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(LICENSED IN TEXAS ONLY)

May 21, 2004
VIA HAND DELIVERY

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COMMISSION
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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:

In accordance with our discussion yesterday, I am writing to update you on Water Oak Utility's progress in preparing the Application for Approval of a Reuse Project Plan as required under Commission Order No. PSC-00-1165-PAA-WS. In my letter in January of this year, I had indicated that the Utility should be in a position to file that updated Application by approximately June 1, 2004. There have been several factors which have led to further delays in the preparation of this filing which have led to a need for further extension of time for the updated submission by the Utility.

CMP _____
COM _____ While the permit for construction of the reuse facility was originally planned for
CTR _____ sometime in January or February of this year, that permit was not finalized and
ECR _____ received approximately one month ago. In addition, soliciting bids and preparation
GCL _____ of the other documents necessary to submit the filing have been further delayed by
OPC _____ ongoing discussions, once again, of potential sale of the system to local government.
MMS _____ Recently those discussions have ended, and as such, the Utility is now moving forward
RCA _____ immediately with construction of the reuse system.

RCA _____
SCR _____ The Utility will let the project out for bids within the next couple of weeks and
SEC _____ those bids are expected to be received by the end of June. We will thereafter select the
OTH _____ appropriate bid and immediately begin preparation of the information necessary for

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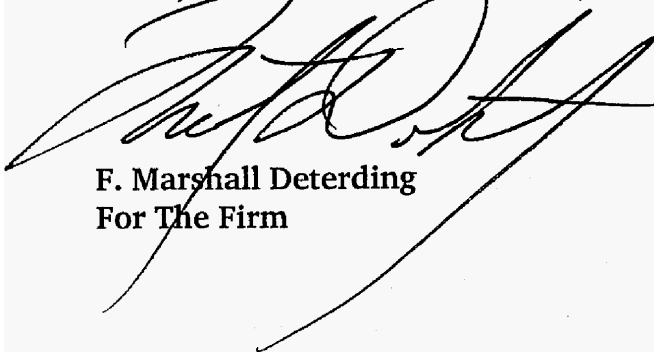
Mr. Troy Rendell
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submission of the reuse plan to the Commission. During this period of time, we will also update the consumption information to the most recent year available, in order to develop the appropriate rates and charges.

With these delays, we not anticipate we should be able to file the Reuse Project Plan Application as updated, by the end of July 2004. If we experience any further delays, I will certainly contact you immediately and update you on the status of the preparation of this filing. Should you have any questions in the meantime, please let me know.

Sincerely,

ROSE, SUNDBTROM & BENTLEY, LLP

A large, stylized handwritten signature in black ink, appearing to read 'F. Marshall Deterding', is written over a light gray rectangular background.

F. Marshall Deterding
For The Firm

FMD/tms

cc: Blanca S. Bayo
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