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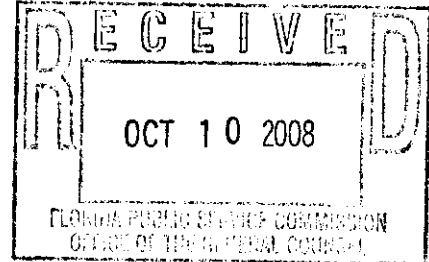
STATE OF FLORIDA



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

Public Service Commission

October 10, 2008



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Marta S. Friedman
Rose Sundstrom & Bentley, LLP
180 W. State Road 434, Suite 2118
Longwood, Florida 32779

Re: Docket No. 080247-SU - Application for increase in wastewater rates in Lee County by Utilities, Inc. of Eagle Ridge

Dear Mr. Friedman:

We have reviewed the minimum filing requirements (MFRs) submitted on August 22, 2008, on behalf of Utilities, Inc. of Eagle Ridge (Eagle Ridge or Utility). After reviewing this information, we find the MFRs to be deficient. The specific deficiencies are identified below:

1. (a). Eagle Ridge is required to provide the wastewater Advances From Associated Companies balance for the prior year ending December 31, 2006. The balance of \$1,008,643 provided by the Utility for the prior year ending December 31, 2006 does not equal the balance reflected in its 2006 Annual Report. Pursuant to Rule 25-30.110(2), F.A.C., please provide the reconciliation of the balance in the 2006 Annual Report to MFR Schedule A-19.

(b). Eagle Ridge is required to provide the wastewater Notes & Accounts Payable-Assoc. Cos. balance for the prior year ending December 31, 2006. The MFR balance of negative \$716,560 provided by the Utility for the prior year ending December 31, 2006 does not equal the balance reflected in its 2006 Annual Report. Pursuant to Rule 25-30.110(2), F.A.C., please provide the reconciliation of the balance in the 2006 Annual Report to MFR Schedule A-19.

2. Rule 25-30.440(8), F.A.C., requires that each applicant for a rate increase shall provide the Commission one copy of a list of all field employees, their duties, responsibilities, and certificates held, and an explanation of each employee's salary allocation method to the Utility's capital or expense accounts.

MFR Schedule B-6 reflects total salaries for employees of \$200,828. MFR Schedule B-6 reflects total salaries of \$225,252. Staff believes the difference between them may have been capitalized by the utility. However, the utility's cost allocation manuals, MFRs, and the list provided by the utility do not reflect which employees' salaries were capitalized. Please provide a list

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Mr. Martin Friedman

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detailing each employee's salary allocation to the utility's capital or expense accounts. Also, provide an explanation of the allocation methodology used in allocating the salaries of each employee.

If any above corrections require a corresponding change to any MFR schedules, those corrected schedules must also be submitted. Your petition will not be deemed filed until the deficiencies identified in this letter have been corrected. These corrections should be submitted no later than November 10, 2008.

Sincerely,



Timothy Devlin
Director

cc: Division of Economic Regulation (Bulecza-Banks, Crawford, Daniel, Fletcher, Redemann)
Office of the General Counsel (Bennett)
Division of the Commission Clerk and Administrative Services