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July 15, 2008

Chairman Matthew M. Carter, II
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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**Re: Placid Lakes Utilities, Inc.
2008 General Rate Increase Application**

Dear Chairman Carter:

Pursuant to Rule 25-30.430, Florida Administrative Code, Placid Lakes Utilities, Inc. (the "Company") requests approval of a test year for the filing of an application for a general rate increase. The Company intends to submit an application for general rate relief to the Florida Public Service Commission for its water system located in Highlands County, Florida. The Company intends to submit the minimum filing requirements ("MFRs") on or before thirty (30) days after receipt of the approval of a test year for the filing of an application for a general rate increase.

The Company requests approval of a projected test year ending December 31, 2008. The historic base year ended December 31, 2007 and the projected test year ending December 31, 2008 reflect recent historic data and have been adjusted for "known and measurable" changes in order to fairly and accurately represent the Company's current full year of operations.

The Company's last full rate proceeding was in Docket No. 000295-WU, utilizing a test year ended December 31, 1999, which culminated in Proposed Agency Action Order No. PSC-01-0327-PAA-WU, issued February 6, 2001, which was made final and effective by Consummating Order No. PSC-01-0519-CO-WU issued March 6, 2001. The full rate proceeding in Docket No. 000295-WU was followed by a limited proceeding in Docket No. 011621-WU related primarily to the purchase of a generator, the meter replacement project costs, and line-loops (water mains) installed subsequent to the rate case. The Commission granted the Company's petition for limited proceeding in Proposed Agency Action Order No. PSC-02-1657-PAA-WU issued November 26, 2002, made final and effective pursuant to Consummating Order No. PSC-02-1797-CO-WU issued December 19, 2002.

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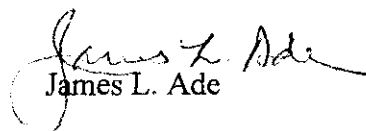
Since the Company's last full rate proceeding and the subsequent limited proceeding, the Company has invested approximately \$780,000 for plant in service additions. These plant in service additions relate primarily to the additional transmission and distribution mains, services and meters required to serve the approximate four hundred connections added since January 1, 2000. The projected test year allows for the inclusion of additional plant in service costs of approximately \$78,000 of valve repair and installations projects that are currently in progress and approximately \$72,000 of meter replacements (an on-going project) and the installation of remote meter reading devices. The projected test year also includes approximately \$140,000 of plant in service costs relating to mains, services and meters necessary to provide service for the anticipated level of customer growth.

The Company maintains that the use of a projected test year is more representative of the Company's operations than a historical period. The use of a projected test year not only allows the inclusion of capital expenditures to be made through December 31, 2008, but also "known and measurable" changes to operating expenses. The projected test year allows for the recovery of wage increases that have occurred or will occur subsequent to the end of the base year (December 31, 2007), annualized wages for one employee added during the base year, and adjusted expenses relating to changes in system demands and flows.

Pursuant to Section 367.081(8), Florida Statutes, the Company requests that the Commission process this petition for rate relief using the proposed agency action procedure. The Company will request interim rates based on the historic test year ended December 31, 2007.

Should you or members of the Commission Staff have any questions regarding this request, please do not hesitate to contact me.

Sincerely,


James L. Ade

JLA/left

cc: Commission Clerk
Mr. Marshall Willis
Mr. Bart Fletcher
Ms. Pam Brewer
Mr. John Guastella
Mr. Gary White