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Law Offices of
GENE D. BROWN

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Telephone (850) 668-6103
Facsimile (850) 577-0441

250 John Knox Rd. # 4
Tallahassee, FL 32303

110200-WU

June 8, 2011

HAND DELIVERY

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

Dear Chairman Graham:

Water Management Services, Inc. ("WMSI" or "Company") intends to submit an application for an increase in rates and charges to the Florida Public Service Commission ("Commission") for its water system on St. George Island in Franklin County, Florida, including the setting of interim rates, a change in the rate structure, and an application for a substantial increase in its service availability charges. The Company intends to submit the minimum filing requirements ("MFRs") on or before 60 days from the date of test year approval.

This letter, pursuant to Rule 25-30.430, Florida Administrative Code, requests approval of an historic test year ending December 31, 2010. The requested test year is representative of a normal full year of operation, with normalization adjustments. The MFR's may include other pro forma adjustments, but they will be limited in scope and number, and are not specifically known at this time.

The Company's last full rate case proceeding was in Docket No. 100104-WU, using a test year ending December 31, 2009, which resulted in Order No. PSC-11-0010-SC-WU, issued January 3, 2011. Since the entry of that order, WMSI has completed the detailed engineering for the pro forma plant additions referenced in the order, and will request bids before the end of June, 2011. These plant additions include the following:

- COM _____
- APA _____
- ECR 1
- GCL _____
- RAD _____
- SSC _____
- ADM _____
- OPC _____
- CLK _____

1. New 600,000 gallon ground storage tank including a dedicated fire protection 100,000 gallon inner tank; 2600 gpm fixed tray, screened aerator; chlorine distribution system with inlet and outlet piping.
2. New mechanical/electrical/generator/and chlorine storage building.

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3. New electrical and mechanical equipment, including:
 - 4-720 gpm @80 psi high service horizontal split case pumps, 4-motors, and 4 variable speed drives, complete with PLC controller;
 - 2-2600 flow proportional chlorination systems including dual scales, dual chlorinators, a single fixed rate chlorinator for pre-chlorination, monitor system, emergency breathing apparatus and eye wash;
 - 1-250 KW emergency generator with built in day tank per FDEP requirements;
 - 1-60 KW emergency generator with integral diesel fuel tank, furnished and installed at well no. 3;
 - 1-Control system for 5 well pumps, 5 high service pumps;
 - 1-SCADA system for 5 wells, 5 high service pumps, ground storage tank water level, distribution system pressure including high service pump discharge flow rate totalizer with digital display and recorder; and
 - 2-Central Heat and Air Conditioning Systems.
4. New 12" PVC raw water main from the existing line on the bridge to the new water tank in parallel with existing 12" PVC water supply main, and new 10" PVC raw water main from new well no. 5 to existing well no. 4.
5. New 500 gpm ground water supply well, complete and operable, consisting of: 1-12" diameter, 282' +/- deep water well, 500 gpm vertical turbine pump, piping and electrical with a new 60 KW emergency generator and appurtenances.
6. Land for new well no. 5 referenced in 5 above.
7. Land for new ground storage tank and other improvements referenced in nos. 1, 2 and 3 above.

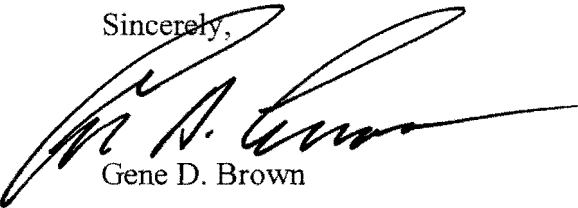
The estimated cost of all these plant additions is \$2,350,000. The exact cost will be known when the bids are received, and that cost will be included in the MFR's.

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Since WMSI's last rate proceeding, WMSI has continued to experience reduced water sales and reduced revenue. WMSI needs rate relief asap to continue providing safe, reliable water service to St. George Island, and to construct the necessary plant additions referenced above. The Company will seek interim rates based on the same historic test year. The Company has earned well below a reasonable rate of return during the most recent historical fiscal year. WMSI requests that this case be scheduled directly for a hearing, rather than following the proposed agency action ("PAA") procedure set forth in Section 367.081(8), Florida Statutes.

Should you or members of the Commission Staff have any questions regarding this request, please contact me.

Sincerely,



Gene D. Brown

cc: Ann Cole, Commission Clerk
Frank Seidman
Les Thomas, P.E.
Maggie Moody McCall, Esq.