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February 9, 2005

VIA HAND DELIVERY

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COMMISSION
CLERK

Mr. Troy Rendell
Division of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Sun Communities Finance, LLC d/b/a Water Oak Utility
Application for approval of reuse plan in Lake County; Docket No. 010087-WS
Our File No. 33013.01

Dear Troy:

I apologize for the delay in getting back with you on these issues. However, this letter will serve as an update of the status of the preparation of information concerning the above-referenced Reuse Project Plan that we have discussed on numerous occasions in recent weeks and months.

Our preparation of the initial analysis necessary for updating the Reuse Project Plan in the last few months resulted in estimates of costs substantially higher than those that had been originally estimated for this project. As a result, management asked for review not only of those costs to determine whether they could be adjusted to be more in line with those originally estimated and submitted to the Commission approximately two years ago, but also to determine whether the requirement to implement the Reuse Project Plan from the environmental regulatory authorities could be modified to eliminate the requirement to go to reuse as a method of effluent disposal. The engineers and consultants for the Utility are still pursuing both of those options.

If the Utility is able to determine that no such reuse filing is necessary, this case can be withdrawn and closed.

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February 9, 2005
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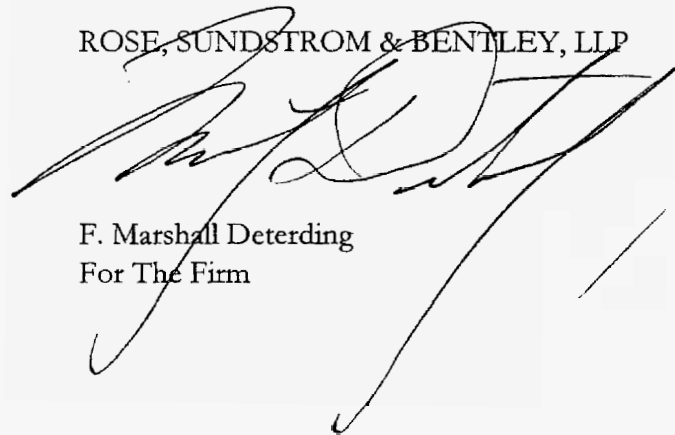
If it is determined that the Utility must move forward with the Reuse Project Plan per regulatory requirements, but the costs can be reduced substantially from those estimated in the recent months, then those updated calculations will need to be made as a basis to determine the appropriate proposed reuse rates to be submitted to the Commission.

Based upon the above, we believe that a slight additional delay of approximately two months is appropriate in order to avoid filing for a reuse plan that management and its consultants may ultimately determine is not necessary to implement, and to ensure that the estimates of the costs provided to the Commission as a basis for those rates or any proposed changes in rates, are accurate and appropriate.

Therefore, we once again beg your indulgence to allow us to clarify these issues and we will be contacting you again immediately upon resolution of one or both of these issues. I will keep you informed as additional matters arise. Once again, thank you for your consideration of these matters.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP



F. Marshall Deterding
For The Firm

FMD/tms

cc: Blanca S. Bayo
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