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REPLY TO CENTRAL FLORIDA OFFICE

November 9, 2007

HAND DELIVERY

Chairman Lisa Polack Edgar
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Miles Grant Water and Sewer Company
2007 General Rate Increase Application
Our File No. 30057.149

Dear Chairman Edgar:

This letter, pursuant to Rule 25-30.430, Florida Administrative Code, requests approval of a test year for Miles Grant Water and Sewer Company (the "Company"). The Company intends to submit an application for general rate relief to the Florida Public Service Commission for its water and wastewater systems located in Martin County, Florida. The Company intends to submit the minimum filing requirements ("MFRs") on or before January 31, 2008.

CMP _____ The Company's last rate proceeding was in Docket No. 870981-WS, utilizing a test
COM _____ year ending June 30, 1987, which culminated in Order No. 20066, issued September 26,
CTR _____ 1988. The Company also had a limited proceeding to increase sewer rates under Docket
ECR 1 No. 890978-SU culminating in Order No. 22079, issued October 23, 1989 (adding the
substandard effluent holding tank to rate base).

GCL 1
OPC 1 The Company requests an historic test year ending June 30, 2007.

RCA _____ The requested test year is representative of a normal full year of operation as
SCR _____ there has been no material customer growth.

SGA _____

SEC _____

OTH CLX: 2

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ECONOMIC REGULATION
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DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

Since the Company's last rate proceeding, the Company made major changes, including the following: conversion of the disinfection system from chlorine gas to liquid chlorine, then to chloramination; installation of a WTP emergency generator and diesel storage tank; well pump replacement at three (3) wells; replacement of a high service pump, transfer pumps, a backwash pump, pump starters and electrical components; modifications to buildings such as installation of office space, chemical storage and equipment storage; replacement of nine (9) fire hydrants; and an ongoing meter replacement program.

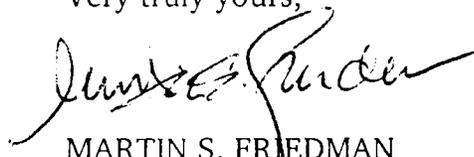
The Company has also made major changes to its wastewater system, including: conversion of the WWTP to extended aeration mode; complete rehabilitation of the treatment plant; replacement of four pressure filters with membrane filter units; installation of a field office and equipment storage facilities; increased process blower capacity; replacement of flow meters, instrumentation equipment and disinfection system; and conversion of the disinfection system from chlorine gas to liquid chlorine.

The Company will include in its filing major pro forma plant additions, including the replacement of fire hydrants, electrical components in the water treatment plant, and diesel fuel storage tanks at the water and wastewater treatment plants. The Company will also include in its filing pro forma salaries, employee benefits and taxes (payroll, income and other taxes).

Pursuant to Section 367.081(8), Florida Statutes, the Company requests that the Commission process this petition for rate relief using the proposed agency action procedure. The Company will also request interim rates based on the historic test year.

Should you or members of the Staff have any questions regarding this request, please do not hesitate to contact me.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

MSF/tlc

Chairman Lisa Polack Edgar
Florida Public Service Commission
November 9, 2007
Page 3

cc: Ms. Kirsten Weeks
John Hoy, Chief Regulatory Officer
Rick Durham, Regional Vice President for Operations
Patrick C. Flynn, Regional Director
Mr. John Williams
Mr. Troy Rendell, Division of Economic Regulation (via hand delivery)
Ms. Deborah Swain