

ORIGINAL

Holland Knight

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November 13, 2006

VIA HAND DELIVERY

Blanca S. Bayo
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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COMMISSION
CLERK

Re: *In re: Application for certificates to provide water and wastewater service in Flagler and Volusia Counties by D & E Water Resources, L.L.C. ("Application")*
Docket No. 060694-WU

Dear Ms. Bayo:

Our law firm represents D & E Water Resources, L.L.C. (the "Utility") in the docket referenced above. On November 7, 2006, staff contacted the undersigned requesting clarification on certain items contained the Application. A summary of staff's inquiries and the Utility's responses thereto are set forth below.

1. Addresses of the Corporate Officers and Directors of the Utility.

CMP _____

The address for all officers and sole member of the Utility is 999 Third Avenue, Suite 4300, Seattle, WA 98104. Attached as Exhibit "A" is a listing of each officer's physical location.

COM _____

CTR _____

ECR _____

2. Anticipated In-Service Date .

GCL _____

The Utility intends to begin supplying service in the 4th Quarter of 2007.

OPC _____

RCA _____

3. Type of Service to be Offered.

SCR _____

All of the customers included in the initial projections are assumed to be residential customers. It is anticipated that the Utility will provide service to general service customers (i.e., commercial) in its service area, especially along S.R. 11; however,

SGA _____

SEC 1

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the timing of these connections can not be reasonably estimated at this time. Therefore, at the present time, the Utility proposes to provide service to the following residential customers to be located within Heart Island Equestrian Estates and the proposed Plum Creek Phase 1 development within Flagler County. All of these customers will be equipped with a 5/8" X 3/4" meter. The estimated number of equivalent residential connections (ERCs) to be connected each year are shown below:

Residential Customers:

Year	Flagler County	Volusia County	Total
1	Construction	Construction	Construction
2	29	87	116
3	30	90	120
4	46	46	92
5	108	56	164
6	100	34	134
Total	313	313	626

5. Term of Lease Agreement.

The draft water and wastewater leases attached to the Application in Appendix III were provided as examples. The final executed leases will include provisions consistent with the B & C Water Resources leases provided in FPSC Docket Number 04104-WU to ensure their long-term nature and to demonstrate that the Utility will have continued use of the land upon which water and wastewater facilities will be located.

6. Reuse Water.

At the present time, the initial wastewater treatment facilities that are proposed are not of sufficient size to produce and supply reuse water on a commercial basis, nor would it be economically feasible for the Utility to do so. However, as the customer base expands and the demand for potable water for irrigation uses increases, the Utility will evaluate alternative water supply sources including reuse water to be utilized for irrigation purposes.

7. The Legal Description of the Service Territory.

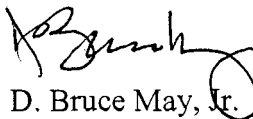
The surveyor separated the legal description of the service territory under three separate Plum Creek affiliates: Plum Creek Investment Company, Parcel 1; Plum Creek Timberlands, L.P., Parcel 2; and Plum Creek Land Company, Parcel 3.

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Should the staff have any questions or need additional information, please do not hesitate to contact us. Thank you for your consideration.

Sincerely,

HOLLAND & KNIGHT LLP



D. Bruce May, Jr.

DBM:chs
Enclosure

cc: Richard Redemann
Stephanie Clapp
Stanley Rieger
Patti Daniel

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Exhibit "A"

D & E WATER RESOURCES, L.L.C.

Address for all officers and sole member: 999 Third Avenue, Ste. 4300
Seattle, WA 98104

Officers:

President and CEO:	Rick R. Holley
Executive Vice President:	Thomas M. Lindquist
Executive Vice President:	Leonard A. Kosar
Senior Vice President and Chief Financial Officer:	David W. Lambert
Senior Vice President, General Counsel and Secretary:	James A. Kraft Larry
Senior Vice President, Planning and Business Development:	D. Neilson
Senior Vice President, Real Estate and Land Management:	James A. Kilberg
Treasurer:	Laura B. Smith Anna
Assistant Secretary:	L. Oswald Sheri L.
Assistant Secretary:	Ward Erwin D.
Assistant Secretary:	Barger, Jr. Elizabeth
Assistant Secretary:	U. Fee Loris A.
Assistant Secretary:	Jakielski Patricia A.
Director, Human Resources:	Todd Dana C.
Director, Safety :	Jefferies

Sole Member:

D & E Water Resources, Inc.