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Public Service Commission

December 1, 2008

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08 DEC -2 AM 8:29  
COMMISSION  
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Martin S. Friedman  
Rose, Sundstrom & Bentley, LLP  
2180 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 Utilities, Inc. of Eagle Ridge's (Eagle Ridge or Utility) responses to Commission staff's letter of November 10, 2008, identifying deficiencies in the Utility's MFRs. After reviewing the information, we determined that Item No. 2 is still deficient. Rule 25-30.440(8), Florida Administrative Code (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, certificates held, and an explanation of each employees' salary allocation method to the utility's capital or expense accounts. Eagle Ridge's response failed to provide an explanation of each employee's salary allocation method to each respective Utility's capital or expense accounts as required by this Rule.

The revised MFR Schedule B-12 and the document titled *B-12 TO GL TIE OUT* submitted with Eagle Ridge's response did not rectify the deficiency. MFR Schedule B-12, lines 2, 3, and 4, still reflects a total allocation of salaries in the amount of \$229,900. The total of MFR Schedule B-6, lines 1 and 2, reflects total salaries for employees and officers of \$200,828. The difference between the allocation and actual expense of salaries equals \$29,072. This amount appears to have been capitalized by the Utility. However, Eagle Ridge's response does not indicate the salary allocation method and amount debited to the Utility's capital accounts for each employee listed. Specifically, on pages 38-40 of the Deficiency Responses, Michael Monat had no salary allocation for 2007, yet there was capitalized labor of \$2,439.08 allocated to Eagle Ridge. Also, please provide the title, job description, duties and responsibilities for the aforementioned employee.

In order to assist in meeting the requirements of Rule 25-30.440(8), F.A.C., please provide all information necessary in the same or similar format as shown on Attachment A. For each employee listed, please indicate the total salary in 2007, the amount in Account 701 or 703, the amount in all plant expense accounts, and the total capitalized amount. In addition, please provide a narrative explanation of how each employee's salary was allocated to each respective Utility's capital or expense accounts. The total amount for accounts 701 and 703 on Attachment A should reconcile to the \$200,828 amount reflected on MFR Schedule B-12, lines 1 and 2. In addition the total amount of

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DOCUMENT NUMBER-DATE

08-2-030 91011

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Mr. Martin Friedman

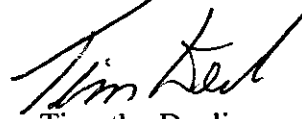
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all capital accounts on Attachment A should tie to the \$29,072 difference between the salary totals reflected on MFR Schedules B-6 and B-12.

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 December 31, 2008.

Sincerely,



Timothy Devlin  
Director

TD:db

Attachment

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

## Attachment A

<b>Utilities, Inc. of Eagle Ridge</b>		<b>Docket No. 080247-SU</b>				
<u>Line No.</u>	<u>Employee Name</u>	<u>Total Salary</u> <u>2007</u>	<u>Account</u> <u>No. 701</u>	<u>Account</u> <u>No. 703</u>	<u>Plant Acct.</u> <u>No. _____</u>	<u>Plant Acct.</u> <u>No. _____</u>
1	John Bonagura					
2	Ronald Chard					
3	Michael DiDonato					
4	Rick Durham					
5	Patrick Flynn					
6	Ismael Garcia, Jr.					
7	Ed Golembeski					
8	Scotty Haws					
9	John Hoy					
10	Michael Monat					
11	Nick Pantelias					
12	Max Radcliff					
13	Malcolm Stewart					
14	Tony Wierzbicki					
15	Michael Wilson					
16	Total					