

LAW OFFICES
ROSE, SUNDSTROM & BENTLEY, LLP
2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

FREDERICK L. ASCHAUER, JR.
CHRIS H. BENTLEY, P.A.
ROBERT C. BRANNAN
F. MARSHALL DETERDING
JOHN R. JENKINS, P.A.
KYLE L. KEMPER
STEVEN T. MINDLIN, P.A.
CHASITY H. O'STEEN
DAREN L. SHIPPY
WILLIAM E. SUNDSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON
ROBERT M. C. ROSE (1924-2006)

(850) 877-6555
FAX (850) 656-4029
www.rsballoorneys.com

REPLY TO CENTRAL FLORIDA OFFICE

CENTRAL FLORIDA OFFICE
SANLANDO CENTER
2180 W. STATE ROAD 434, SUITE 2118
LONGWOOD, FLORIDA 32779
(407) 830-6331
FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A.
VALERIE L. LORD
BRIAN J. STREET

January 9, 2008

E-FILE

Ann Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RE: Docket No.: 070414-WS; Hidden Cove, Ltd.'s Application for Staff Assisted Rate Case
in Polk County, Florida
Our File No.: 42036.01

Dear Ms. Cole:

Consultants for Hidden Cove, Ltd., have had an opportunity to review the preliminary Staff Report filed in this docket. Although there were numerous inaccuracies in the Report, several are material and are addressed herein.

The Staff Report imputes as CIAC the value of the collection and distribution systems. However, in this case the collection and distribution systems were not written off, but have been capitalized. Enclosed is the statement from the Utility's CPA to that effect. Since this is a rental mobile home community, the developer would not have had any lots sales against which to write off the cost of the collection and distribution systems. In an identical situation, this Commission in Order No.: PSC-96-0062-FOF-WS issued January 12, 1996, stated as follows:

The utility does not have any records which indicate whether or not the utility has collected any CIAC or written off the lines to cost of goods sold. The mobile home park is strictly a rental community and the owner still owns all of the lots within the park. Therefore, CIAC shall not be imputed for the mobile home park.

More recently this Commission in Order No. PSC-04-1120-PAA-WU issued November 9, 2004, reaffirmed that when the developer does not sell the mobile home lots but leases them to homeowners, the imputation of CIAC is inappropriate.

Ann Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
January 9, 2008
Page 2

Should you have any questions regarding this filing, please do not hesitate to give me a call.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

MSF/tlc
Enclosure

cc: Mr. Ron Baxley (w/enclosure) (via email)
Ms. Cheryl Bulecza-Banks, Division of Economic Regulation (w/enc.) (via email)

M:\1 ALTAMONTE\HIDDEN COVE, LTD\PSC Clerk 03 (Comments to Staff Report).ltr.wpd

Jim D. Lee, Certified Public Accountant

500 S. Florida Avenue, Suite 640
P.O. Box 2158
Lakeland, FL 33806-2158
(863) 686-7330 FAX: (863) 686-6626

January 7, 2008

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

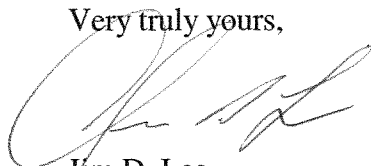
Re: Docket No.: 070414-WS, Hidden Cove, Ltd. Application for Staff Assisted Rate Case in
Polk County, FL

Dear Sir or Madam:

I understand that in connection with the above proceeding the Commission Staff has recommended the imputation of CIAC in the amount equal to the cost of the collection and distribution systems within the mobile home community.

The tax returns were available to you auditors, and they do not disclose that the collection and distribution systems were written off. Since the partnership owns the land, these costs have been capitalized as part of basis.

Very truly yours,



Jim D. Lee
Jim Lee, CPA