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MARTIN S. FRIEDMAN, P.A.  
VALERIE L. LORD

December 16, 2004

Ms. Blanca Bayo  
Commission Clerk and Administrative Services Director  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

RE: Docket No. 021067-WS; Application by River Ranch Water Management, LLC,  
for Staff Assisted Rate Case  
Our File No.: 37027.02

Dear Ms. Bayo:

Public Service Commission Order No. PSC-03-03740-PAAWS required that River Ranch Water Management, LLC, complete the rehabilitation of a portion of its wastewater collection system within 180 days of the issuance of the Consummating Order. On behalf of River Ranch Water Management, LLC, I have been in communications with the Commission Staff regarding the delays which the Company has experienced in complying with this requirement. Not the least of which is that, in addition to the proforma plant improvements required in the aforementioned Order, the Florida Department of Environmental Protection has required the Company to install a new digester at a cost of more than \$100,000.00. The requirement that the Company commit funds to the digester replacement is in large part the reason why the Company has been unable to complete the collection system rehabilitation.

The Company now has the collection system rehabilitation project back on schedule, and we would expect that project to be completed by June 30, 2005. The analysis of the expense to reline the collection system by the Staff concluded that the rate impact was virtually identical to that of the Company continuing to treat the water inflowing as a result of leaks in the collection system. Thus, this delay in not

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installing the lining in the collection system, has not resulted in any financial windfall to the Company.

The purpose of this letter is to keep the Commission informed as to River Ranch Water Management, LLC's efforts to comply with the aforementioned Order. Should you or the Staff have any questions regarding this matter, please do not hesitate to give me a call.

Very truly yours,



MARTIN S. FRIEDMAN  
For the Firm

MSF/tlc

cc: Mr. Bill Goaziou  
Mr. Harold Cohen  
Mr. Mark Waltrip  
Steve Reilly, Esquire  
Mr. Troy Rendell (via facsimile)

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