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

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CENTRAL FLORIDA OFFICE
SANLANDO CENTER
2180 W. STATE ROAD 484 SUITE 2118
LONGWOOD, FLORIDA 32779
(407) 830-6331
FAX (407) 830-8522

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.
CHASITY H. O'STEEN
DAREN L. SHIPPY
WILLIAM E. SUNDBSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON
WAYNE L. SCHIEFELBEIN, OF COUNSEL
ROBERT M. C. ROSE (1924-2006)

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

REPLY TO CENTRAL FLORIDA OFFICE

October 9, 2006

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

HAND DELIVERY

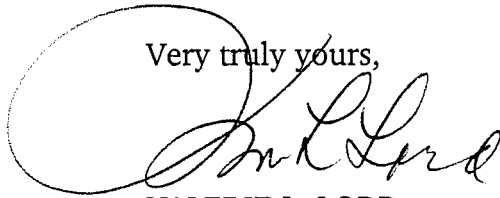
Ms. Blanca Bayo
Commission Clerk & Administrative Services Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RE: Labrador Utilities, Inc.; Application for Rate Increase in Pasco County, Florida
Docket No. 060262-WS
Our File No.: 30057.128

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket is the original and twelve (12) copies of the Affidavit of Mailing evidencing that the Combined Initial Customer Notice and Customer Meeting Notice has been sent to the customers of Labrador Utilities, Inc.

Very truly yours,



VALERIE L. LORD
For the Firm

- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____

VLL/mp
Enclosures

- RCA _____
 - SCR _____
 - SGA _____
 - IEC
 - OTH _____
- cc: Cochran Keating, Esquire, Office of General Counsel (w/enc.)
Mr. Troy Rendell, Division of Economic Regulation (w/enc.)
Stephen Reilly, Esquire, Office of Public Counsel (w/enc.)
Steven M. Lubertozzi, Chief Regulatory Officer (w/enc.)
John Hoy, Regional Vice President for Operations (w/o enc.)
Patrick C. Flynn, Regional Director (w/enc.)

DOCUMENT NUMBER-DATE

09303 OCT-9 8

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of
LABRADOR UTILITIES, INC.
for an increase in water and wastewater
rates in Pasco County, Florida

DOCKET NO. 060262-WS

NOTICE OF FILING

Applicant, LABRADOR UTILITIES, INC., by and through its undersigned attorneys, hereby gives notice of filing the Affidavit of Mailing evidencing that the Combined Initial Customer Notice and Customer Meeting Notice has been sent to the customers of Labrador Utilities, Inc.

Respectfully submitted on this 6th day of
October, 2006.

ROSE, SUNDSTROM & BENTLEY, LLP
2180 W. State Road 434, Suite 2118
Longwood, Florida 32779
(407) 830-6331
(407) 830-8522 Fax

By: 

MARTIN S. FRIEDMAN
VALERIE L. LORD
For the Firm

DOCUMENT NUMBER-DATE

09303 OCT-9 8

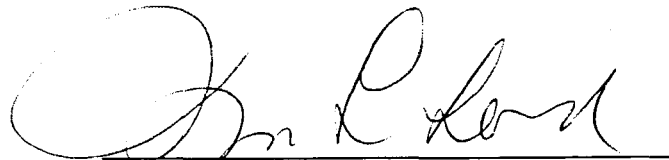
FPSC-COMMISSION CLERK

CERTIFICATE OF SERVICE
DOCKET NO. 060262-WS

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished
by U. S. Mail this 6th day of October, 2006, to the following:

Cochrane Keating, Esquire
OFFICE OF GENERAL COUNSEL
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Stephen Reilly, Esquire
OFFICE OF PUBLIC COUNSEL
Claude Pepper Building
111 W. Madison Street, Suite 812
Tallahassee, FL 32399

A handwritten signature in black ink, appearing to read "M. S. Friedman", written over a horizontal line.

MARTIN S. FRIEDMAN
VALERIE L. LORD
For the Firm

AFFIDAVIT OF MAILING

STATE OF ILLINOIS

COUNTY OF COOK

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared STEVEN M. LUBERTOZZI, who, after being duly sworn on oath, did depose and say that he is the Chief Regulatory Officer of Labrador Utilities, Inc., and that on October 5, 2006, he did send by regular U.S. Mail a copy of the Initial Customer Notice and Notice of Customer Meeting for Labrador Utilities, Inc. to the Utility's customers in the form attached hereto.

FURTHER AFFIANT SAYETH NAUGHT.

Steven M. LubertoZZI

STEVEN M. LUBERTOZZI

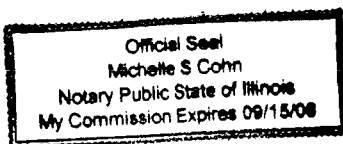
Sworn to and subscribed before me this 5th day of October, 2006, by STEVEN M. LUBERTOZZI, who is personally known to me or has produced _____ as identification.

Michelle S Cohn

NOTARY PUBLIC - STATE OF ILLINOIS

Printed Name: Michelle S Cohn

My Commission Expires: 9/15/08



BEFORE THE PUBLIC SERVICE COMMISSION

**INITIAL CUSTOMER NOTICE
AND
NOTICE OF CUSTOMER MEETING**

TO THE CUSTOMERS OF
LABRADOR UTILITIES, INC.
AND
ALL OTHER INTERESTED PERSONS

RE: DOCKET NO.: 060262-WS

APPLICATION FOR INCREASE IN WATER AND WASTEWATER RATES
IN PASCO COUNTY, FLORIDA
BY LABRADOR UTILITIES, INC.

DATED: October 3, 2006

NOTICE is hereby given that the Staff of the Florida Public Service Commission will conduct a customer meeting to discuss the Application for an increase in water and wastewater rates of Labrador Utilities, Inc. (*Utility*). The meeting will be held at the following time and place:

Thursday, November 2, 2006
6:00 p.m.
Forest Lake Estates Community Clubhouse
6429 Forest Lake Drive
Zephyrhills, Florida

All persons who wish to comment are urged to be present at the beginning of the meeting, since the meeting may be adjourned early if no customers are present. One or more of the Commissioners of the Florida Public Service Commission may attend and participate in this meeting. The meeting will begin as scheduled and will continue until all of the customers have been heard.

In addition to the customer meeting to be held on November 2, 2006, at 6:00 p.m., the Public Service Commission Staff will be available that afternoon from 2:00 p.m. to 4:00 p.m., to meet with representatives of customer groups, homeowners' associations, and developers who desire a more in-depth discussion of the issues. Appointments may be made for the meeting with Staff by contacting Ms. Tiffany Joyce of the Florida Public Service Commission Staff at (850) 413-6877 prior to Monday, October 30, 2006. All representatives who wish to participate in individual meetings are urged to make an appointment, since the individual meetings may be canceled if no appointments are made.

Any person requiring some accommodation at the customer meeting because of a physical impairment should call the Division of Records and Reporting at (850) 413-6770 at

least 48 hours prior to the meeting. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD).

Emergency Cancellation of Customer Meeting

If a named storm or other disaster requires cancellation of the meeting, Commission staff will attempt to give timely direct notice to the parties. Notice of cancellation of the meeting will also be provided on the Commission's website (<http://www.psc.state.fl.us/>) under the Hot Topics link found on the home page. Cancellation can also be confirmed by calling the Office of the General Counsel at (850)-413-6199.

PURPOSE

The purpose of the meeting is to give customers and other interested persons an opportunity to offer comments to the Public Service Commission staff regarding the quality of service the Utility provides and to ask questions, and comment on the rates included in this Notice as well as other issues. Commission staff will be available to address and coordinate customers' comments and to assist members of the public. A representative from the utility may also be in attendance. At the beginning of the meeting, procedures will be established for the order of comments. The Public Service Commission staff will have sign-up sheets, and customers will be called in the order that they sign up to speak.

HOW TO CONTACT THE COMMISSION

Any person who wishes to comment or provide information to staff may do so at the meeting, either orally or in writing. Other written comments regarding the utility and the proposed rates, or requests to be placed on the mailing list for this case, may be directed to this address:

Director, Division of the Commission Clerk & Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0870

All correspondence should refer to "Docket No. 060262-WS, Labrador Utilities, Inc.". Your letter will be placed in the correspondence file of this docket. You may also submit comments through the Public Service Commission's toll-free facsimile line at 1-800-511-0809 or the Commission's website available at <http://floridapsc.com/consumers/complaint/index.cfm>.

If you wish to contact the Commission regarding complaints about service, you may call the Commission's Division of Regulatory Compliance and Consumer Assistance at the following toll-free number 1-800-342-3552.

BACKGROUND

The Utility is a water and wastewater utility whose corporate offices are located at 200 Weathersfield Avenue, Altamonte Springs, Florida. The Utility's water and wastewater facilities are located in Pasco County, Florida. As reported in its Minimum Filing Requirements (*MFRs*) filed with the Florida Public Service Commission (*Commission*) on May 15, 2006, the Utility's revenues per books are \$93,184, with operating expenses per books of \$107,973, for its water system, and revenues per books of \$327,716, with operating expenses per books of \$287,528, for its wastewater system, resulting in an operating loss of \$14,789 for its water system, and net operating income of \$40,188 for its wastewater system, per books, before adjustments. The rate increase application has been filed by the Utility because of inadequate earnings.

Copies of the MFRs, when filed by the Utility, will be available for inspection by members of the public at the following locations:

Regency Park Branch Library
9701 Little Road
New Port Richey, FL 34654

Utilities, Inc. of Florida
200 Weathersfield Avenue
Altamonte Springs, FL 32714
Office Hours: Monday through Friday
8:00 a.m. to 4:30 p.m.

Hours: Monday and Tuesday
12:00 noon to 9:00 p.m.
Wednesday and Thursday
10:00 a.m. to 6:00 p.m.
Friday and Saturday
10:00 a.m. to 5:00 p.m.
Sunday (Closed)

A copy of the "Rate Case Synopsis" will also be available, along with the MFRs.

The test period for setting rates is the historical average twelve-month period ended December 31, 2005.

CURRENT AND PROPOSED RATES AND CHARGES

The current and requested rates and charges are listed below. These rates are subject to change based on information gathered at the customer meeting, further Commission Staff review, and the final decision by the Commissioners.

WATER SERVICE

<u>Residential</u>	<u>Rates Prior to Filing</u>	<u>Utility's Requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>	<u>Commission Approved Interim Rates</u>
Base Facility Charge:				
<u>Meter Size</u>				
5/8" x 3/4"	\$6.28	\$6.61	\$9.09	\$8.17
Gallonage Charge (per 1,000 gallons)	\$3.14	\$4.31	\$5.92	\$4.08

<u>General Service</u>	<u>Rates Prior to Filing</u>	<u>Utility's Requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>	<u>Commission Approved Interim Rates</u>
Base Facility Charge:				
<u>Meter Size</u>				
5/8" x 3/4"	\$6.28	\$6.61	\$9.09	\$8.17
3/4"	\$9.42	\$9.92	\$13.64	\$12.25
1"	\$15.70	\$16.52	\$22.73	\$20.42
1 ½"	\$31.40	\$33.05	\$45.45	\$40.84
2"	\$50.24	\$52.88	\$72.73	\$65.34
3"	\$100.48	\$99.15	\$145.46	\$130.69
4"	\$157.00	\$165.25	\$227.27	\$204.20
6" – RV Resort	\$314.00	\$330.44	\$454.55	\$408.39
Gallonage Charge (per 1,000 gallons)	\$3.14	\$4.31	\$5.92	\$4.08

<u>Irrigation</u>	<u>Rates Prior to Filing</u>	<u>Utility's Requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>	<u>Commission Approved Interim Rates</u>
Base Facility Charge:				
<u>Meter Size</u>				
2"	\$50.24	\$52.87	\$72.73	\$65.34
Gallage Charge (per 1,000 gallons)	\$3.14	\$4.31	\$5.92	\$4.08

WASTEWATER SERVICE

<u>Residential</u>	<u>Rates Prior to Filing</u>	<u>Utility's Requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>	<u>Commission Approved Interim Rates</u>
Base Facility Charge:				
<u>Meter Size</u>				
5/8" x 3/4"	\$12.09	\$14.36	\$18.13	\$13.89
Gallage Charge (per 1,000 gallons) (Maximum 6,000 gallons)	\$9.34	\$10.14	\$12.80	\$10.73

<u>General Service</u>	<u>Rates Prior to Filing</u>	<u>Utility's Requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>	<u>Commission Approved Interim Rates</u>
Base Facility Charge:				
<u>Meter Size</u>				
5/8" x 3/4"	\$12.09	\$14.36	\$18.13	\$13.89
3/4"	\$18.14	\$21.54	\$27.19	\$20.84
1"	\$30.23	\$35.90	\$45.32	\$34.74
1 1/2"	\$60.45	\$71.80	\$90.64	\$69.46
2"	\$96.72	\$114.80	\$145.02	\$111.14
3"	\$193.44	\$215.40	\$290.03	\$222.28
4"	\$302.25	\$359.00	\$453.18	\$347.32
6" – RV Resort	\$604.50	\$717.94	\$906.35	\$694.63
Gallage Charge (per 1,000 gallons)	\$11.21	\$12.17	\$15.36	\$12.88

SERVICE AVAILABILITY CHARGES

The Utility is not requesting any changes to its service availability charges. Even though not requested to do so, the Commission may review and adjust service availability charges.

MISCELLANEOUS SERVICE CHARGES

The Utility is requesting the following changes to its miscellaneous service charges.

Water

Type of Charge	Present Charge		Requested Charge	
	During Business Hours	After Business Hours	During Business Hours	After Business Hours
Initial Connection	\$15.00	N/A	\$15.00	\$22.50
Normal Reconnection	\$15.00	N/A	\$15.00	\$22.50
Violation Reconnection	\$15.00	N/A	\$15.00	Actual Cost
Premises Visit (in lieu of disconnection)	\$10.00	N/A	\$10.00	\$15.00

Wastewater

Type of Charge	Present Charge		Requested Charge	
	During Business Hours	After Business Hours	During Business Hours	After Business Hours
Initial Connection	\$15.00	N/A	\$15.00	\$22.50
Normal Reconnection	\$15.00	N/A	\$15.00	\$22.50
Violation Reconnection	Actual Cost	N/A	Actual Cost	Actual Cost
Premises Visit (in lieu of disconnection)	\$10.00	N/A	\$10.00	\$15.00

PROCEDURES AFTER CUSTOMER MEETINGS

In addition to the customer meeting described above, other important dates in the rate application are as follows:

<u>Schedule Item</u>	<u>Due Dates</u>
Staff Recommendation on Interim Rates	July 6, 2006
Agenda Conference on Interim Rates	July 18, 2006
Order on Interim Rates	August 7, 2006
Staff Audit Report	September 26, 2006
Customer Meeting	November 2, 2006
Staff's Proposed Agency Action (PAA) Recommendation	December 27, 2006
Agenda Conference on PAA Rates	January 9, 2007
PAA Order	January 29, 2007
Protest Period Expires	February 19, 2007

This notice was prepared by the Utility and approved by Commission Staff for distribution by the Utility to its customers.