

MATTHEW M. CARTER II
CHAIRMAN

STATE OF FLORIDA



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Public Service Commission

October 15, 2008

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COMMISSION
CLERK

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

Re: Docket No. 080597-WS - Application for general rate increase in water and wastewater rates in Lake County by Southlake Utilities, Inc.

Dear Mr. Ade:

The Florida Public Service Commission received your September 11, 2008 test year letter request. In your letter, you requested approval for Southlake Utilities, Inc. (Southlake or Utility) 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), Florida Statutes (F.S.). Pursuant to Rule 25-30.430, Florida Administrative Code (F.A.C.), the Utility's test year request as outlined above is hereby approved.

For administrative purposes only, Docket No. 080597-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 December 15, 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 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.

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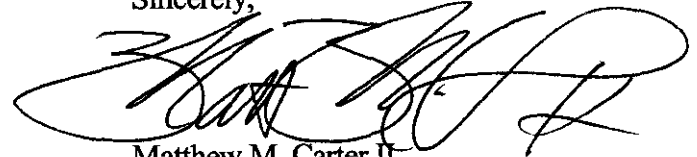
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The Utility is instructed to file all information it wishes the Commission to consider when arriving at a decision on its rate case application with its original filing. Because of the time limitations contained in Section 367.081, F.S., and the lengthy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

Sincerely,

A handwritten signature in black ink, appearing to read 'Matthew M. Carter II', written in a cursive style.

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 (Billingslea, Bulecza-Banks, Fletcher, Hudson, Willis)
Office of the General Counsel (Young)
Office of Commission Clerk (Docket No. 080597-WS)
J.R. Kelly, Office of Public Counsel