

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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08 APR 28 PM 3:37
COMMISSION
CLERK

DATE: April 28, 2008
TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk
FROM: Kristin Billingslea, Economic Regulation Regulatory Analyst II
RE: Docket No. 080168-WS, Southlake Utilities petition for allowance for funds used during construction (AFUDC) rate for system in Lake County

Attached is a document for inclusion in the docket file for Docket No. 080168-WS, Southlake Utilities petition for allowance for funds used during construction (AFUDC) rate for system in Lake County.

The document is a two page faxed letter dated April 24, 2008 addressed to Marshall Willis from James Ade. The faxed letter was received on April 24, 2008.

DOCUMENT NUMBER-DATE

03423 APR 28 8

FPSC-COMMISSION CLERK

JAMES L. ADE, P.L.
841 PRUDENTIAL DRIVE, SUITE 1400
JACKSONVILLE, FLORIDA 32207

TELEPHONE (904) 858-0123
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FACSIMILE TRANSMITTAL

April 24, 2008

TO: Marshall Willis
NUMBER: 850-413-6915
TOTAL # OF PAGES: 1
FROM: James L. Ade
SENT BY: Louise
DOCUMENTS/MESSAGE:

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April 24, 2008

VIA FACSIMILE AND U.S. MAIL

Mr. Marshall Willis, Chief
Rate Filings, Surveillance, Finance and Tax Bureau
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

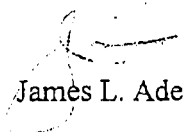
Dear Marshall:

Reference is made to your recent telephone request concerning the reclassification of \$756,069 from long term debt to retained earnings by Southlake Utilities, Inc. in its Petition for establishment of an AFUDC Rate.

The company does not own the land devoted to public use, but instead has a long term lease for the land. An annual lease payment has been correctly booked as an operating expense, which was based on a lease amortization schedule that reflected the principal amount of \$756,069 in 2000, that was incorrectly booked as a long term debt of the company. In order to correct the books, the long term debt has been debited in the amount of \$756,069 with a contra entry credited to retained earnings.

I trust that the explanation contained in this letter will be sufficient for your purposes. If, however, you have any additional questions or would like to discuss this matter further please do not hesitate to call.

Sincerely yours,



James L. Ade

JLA/lefr

cc: Mr. Bart Fletcher

DOCUMENT NUMBER-DATE

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