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TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

March 11, 2008

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Kenneth A. Hoffman
Rutledge, Ecenia, Purnell & Hoffman
P.O. Box 551
Tallahassee, Florida 32301-1841

080121-WS

Re: Test Year Letter Request for Aqua Utilities Florida

Dear Mr. Hoffman:

The Commission received your letter dated February 29, 2008, requesting approval for Aqua Utilities Florida (AUF) 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. 080121-WS has been assigned to AUF'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 AUF did include verbiage describing the types of pro forma adjustments that it anticipated including in its request, the filing is deficient as AUF did not provide an estimate of the pro forma adjustments.

To properly evaluate the merits of AUF'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 AUF submit these estimates by March 31, 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,

Handwritten signature of Tim Devlin in black ink.

Tim Devlin
Director, Division of Economic Regulation

cc: Division of Economic Regulation (Willis, Bulecza-Banks, Fletcher)
Division of General Counsel (Brubaker)
Office of the Commission Clerk
J.R. Kelly, Office of Public Counsel
Christopher Franklin, Regional President, Aqua Utilities Florida

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