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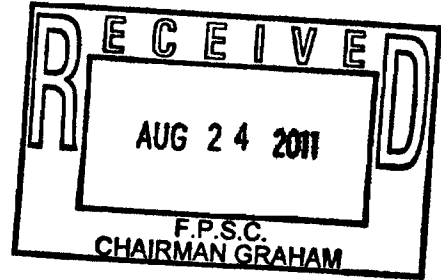
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Chairman Art Graham
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

110264-WS



Re: Labrador Utilities, Inc.
2011 General Rate Increase Application
Our File No. 30057.199

Dear Chairman Graham:

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

The Company's rates were last set in Docket No. 080249-WS, which culminated in Order No. PSC-09-0462-PAA-WS, issued June 22, 2009. That Order was declared final in Order No. PSC-09-0711-AS-WS, issued October 26, 2009. Rates were set utilizing a test year ending December 31, 2007.

The Company requests an historic test year ending December 31, 2010. 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 in both its water and wastewater systems, specifically, replacement of assets and equipment, safety and security improvements, and rehabilitative work to its distribution and collection systems.

The Company proposes to make a major pro forma plant addition, specifically, improvements to its water plant high service pumps and ancillary equipment. The project includes the fabrication and installation of skid-mounted high service pumping equipment, piping, valves and a pump control panel containing variable frequency drive units that are designed to maintain stable system pressure in the absence of a

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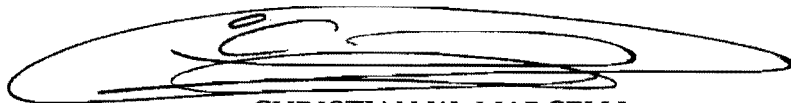
hydropneumatic tank. The project will also include the construction of bathroom facilities for use by utility employees; there are none at either the WTP or WWTP. The project is designed to improve quality of service by eliminating pump cavitation caused by deficiencies in the existing piping system. The new pumping equipment will also address the wide fluctuations in distribution system pressure that currently occur. The project is estimated to cost \$150,000.

The Company also proposes to make pro forma adjustments to purchased power, lease expense, employee salaries, wages and benefits, outside services, insurance, office costs, transportation, and maintenance. The pro forma adjustments are non growth-related.

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

CWM/der

cc: Steven M. Lubertozzi, Executive Dir. of Regulatory Accounting & Affairs
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