreciation	15,712	
(16)	1084004	Accumulated Depreciation	66,512	

This adjustment is to reflect retirements directly related to pro forma plant. The Util

Note:

- (1) All entries are required to properly record retirements for assets previously placed in service.