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April 2, 2007

E-FILING

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

RE: Docket No. 060256-SU; Alafaya Utilities, Inc.'s Application for Wastewater Rate Increase in Seminole County, Florida
Our File No.: 30057.112

Dear Ms. Cole:

In accordance with Public Service Commission Order No. PSC-07-0130-SC-SU, Alafaya Utilities, Inc., is filing this quarterly report on the progress of reuse improvements as follows:

- Augmentation Wells - Alafaya Utilities, Inc., is in discussions with the owner of four (4) existing agricultural wells which the Utility believes will be more cost effective than installing new wells.
- Reuse from City - Representatives of Alafaya met with the City's Staff in March and the City does expect to have some amount of surplus reuse when the connection is made with the Iron Bridge WWTP, however, the City is offering that reuse at a price greater than what Alafaya Utilities has been authorized by the Commission to charge its customers.
- Metering - The Utility is obtaining pricing for meter installations and expects to commence installing meters in the near future.

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- Ground Storage - The Utility expects the building permit to be issued in the first week of April and construction to commence by the end of April. The Contract has been awarded and the construction is expected to be completed within four (4) months.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

MSF/mp

cc: Patrick C. Flynn, Regional Director
Mr. Richard Redemann (via e-mail)