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STATE OF FLORIDA



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Public Service Commission

December 23, 2008

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Christian W. Marcelli  
Rose, Sundstrom & Bentley, LLP  
2548 Blaiirstone Pines Drive  
Tallahassee, FL 32301

080695-WU

**Re: Test Year Letter Request for Peoples Water Service Company of Florida, Inc.**

Dear Mr. Marcelli:

The Commission received your letter dated December 2, 2008, requesting approval for Peoples Water Service Company of Florida Inc. (Peoples) to file a rate case using a historical test year ended August 31, 2008, with pro forma plant and operating expense adjustments, for establishing final rates. Docket No. 080695-WU has been assigned to Peoples application for an increase in rates.

In evaluating the request, we have determined that additional information will be necessary before the Commission can make a determination as to the appropriateness of the requested test year. In accordance with Rule 25-30.430(2)2.(c), Florida Administrative Code, the test year request must include a general statement of all known estimated pro forma adjustments which will be made to the requested test year amounts. While Peoples did include verbiage describing the types of pro forma adjustments that it anticipated including in its request, the filing is deficient as Peoples did not provide an estimate of the pro forma adjustments for the new well.

To properly evaluate the merits of Peoples' request, it will need to submit an estimate of the pro forma adjustments associated with plant additions and improvements, as well as, proposed changes to expense. We ask that Peoples submit these estimates by January 20, 2009. If you have any questions, please contact Bart Fletcher either by phone at (850) 413-7017, or by e-mail at bart.fletcher@psc.state.fl.us.

Sincerely,  
  
Tim Devlin  
Director, Division of Economic Regulation

cc: Division of Economic Regulation (Willis, Bulecza-Banks, Fletcher)  
Office of the General Counsel (Burbaker)  
Office of Commission Clerk  
J.R. Kelly, Office of Public Counsel  
Robert C. Nixon, CPA

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