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REPLY TO CENTRAL FLORIDA OFFICE

June 20, 2007

E-FILING

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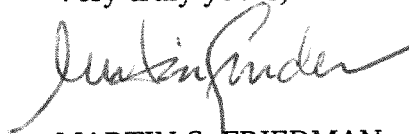
Ann Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket No. 030106-SU; Application for Staff-Assisted Rate Case by Environmental
Protection Systems of Pine Island, Inc.
Our File No.: 31099.03

Dear Ms. Cole:

Enclosed please find for filing in the above-referenced docket Environmental
Protection Systems of Pine Island, Inc.'s Revised Settlement Proposal.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

MSF/mp
Enclosure

cc: Jennifer Brubaker, Office of General Counsel (w/enclosure) (via e-mail & U.S. Mail)
Mr. Troy Rendell, Division of Economic Regulation (via e-mail)
Mr. Kevin J. Cherry (w/enclosure)

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for staff-assisted
rate case in Lee County, Florida by
ENVIRONMENTAL PROTECTION
SYSTEMS OF PINE ISLAND, INC.

DOCKET NO. 030106-SU

**ENVIRONMENTAL PROTECTION SYSTEMS OF PINE ISLAND, INC.'S
REVISED SETTLEMENT PROPOSAL**

Applicant, ENVIRONMENTAL PROTECTION SYSTEMS OF PINE ISLAND, INC. ("EPS" or "Utility"), by and through its undersigned attorneys, files this Revised Settlement Proposal with regard to its Petition on Proposed Agency Action protesting Order No.: PSC-07-0426-PAA-SU.

1. In all years salary expense per the Utility was reduced by payroll taxes and benefits. The Utility added the benefits and salary allowed per the staff assisted rate case and added the payroll taxes to that amount. In a Subchapter "S" Corp, benefits to a 2% or more stockholder are considered salary and must go on W-2. The amount of payroll taxes of \$5,220 was left out of the Staff Assisted Rate Case so EPS added it as salary expense. This should have been posted as taxes other than income.

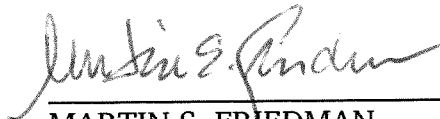
2. The following is a summary of the effect of this adjustment which is a reduction in the refund due EPS customers:

<u>Period</u>	<u>% Reduction per PAA Order</u>	<u>% Reduction per Settlement Offer</u>
11/15/03 - 8/04/04	35.64	20.79
8/05/04 - 12/31/04	8.97	1.03
1/01/05 - 8/01/07	4.77	-0-

In addition, EPS requests no adjustment to its current rates since it is not over earning on a prospective basis.

Respectfully submitted this 19th day of
July, 2007, by:

ROSE, SUNDSTROM & BENTLEY, LLP
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Longwood, FL 32799
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MARTIN S. FRIEDMAN
Florida Bar Number: 0199060
For the Firm

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served by

U.S. Mail this 19th day of July, 2007, to:

Jennifer Brubaker, Esquire
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850



MARTIN S. FRIEDMAN
For the Firm