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DIVISION OF ECONOMIC REGULATION
(850) 413-6900

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07 FEB 2008 PM 3:16
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CLERK

Public Service Commission

February 8, 2007

Mr. Joe Hodakowski
Hodakowski & Hodakowski
Country Side Plaza
349 Route 31 South
Flemington, NJ 08822

Re: Park Water Company Rate Case Adjustments in Docket No. 050563-WU

Dear Mr. Hodakowski:

Enclosed is a copy of the audit report for Park Water Company, which was used to develop our recommendation on final rates. Also enclosed is a copy of Schedule 1-A, Adjustments to Rate Base. This schedule was originally filed with our recommendation and later incorporated into the Final Order.

I have noted the adjustments that should be made on the adjustments sheet you originally sent me. As we discussed, the adjustments reflect adjustments to the MFRs filed in this case, not to Park's general ledger. As such, the adjustments in the sections titled, "Effect on General Ledger if Finding Accepted:" in the audit report should be used to adjust the utility's general ledger as of December 31, 2004. The hand written amounts shown on this schedule are from this section. Any plant account effected by these changes should also be revised for 2005 and 2006 to properly reflect the December 31, 2006 accumulated depreciation or amortization balance.

The remainder of the adjustments, including pro forma plant, non-used and useful, and working capital, are used only for calculating final rates and should not be made.

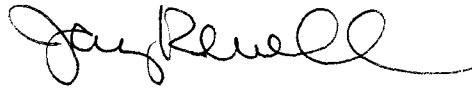
When you have completed the adjustments, please mail a print-out of the general ledger showing the required adjustments to :

Ms. Blanca S. Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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I hope I have provided you with the information you need to make the proper adjustments to Park's general ledger. However, if you have questions, or need additional information, please call me at 850-413-6425, or fax at 850-413-6426.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Revell". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Jay Revell
Regulatory Analyst

Enclosures

cc: Mr. Tony Staiano
Division of Economic Regulation (Rendell, Bulecza-Banks)
Office of the General Counsel (Jaeger)
Division of the Commission Clerk and Administrative Services