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September 12, 2011

VIA HAND DELIVERY

ROBERT M.C. ROSE, (P24-2006)

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SEP 12 PM 2:20
COMMISSION CLERK

Ann Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No.: 110153-SU; Application of Utilities, Inc. of Eagle Ridge for an Increase in Wastewater Rates in Lee County, Florida
Our File No. 30057.197

Dear Clerk:

Enclosed for filing in the above-referenced docket is the response of Utilities, Inc. of Eagle Ridge (the "Utility" or "Eagle Ridge") to Staff's request for additional information dated July 26, 2011, Items Nos. 7 - 10. Attached documents are contained in the enclosed data disc.

7. According to MFR Schedule B-6, Purchased Power increased substantially in April 2010 when compared to previous months. Please provide all of the Utility's calculations, basis, workpapers, and support documentation for the above increase in Purchased Power.

Response: Please see the attached Adobe PDF file titled, "Purchased Power Invoices.pdf" for the requested documentation.

8. According to MRF Schedule B-6, Contractual Services - Testing increased substantially in March 2010 when compared to other months. Please provide all of the Utility's calculations, basis, workpapers, and support documentation for the above increase in Contractual Services - Testing.

Response: March is substantially higher than the rest of the months because it includes an invoice from February. February has a total of \$3,101.00. Moreover February's total is inflated by a reversal entry made by the Utility for an error in March and May of 2008. In 2008 the Utility erroneously recorded a purchase price variance (PPV) for a value of \$599.00 in March and \$1,518.00 in May. This was finally reversed

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Handwritten notes: 11/10, file containing responses

by JE 269473 on 2/28/11. This journal entry's only purpose is to permanently reverse erroneous PPV entries. Therefore March's actual value is \$984.00 (\$3,101.00 – 2,117.00). With the adjusted values and invoices included in the correct months, February's true value is \$2,056 and March's true value is \$3,416. In March the Company replenished the chemicals for both 249100 and 249101, which is why the total for the month is higher than the rest. Please see the attached Adobe PDF file titled "Contractual Service - Testing Invoices.pdf" for an example of the invoices that are bought in March. Additional chemicals are bought throughout the year; however March is a month in which both 249100 and 249101 had to replenish the chemicals, thus increasing the total cost in the month.

9. According to MFR Schedule B-6, Contractual Services- Other increased substantially in January 2010 when compared to other months. Please provide all of the Utility's calculation, basis, workpapers, and support documentation for the above increase in Contractual Services – Other.

**Response:** Below is a table which shows the Company's object accounts and balances that make up the NARUC account 636/736 – Contractual Services – Other:

<b>January Activity for Contractual Services - Other</b>			
<b>Object Acct.</b>	<b>NARUC</b>	<b>Description</b>	<b>Jan-10</b>
5495	636/736	METER READING	14
5735	636/736	COMPUTER MAINTENANCE	1,490
5745	636/736	COMPUTER AMORT & PROG COST	-
5750	636/736	INTERNET SUPPLIER	1
6015	636/736	EMPLOY FINDER FEES	61
6035	636/736	PAYROLL SERVICES	101
6045	636/736	TEMP EMPLOY - CLERICAL	213
6050	636/736	OTHER OUTSIDE SERVICES	3,276
6370	636/736	OPER CONTRACTED WORKERS	
<b>TOTAL</b>			<b>5,156</b>

The amount highlighted (i.e., 3,276) with corresponding object account 6050 represents the largest deviation of amounts booked from the months of Feb – Dec of the test year. With the exception of three small allocated entries, object account 6050 is

comprised of invoices 234874, 232512, and 232511. These invoices can be found in the attached PDF file titled, "Item 9 Invoices.pdf." The following is a table which depicts the amounts booked to object account 6050 for January of the test year:

<b>Vendor</b>	<b>▼ Jan 2010</b>
FLORIDAQUATIC INC	
LEHIGH ENVIRONMENTAL SVC INC	
MISTY CREEK SERVICES	1,100
MOPLUV SERVICE LC	2,125
SE 5 AP ACCRUAL DECEMBER 3	
SOUTHEAST OV ACCRUALS	
State of FL-855100.6050	
SUNSHINE STATE ONE CALL OF FL	
WSC-102100.6050	9
WSC-102101.6050	37
WSC-102103.6050	
WSC-102105.6050	
WSC-102106.6050	5
WSC-102107.6050	
WSC-102108.6050	
<b>Total</b>	<b>3,276</b>

In January 2010, Mopluv Service LC was brought in to install meters, which are replaced as needed. Misty Creek Services is a contractor the company used in place of a lead operator that was lost on December 27, 2009. Accordingly, the salaries expense decreased in January of the test year.

10. According to MFR Schedule B-6, Transportation Expenses increased substantially in December 2010 when compared to other months. Please provide all of the Utility's calculation, basis, workpapers, and support documentation for the above increase in Transportation Expense.

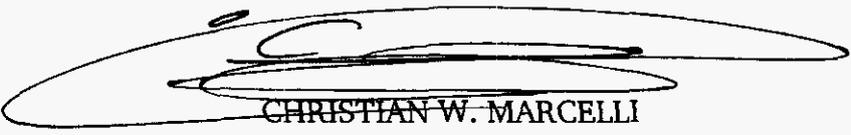
**Response:** In December of 2010, the expenses in transportation increased due to invoice 314815, which can be found in the PDF file titled, "Sanders Lab Invoice.pdf." This invoice was erroneously booked to the transportation expense account. This amount should be removed and placed in NARUC account 775.

Ann Cole, Commission Clerk  
Florida Public Service Commission  
September 12, 2011  
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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/der  
Enclosures

cc: Steven Lubertozzi, Executive Dir. of Regulatory Accounting & Affairs (w/encs.) (via e-mail)  
John Stover, Vice President and Secretary (w/encs.) (via e-mail)  
Kirsten Weeks, Manager of Regulatory Accounting (w/encs.) (via e-mail)  
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