

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

FREDERICK L. ASCHAUER, JR.
CHRIS H. BENTLEY, P.A.
ROBERT C. BRANNAN
DAVID F. CHESTER
F. MARSHALL DETERDING
JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
DAREN L. SHIPPY
WILLIAM E. SUNDBSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON
ROBERT M. C. ROSE, OF COUNSEL
WAYNE L. SCHIEFELBEIN, OF COUNSEL

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

CENTRAL FLORIDA OFFICE
600 S. NORTH LAKE BLVD., SUITE 160
ALTAMONTE SPRINGS, FLORIDA 32701
(407) 830-6331
FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A.
VALERIE L. LORD

November 29, 2004

VIA HAND DELIVERY

Blanca S. Bayo, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: North Peninsula Utilities Corporation
Rate Investigation; PSC Docket No. 030601-SU
Our File No. 26097.04

Dear Ms. Bayo:

As a follow up to my letter of September 1, 2004, North Peninsula Utilities agreed with the staff to delay action on our September 1, 2004 settlement proposal, in order to allow the Utility to accumulate information and to provide it to the Commission staff concerning the damage caused by several hurricanes this fall which damaged and destroyed property owned by the Utility. We asked to have that considered in any going-forward rate reduction under our September 1, 2004 settlement proposal.

The Utility has revised its proposal for settlement of this case in order to resolve the outstanding issues without incurred substantial additional monies and potential litigation. North Peninsula Utilities Corporation hereby submits the following revised proposal for refunds and rate reductions on a going-forward basis:

1. Refund of 1.56% of all revenues collected from the implementation of the Utility's last index in August of 2002 through September 5, 2003.
2. Refund 7.09% of revenues collected from September 5, 2003 through the date of implementation of the reduced rates outlined below.
3. Both of the above refunds will be made, with interest, in accordance with the requirements of Commission Rule 25-30.360.

DOCUMENT NUMBER-DATE
12633 NOV 29 2004
FPSC-COMMISSION CLERK

Blanca S. Bayo, Director
November 29, 2004
Page 2

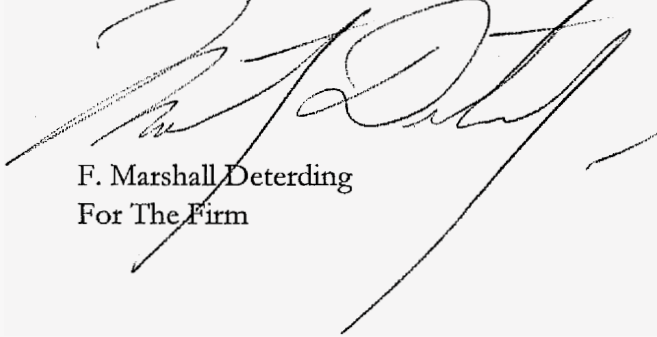
4. The Utility will immediately reduce all categories of rates by 4.14% on a going-forward basis.

If this revised proposal for settlement is acceptable to the Commission and its staff, we would like to move forward with implementation immediately and closing of the above-referenced case.

If you have any questions in this regard, please let me know.

Sincerely,

ROSE, SUNDBSTROM & BENTLEY, LLP



F. Marshall Deterding
For The Firm

FMD/tms

cc: Troy Rendell
Bart Fletcher
Sam Merta
Robert Hillman
Tyree Wilson
Doug Martin