

MATTHEW M. CARTER II  
CHAIRMAN

STATE OF FLORIDA



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Public Service Commission

July 30, 2008

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COMMISSION  
CLERK

James L. Ade, P.L.  
841 Prudential Drive - Suite 1400  
Jacksonville, Florida 32207

Re: Docket No. 080353-WS - Application for an increase in water and wastewater rates in Highlands County by Placid Lakes Utilities, Inc.

Dear Mr. Ade:

The Florida Public Service Commission received your July 15, 2008 test year letter request. In your letter, you requested approval for Placid Lakes Utilities, Inc. to use a projected test year ending December 31, 2008 based on 2007 historic year data, for purposes of establishing final rates. You further state the utility will file its application using the Proposed Agency Action (PAA) provision Section 367.081(8), F.S. Pursuant to Rule 25-30.430, F.A.C., the utility's test year request as outlined above is hereby approved.

For administrative purposes only, Docket No. 080353-WS has been assigned to the forthcoming case. Your petition will be deemed filed on the date the Office of Commission Clerk receives the complete petition, Minimum Filing Requirements (MFRs) and the filing fee. To process this case expeditiously, we request you file the above no later than November 3, 2008.

Pursuant to Section 367.083, F.S., the official filing date will be the date that complete correction to any deficiencies, if any, are filed. Please note that many schedules included in the MFRs are designed with a column entitled "Balance Per Books." This column must reflect the balances on the general ledger and be reconciled with the balances reported in the utility's Annual Report on file with the Commission. This requirement is applicable to all primary account balances as required by the NARUC Uniform Systems of Accounts. Pursuant to Rule 25-30.110(2), F.A.C., all data the Commission requests and requires to be submitted in determining a utility's rates "shall be consistent with and reconcilable with the utility's annual report to the Commission."

In addition, the utility should satisfactorily document that it has recorded all adjustments to the utility's general ledger and accounts that have been ordered by the Commission in any prior proceeding relating to the system. If adjustments were ordered for prior periods that have any impact on subsequent years, the related adjustments shall also be made to reflect the impact for the appropriate period up to and including the approved test year. Further, the utility should be prepared to justify its requested test year operation and maintenance expenses, particularly those which have increased above the level of customer growth and inflation for the year ended five years prior to the test year.

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FPSC-COMMISSION CLERK

James L. Ade, P.L.

Page 2

July 30, 2008

The utility is instructed to file all information it wishes the Commission to consider when arriving at a decision on its rate case application with its original filing. Because of the time limitations contained in Section 367.081, F.S., and the lengthy auditing and investigation required, the Commission may disregard any information not filed with the original application.

Sincerely,



Matthew M. Carter II  
Chairman

cc: Dr. Mary Bane, Executive Director  
Charles H. Hill, Deputy Executive Director  
Michael Cook, General Counsel  
Office of the Executive Director (Ashby)  
Division of Economic Regulation (Willis, Bulecza-Banks, Fletcher)  
Office of the General Counsel (Young)  
Office of Commission Clerk (Docket No. 080353-WS)  
J.R. Kelly, Office of Public Counsel