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FRIEDMAN & LONG, P.A.  
ATTORNEYS & COUNSELORS

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June 17, 2014

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

Re: Labrador Utilities, Inc.  
2013 General Rate Increase Application  
Our File No. 30057.216

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 1, 2014.

The Company's last file and suspend rate proceeding was in Docket No. 110264-WS, utilizing a test year ending December 31, 2010, which resulted in the issuance of Order No. PSC-123-0206-PAA-WS dated April 12, 2012.

The Company requests an historic test year ending December 31, 2013. 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 categories such as salaries and wages, insurance, purchased power, and chemicals that were not completely offset by reductions in other annual operating expenses or annual indexing rate increases. Additionally, the Company has made significant changes to plant and equipment within its water and wastewater systems. Specifically, the Company replaced the three original high service pumps at its water treatment plant with new pumps and controls in order to minimize pressure fluctuations that were common with the old equipment. 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 will be completed within 24 months of the proposed test year end of December 31, 2013:

1. Labrador WWTP Odor Control Equipment. The project consists of the engineering design, fabrication, and construction of odor control facilities necessary to minimize the impact of plant odors on the surrounding community. The Forest Lake Estates homeowners support the project and the recovery of the costs associated with the project, which amounts to \$600,000.
2. Replacement of WWTP Headworks Equipment. The project entails the replacement of an existing rotary screen and associated equipment at the headworks of the Labrador WWTP. The existing screen was installed in the 1980's and is past its service life. The replacement cost is projected to be \$50,000.
3. Replacement of the Ground Storage Tank. The project includes the replacement of the 34,000-gallon finished water storage tank with corrosion resistant materials that will insure adequate and secure finished water is on hand at all times to meet customer needs. The project is expected to cost \$100,000.

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 may 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

cc: John Hoy (via e-mail)  
Patrick C. Flynn (via e-mail)  
Darrien Pitts (via email)  
John Williams (via e-mail)  
Andrew Maurey (via email)  
Commission Clerk (via US Mail)