

## Ruth Nettles

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**From:** Trina Collins [TCollins@RSBattorneys.com]  
**Sent:** Monday, September 21, 2009 11:57 AM  
**To:** Filings@psc.state.fl.us  
**Cc:** keweeks@uiwater.com; Martin Friedman; Christian W. Marcelli; Trina Collins  
**Subject:** Filing in Docket No.: 080248-SU; Tierra Verde Utilities, Inc's Application for an Increase in Wastewater Rates Increase in Pinellas County, Florida  
**Importance:** High  
**Attachments:** PSC Clerk 19 (Commission Ordered Adjustments).ltr.pdf

- a. Martin S. Friedman, Esq.  
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- b. Docket No. 080248-SU; Tierra Verde Utilities, Inc.'s Application for an Increase in Wastewater Rates Increase in Pinellas County, Florida - Filing Tierra Verde Utilities, Inc.'s verification pursuant to Commission Order No. PSC-09-0372-PAA-SU that the Commission Ordered Adjustments ("COAs") have been made on its books and records.
- c. Tierra Verde Utilities, Inc.
- d. 6 Pages.
- e. Letter to Commission Clerk - 1 page and bookkeeping entries reflecting the COAs - 5 pages.

9/21/2009

DOCUMENT NUMBER-DATL

09739 SEP 21 8

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REPLY TO CENTRAL FLORIDA OFFICE

September 21, 2009

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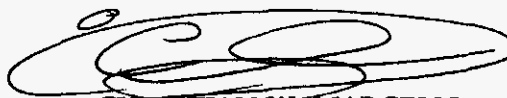
RE: Docket No. 080248-SU; Tierra Verde Utilities, Inc.'s Application for an Increase in Wastewater Rates Increase in Pinellas County, Florida  
Our File No.: 30057.156

Dear Ms. Cole:

Commission Order No. PSC-09-0372-PAA-SU requires that Tierra Verde Utilities, Inc. verify that the Commission Ordered Adjustments ("COAs") have been made on its books and records. Enclosed is a copy of the bookkeeping entries reflecting the COAs.

Should you or the Staff have any questions regarding this filing, please do not hesitate to give me a call.

Very truly yours,



CHRISTIAN W. MARCELLI  
For the Firm

CWM/tlc  
Enclosure

cc: Ms. Kirsten Weeks (w/enclosure) (via e-mail)

M:\1 ALTAMONTE\UTILITIES INC\TIERRA VERDE\(.156) 2008 RATE CASE\PSC Clerk 19 (Commission Ordered Adjustments).ltr.docx

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09739 SEP 21 8  
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**Audit Finding No. 1 - Contributions in Aid of Construction**

**Entry #1**

**Location:** Docket No. 080248-SU audit report pg. 6, Order No. PSC-09-0372-PAA-SU pg. 16

**Entry Description:** To reclassify CIAC from Alafaya to Tierra Verde due to incorrect booking.

<u>Object A/C</u>	<u>Business Unit</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
3720	245100	CIAC - Sewer Plant Modification Fee	50,850	
4280	241100	Acc Amort - CIAC - Sewer Plant Modification Fee	4,737	
7445	245100	Amort Exp - CIAC - Sewer Plant Modification Fee	1,403	
3720	241100	CIAC - Sewer Plant Modification Fee		50,850
4280	245100	Acc Amort - CIAC - Sewer Plant Modification Fee		4,737
7445	241100	Amort Exp - CIAC - Sewer Plant Modification Fee		1,403

**Audit Finding No. 1**

A/A of CIAC on Reclassed Entry Rolled Forward through August 2009 (Entry 1)

	<u>Object A/C</u>	<u>Business Unit</u>	<u>Description</u>	(a) <u>CIAC Adjustment</u>	(b) <u>Years to Roll Forward</u>	(c) <u>Amortization Rate</u>	(d) <u>Roll Forward A/A Adjustment</u>	(e) <u>Amortization Expense</u>
(1)	4280	241100	Acc Amort - CIAC - Sewer Plant Modification Fee	(50,850)	2.3	4.14%	4,737 debit	(1,403)

**Audit Finding No. 2 - Accumulated Depreciation, Accumulated Amortization of CIAC, and Amortization Expense**

**Entry #2**

**Location:** Docket No. 080248-SU audit report pg. 7-9, Order No. PSC-09-0372-PAA-SU pg. 16

**Entry Description:** To correct the Commission ordered adjustment from the Company's last rate case made to the Company's books.

<u>Object A/C</u>	<u>Business Unit</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
2075	241100	Acc Dep - Structures & Improvements - General Plant	1,429,186	
3500	241100	CIAC - Structures & Improvements - Lift Station	311,984	
3550	241100	CIAC - Force Mains	5,222	
3555	241100	CIAC - Gravity Mains	66,634	
3600	241100	CIAC - Treatment & Disposal Equipment - Lagoons	1,822	
3705	241100	CIAC - Sewer Tap	64,331	
3720	241100	CIAC - Sewer Plant Modification Fee	450	
4070	241100	Acc Amort - CIAC - Structures & Improvements - General Plant	230,231	
4105	241100	Acc Amort - CIAC - Gravity Mains	47,667	
4100	241100	Acc Amort - CIAC - Service Lines	41,450	
4998	241100	Retained Earnings	(31,856)	
2030	241100	Acc Dep - Organization		123,586
2050	241100	Acc Dep - Structures & Improvements - Collection		1,229,771
3520	241100	CIAC - Structures & Improvements - General Plant		380,865
3550	241100	CIAC - Service Lines		69,577
4030	241100	Acc Amort - CIAC - Organization		26,768
4050	241100	Acc Amort - CIAC - Structures & Improvements - Lift Station		333,696
4100	241100	Acc Amort - CIAC - Force Mains		21,189
4150	241100	Acc Amort - CIAC - Treatment & Disposal Equipment - Lagoons		1,317
4265	241100	Acc Amort - CIAC - Sewer Tap		44,064

**Audit Finding No. 4 - Depreciation Expense**

**Entry #3**

**Location:** Docket No. 080248-SU audit report pg. 11-12, Order No. PSC-09-0372-PAA-SU pg. 16

**Entry Description:** To correct test year depreciation rates

<u>Object A/C</u>	<u>Business Unit</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
2105	241100	Acc Dep - Service Lines	3,315	
2110	241100	Acc Dep - Gravity Mains	12,901	
4105	241100	Acc Amort - Structures and Improvements - Lift Station	5,357	
4265	241100	Acc Amort - Treatment & Disposal Equipment - Lagoons	108	
6660	241100	Dep Exp - Structures & Improvements - Lift Station	24,389	
6760	241100	Dep Exp - Treatment & Disposal - Lagoons	79	
7275	241100	Amort Exp - Service Lines	(2,127)	
2055	241100	Acc Dep - Structures & Improvements - Lift Station		16,341
2155	241100	Acc Dep - Treatment & Disposal - Lagoons		127
4150	241100	Acc Amort - Service Lines		2,264
6710	241100	Dep Exp - Service Lines		3,114
6715	241100	Dep Exp - Gravity Mains		8,601
7225	241100	Amort Exp - Structures and Improvements - Lift Station		7,996
7325	241100	Amort Exp - Treatment & Disposal Equipment - Lagoons		68
4998	241100	Retained Earnings		5,513

**Audit Finding No. 4**

**Incorrect Depreciation Rates on UPIS Rolled Forward Through 2009 (Entry 3)**

			(a)	(c)	(e)	
	<u>Object A/C</u>	<u>Business Unit</u>	<u>Description</u>	<u>2007 Plant/CIAC Balance</u>	<u>Amortization Rate</u>	<u>2009 Adjustment</u>
(1)	2055	241100	Acc Dep - Structures and Improvements - Lift Station	914,586	4.00%	(16,341) credit
(2)	2105	241100	Acc Dep - Service Lines	177,588	2.63%	3,315 debit
(3)	2155	241100	Acc Dep - Treatment & Disposal Equipment - Lagoons	2,144	5.56%	(127) credit
(4)	4105	241100	Acc Amort - Structures and Improvements - Lift Station (1)	(299,845)	4.00%	5,357 debit
(5)	4150	241100	Acc Amort - Service Lines (1)	(121,305)	2.63%	(2,264) credit
(6)	4265	241100	Acc Amort - Treatment & Disposal Equipment - Lagoons (1)	(1,822)	5.56%	108 debit

**Notes**

- (1) These adjustments would be needed to fix the amortization rates for CIAC as well in the related accounts. These CIAC balances don't take into account the Commission adjustments accounted for in audit finding no. 2. To do so would be double counting.