

STATE OF FLORIDA

Commissioners:
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DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

March 4, 1999

Mr. Robert Reed
Highlands Ridge Associates, Inc.
P. O. Box 768
Sebring, FL 33871-0768

Re: Docket No. 981147-WS, Investigation into potential overearnings of Highlands Ridge Associates, Inc.

Dear Mr. Reed:

As we have discussed in prior conversations and in our conference call on February 3, 1999, it is your contention that both the land value in rate base and certain O&M expenses were understated in Order No. PSC-98-1623-FOF-WS, issued on December 7, 1998. As we have also discussed on several occasions, you may provide any additional information which you believe may be relevant regarding the above-referenced docket. Therefore, please provide Staff with all additional information which you believe relevant to this investigation by March 18, 1999. This deadline is necessary, as the time for filing the subsequent recommendation in this case is approaching, and Staff needs adequate time to appropriately analyze whatever additional information is provided.

As always, if you have questions, please feel free to contact me at (850) 413-6964.

Sincerely,

Jennie Lingo
Economic Analyst
Bureau of Policy Development
and Industry Structure

DOCUMENT NUMBER - DATE

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cc: Division of Water and Wastewater (Hill, Williams, Chase, Rieger, TLDavis)
Division of Legal Services (Brubaker)
Division of Records and Reporting (docket file)