

ART GRAHAM
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STATE OF FLORIDA



Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
(850) 413-6046

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COMMISSION
CLERK

Public Service Commission

June 3, 2011

Mr. Christian Marcelli
Rose, Sundstrom, & Bentley, LLP
766 N. Sun Drive, Suite 4030
Lake Mary, FL 32746

Re: Docket No. 110153-SU - Application for Increase in Wastewater Rates in Lee County by Utilities, Inc. of Eagle Ridge

Dear Mr. Marcelli:

The Florida Public Service Commission received your May 13, 2011, letter regarding a proposed rate case by Utilities Inc., of Eagle Ridge (Eagle Ridge or Utility). In that letter, Eagle Ridge requested to use a historic test year ended December 31, 2010, for establishing final rates.

You state the Utility will file its application using the Proposed Agency Action provision in Section 367.081(8), Florida Statutes (F.S.). Pursuant to Rule 25-30.430, Florida Administrative Code (F.A.C.), Eagle Ridge's test year request as outlined above is hereby approved for purposes of filing its Minimum Filing Requirements (MFRs). Docket No. 110153-SU has been assigned to the forthcoming case. Your petition will be deemed filed on the date the Office of Commission Clerk receives the complete petition, the MFRs, and the filing fee. To process this case expeditiously, we request that you file the above no later than June 30, 2011.

Pursuant to Section 367.083, F.S., the official filing date will be the date that complete corrections to deficiencies, if any, are filed. Please note that many schedules included in the MFRs are designed with a column titled "Balance Per Books." This column must reflect the balances on the general ledger, and be reconciled with the balances reported in the Utility's Annual Report on file with the Commission. This requirement is applicable to all primary account balances as required by the NARUC Uniform System of Accounts. Pursuant to Rule 25-30.110(2), F.A.C., all data the Commission requests and requires to be submitted in determining a utility's rates "shall be consistent with and reconcilable with the utility's annual report to the Commission."

In addition, Eagle Ridge should satisfactorily document that it has recorded all adjustments to the Utility's general ledger and accounts that have been ordered by the Commission in any prior proceeding relating to this system. If adjustments were ordered for prior periods that impact subsequent years, the related adjustments shall also be made to reflect the impact for the appropriate period up to and including the approved test year. Further, Eagle Ridge should be prepared to justify

DOCUMENT NUMBER - 03865 JUN -2 =
FPSC-COMMISSION CLERK

Mr. Christian Marcelli

June 3, 2011

Page 2

its requested test year operation and maintenance expenses, particularly those which have increased above the level of customer growth and inflation for the year ended five years prior to the test year.

The Utility is instructed to file all information it wishes the Commission to consider when arriving at a decision on its rate case application with its original filing. Because of the time limitations contained in Section 367.081, F.S., and the lengthy auditing and investigation required, the Commission may disregard any information not filed with the original application. Approval of the test year for filing purposes does not mean that an issue regarding the appropriateness of the test period could not be raised at any time during the proceeding. If you have any questions, please contact Bart Fletcher at (850) 413-7017 or bart.fletcher@psc.state.fl.us.

Sincerely,



Art Graham
Chairman

AG/BF:mb

cc: Mr. J. R. Kelly, Office of Public Counsel
Mr. Charles Hill, Deputy Executive Director
Mr. S. Curtis Kiser, General Counsel
Division of Economic Regulation (Willis, Bulecza-Banks, Maurey, Stallcup, Fletcher, Cicchetti, Daniel)
Office of Auditing and Performance Analysis (Prestwood)
Office of the General Counsel (Crawford)
Office of Commission Clerk (Docket No. 110153-SU)