

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

090526

FREDERICK L. ASCHAUER, JR.
CHRIS H BENTLEY, P.A.
ROBERT C. BRANNAN
F. MARSHALL DETERDING
JOHN R. JENKINS, P.A.
KYLE L. KEMPER
STEVEN T. MINDLIN, P.A.
CHASITY H. O'STEEN
WILLIAM E. SUNDBSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON
ROBERT M. C. ROSE (1924-2006)

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

CENTRAL FLORIDA OFFICE
SANLANDO CENTER
2180 W. STATE ROAD 434, SUITE 2118
LONGWOOD, FLORIDA 32779
(407) 830-6331
FAX (407) 830-8522

REPLY TO CENTRAL FLORIDA OFFICE

December 4, 2009

MARTIN S. FRIEDMAN, P.A.
CHRISTIAN W. MARCELLI
BRIAN J. STREET

HAND DELIVERY

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COMMISSION
CLERK

Chairman Matthew M. Carter II
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: North Fort Myers Utility, Inc.
General Rate Increase Application
Our File No.: 16319.29

Dear Chairman Carter:

This letter, pursuant to Rule 25-30.430, Florida Administrative Code, requests approval of a test year for North Fort Myers Utility, Inc. (the "Company"). The Company intends to submit an application for general rate relief to the Florida Public Service Commission for its wastewater system located in Lee County, Florida. The Company intends to submit the minimum filing requirements ("MFRs") on or before June 1, 2010.

NFMU's water and wastewater rates were last established based upon the application of the 2009 Price Index on July 4, 2009. NFMU's last general wastewater rate case (except for the Pine Lakes/Lake Fairways communities) was in Docket No. 790677-S, utilizing a May 31, 1979, test year, resulting in Order No. 10152. NFMU's current wastewater service availability charges (except for the Pine Lakes/Lake Fairways Communities) were established by Order No. 16971 in Docket No. 860184-SU. The last general water and wastewater rate case for the Pine Lakes and Lake Fairways customers was in Docket No. 900521-WS, utilizing a December 31, 1990, test year, resulting in Order No. 24733

The Company requests an historic test year ending December 31, 2009. The requested test year is representative of a normal full year of operation.

Since the Company's last rate proceeding, the Company has made major changes to plant and equipment for its wastewater system, increased operating expenses that are

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not pass-through related, and capital investments such as two major plant expansions, the purchase of two or more adjacent utility systems, over \$10 million in pipeline extensions, the addition of major wastewater reuse systems, the purchase and installation of an emergency generator at the wastewater treatment plant, replacement of control panels, pumps, piping and valves at various lift stations, safety improvements at the wastewater treatment plant and lift stations, and modifications and improvements made to the wet wells at various lift stations, manholes and treatment plant structures. Within that same period of time, there have been no major changes in operational methods.

As a result of the foregoing changes and improvements, the Company will be requesting an increase in wastewater rates of approximately thirty-four percent (34%), except for Pine Lakes and Lake Fairways for which it will seek an increase in wastewater rates of approximately forty percent (40%) and water rates of approximately fifty-five percent (55%).

The Company does not propose to make major pro forma plant additions.

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 also will 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/mp

cc: Ann Cole, Commission Clerk (via hand delivery)
Mr. Tony Reeves (via e-mail)
Ms. Cheryl Bulecza-Banks, Division of Economic Regulation (via email)
Mr. Bart Fletcher, Division of Economic Regulation (via email)