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DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

May 2, 2008

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Christian W. Marcelli
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301

Re: Test Year Letter Request for Utilities, Inc. of Eagle Ridge

Dear Mr. Marcelli:

The Commission received your letter dated April 25, 2008, requesting approval for Utilities, Inc. of Eagle Ridge (Eagle Ridge) to file a rate case using a historical test year ended December 31, 2007, with pro forma plant and operating expense adjustments, for establishing final rates. Docket No. 080247-SU has been assigned to Eagle Ridge's application for an increase in rates.

In evaluating the request, we have determined that additional information will be necessary before the Commission can make a determination as to the appropriateness of the requested test year. In accordance with Rule 25-30.430(2)2.(c), Florida Administrative Code, the test year request must include a general statement of all known estimated pro forma adjustments which will be made to the requested test year amounts. While Eagle Ridge did include verbiage describing the types of pro forma adjustments that it anticipated including in its request, the filing is deficient as Eagle Ridge did not provide an estimate of the pro forma adjustments.

To properly evaluate the merits of Eagle Ridge's request, it will need to submit an estimate of the pro forma adjustments associated with plant additions and improvements, as well as, proposed changes to expense. We ask that Eagle Ridge submit these estimates by May 30, 2008. If you have any questions, please contact Cheryl Bulecza-Banks either by phone at (850) 413-6642, or by e-mail at cbulecza@psc.state.fl.us.

Sincerely,

Tim Devlin
Director, Division of Economic Regulation

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cc: Division of Economic Regulation (Willis, Bulecza-Banks, Fletcher)
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[REDACTED]

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Mr. Frank Seidman, Consultant for Utilities, Inc.