

United Water



ORIGINAL

United Water Management & Services

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MAIL ROOM

February 22, 2000

Ms. Blanco Bayo
Director of Records and Reporting Secretary
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Dear Ms Bayo:

United Water Florida is writing to notify the Commission of events that have occurred in 1999 that resulted in the following items being deferred on the financial statements of the Company.

Reconsideration and Appeal	\$34,751
Early Retirement Program	\$1,055,418

The reconsideration and appeal costs of \$34,751 are for the legal fees associated with the Company's appeal before the Florida First District Court of Appeals on the Company's deferred FASB 106 costs which were not provided for in docket 960451-WS. These cost currently reside in 186406. The Company will propose to amortize these costs to expense account 928130 in the next general rate filing.

In 1999 United Water offered a voluntary early retirement program to enable the Company to capture efficiencies through workforce reductions. This is an unusual and extraordinary item that will provide offsetting benefits over future periods. The costs associated with those specific employees taking advantage of the offer of \$1,055,418, were actuarially determined. These costs currently reside in deferred accounts 186298 and 186299. The Company will propose to charge these costs to expense account 926110 in the next general rate filing.

If you have any questions regarding this matter, please feel free to contact me at (201) 986-4748.

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Very truly yours,

Mary Egan-Long
Rate Analyst III

DOCUMENT NUMBER-DATE

02626 FEB 28 8

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