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(LICENSED IN TEXAS ONLY)

July 1, 2003

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

Re: Docket No. 030250-WU, Application of Floralino Properties, Inc., for
Staff-Assisted Rate Case
Our File No.: 37097.01

Dear Ms. Bayo:

This law firm represents Floralino Properties, Inc., and has the following
comments to PSC Audit, Control No. 03-108-3-1, filed in the above-referenced docket:

Exception No. 2:

The Auditors have reduced rate base by the \$9,063.00 cost of a lawn mower
which was purchased in 1999 and subsequently stolen. We believe that asset should
be amortized pursuant to Rule 25-30.433 (9), Florida Administrative Code.

Exception No. 5:

It is inappropriate to reduce salaries and wages - employees to zero simply
because the test year employee was no longer employed by the Utility. It obviously
takes employees to run a utility company and we suggest the Commission adopt the
method it used in this Utility's last Staff Assisted Rate Case which concluded in Order
No. PSC-95-0142-FOF-WU and utilized a historical test year of April 30, 1994. In that
case, the Commission approved a management fee of \$52,000 to cover all
administrative duties, billing and collection, grounds keeping service, meter reading,
repairs and maintenance and accounting. If you were just to increase that amount for

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Commission Clerk and Administrative Services Director
July 1, 2003
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inflation over the last eight years the appropriate management fee should currently be approximately be \$68,000.

The Company has no further responses at this time.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

MSF/dmp

cc: Ms. Sally Moniz (Division of Economic Regulation)
Mr. Anthony Tubolino