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August 26, 2011

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110257-WS

Chairman Art Graham
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Sanlando Utilities Corporation; 2011 General Rate Increase Application
Our File No. 30057.198

Dear Chairman Graham:

This letter, pursuant to Rule 25-30.430, Florida Administrative Code, requests approval of a test year for Sanlando Utilities Corporation (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 Seminole County, Florida. The Company intends to submit the minimum filing requirements ("MFRs") on or before September 30, 2011.

The Company's last rate proceeding was in Docket No. 090402-WS, utilizing a test year ending December 31, 2008, which culminated in Order No. PSC-10-0472-CO-WS dated July 27, 2010.

The Company requests an historic test year ending December 31, 2010. The requested test year is representative of a normal full year of operation. However, there will be pro forma adjustments to expenses to reflect expenses in the year when rates will be in effect.

Since the Company's last rate proceeding, the Company has experienced increases in O&M expense, including purchased power, lease expense, chemicals, employee salaries, wages and benefits, outside services, insurance, office costs, fleet transportation, and the maintenance & repair of water and wastewater facilities. Additionally, the Company has made major changes to plant and equipment for its water and wastewater system. The pro forma adjustments are non growth-related. Within this same period of time, there have been no major changes in operational methods.

The Company anticipates including the following pro forma plant additions, all of which are wastewater or reuse projects, and all are within 24 months of the proposed test year end of December 31, 2010:

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1. Des Pinar Force Main Replacement of I-4 Crossover. This project involved the replacement of 300 LF of 12" pipe that had failed in order to reestablish the means of conveying wastewater through the collection system to the Des Pinar WWTP. The project cost is approximately \$65,000.
2. Wekiva Hunt Club WWTP Filter Replacement. This project consists of completely refurbishing twin travelling bridge sand filters that are integral to the wastewater treatment process. In order to meet regulatory requirements for public access reuse water, the wastewater plant effluent must be filtered prior to disinfection. The project is estimated to cost \$427,000.
3. Engineering design of the Wekiva-Apopka Reuse Transmission Main. This project is established to provide engineering and surveying services associated with the planning, design, permitting, and contract bidding of the Wekiva-Apopka Reuse Main. The approximate cost is \$125,000.
4. Wekiva-Apopka Reuse Transmission Main. In order to comply with newly established nutrient limits contained in the recently issued Wekiva Hunt Club WWTP operating permit in conformance with the Wekiva River Protection Act, as well as a 70% reduction in the amount of effluent that can be discharged into the Wekiva River Basin, the project is being built in order to convey reuse water to the City of Apopka on a daily basis. The project is estimated to cost \$3,200,000.

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,



CHRISTIAN W. MARCELLI
For the Firm

cc: Steven M. Lubertozi, Executive Director of Reg. Acct and Affairs (via e-mail)
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