

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: July 15, 2010
TO: Ann Cole, Commission Clerk, Office of Commission Clerk
FROM: Lorena A. Holley, Senior Attorney, Office of the General Counsel
RE: Docket No. 090349-WS - Application for limited proceeding rate increase in Polk County by Cypress Lakes Utilities, Inc.

RECEIVED-FPSC
 10 JUL 15 AM 11:05
 JAA
 COMMISSION
 CLERK

Please place the attached correspondence from Dr. Robert M. Halleen, President, Cypress Lakes Homeowners Association, in the consumer correspondence side of the above docket file. Thank you.

FPSC, CLK - CORRESPONDENCE
 Administrative Parties Consumer
 DOCUMENT NO. 08807-09
 DISTRIBUTION

July 12, 2010

Mr. Charles Rehwinkel, Attorney
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400

RECEIVED-FPSC
10 JUL 15 AM 11:05
COMMISSION
CLERK

Dear Mr Rehwinkel,

We are still struggling with defining the elements associated with the Wastewater Plant Expansion. As we reviewed the information supplied to date - which is still very incomplete - we noted that we have no documentation supporting the Settlement Agreement negotiated during the last rate case [2007].

The original order entered by the PSC [ORDER NO. PSC-07-0199-PAA-WS] specified on page 29 that the Service Availability Charge would be \$ 1500 for water and \$ 1500 for wastewater. When the Settlement Agreement was sent to us [ORDER NO. PSC-07-0912-AS-WS], those charges were reduced to \$ 750 for water and \$ 1275 for wastewater with no reference as to the reason.

Further, when the final charges were established, they were reduced to \$ 750 for water and \$ 355 for wastewater based on " CLA should be credited with having previously paid \$ 920 per lot of the \$ 1275 wastewater capacity charge for 213 lots (93 + 120) .". No reference is provided as to how this reduction was determined. The Settlement Agreement established that the reduction was associated with [Article 1b. "...cash payments previously made by CLA to CLU, the Parties agree that CLA should be credited with having previously paid to CLU the amount of \$ 920 per lot of the \$ 1275 per lot wastewater capacity charge payable for the remaining 93 lots in CLU's existing territory and for the 120 additional lots located in Phase 12."]

The specific problem is that none of the numbers correlate. The \$ 195,960 reduction (\$ 920 x 213 lots) matches no other number in the document. The significance of the \$ 300,000 noted in the introductory section (a 1997 expenditure) as it relates to this Agreement is not given. . The reduction of the charges from the approved \$ 1500 for both water and wastewater to \$ 750 and \$ 1275 is not substantiated by any reference.

We are requesting that the Office of Public Counsel as the proposer and a party to the agreement provide the complete documentation of the numbers associated with the Settlement Agreement. We have contacted the PSC Staff and they have no records associated with the Agreement. I would expect that Steve Reilly handled the material as he was the proposer of the charges.

Sincerely,

Robert M. Hallen

JUL 14 2010

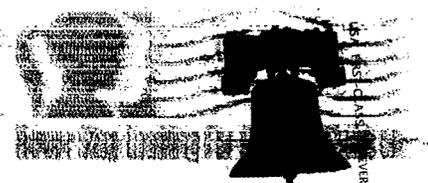
Dr. Robert Halleen
2237 Big Cypress Blvd
Lakeland, FL 33810
(863)-858-9811

cc: B. Fletcher, L. Holley PSC



Dr. Robert Halleen
2237 Big Cypress Blvd.
Lakeland, FL 33810

TALLAHASSEE
SANDY PETERSBURG FL
32309-0850



Ms. LORENA A. HOLLEY

SENIOR ATTORNEY

OFFICE OF THE GENERAL COUNSEL

PUBLIC SERVICE COMMISSION

CAPITAL CIRCLE OFFICE CENTER

2540 SHUMARD OAK BOULEVARD

TALLAHASSEE, FL 32399-0850

3239910850



State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: June 9, 2010
TO: Ann Cole, Commission Clerk, Office of Commission Clerk *AC*
FROM: Curtis M. Mouring, Regulatory Analyst III, Division of Economic Regulation
RE: Docket No. 090349-WS

Please add the attached correspondence from Dr. Robert M. Halleen, President, Cypress Lakes Homeowners Association, to the consumer correspondence side of the above docket file. Thank you.

CMM:kb
Attachment

FPSC, CLK - CORRESPONDENCE		
<input type="checkbox"/> Administrative	<input type="checkbox"/> Parties	<input checked="" type="checkbox"/> Consumer
DOCUMENT NO. 08807-09		
DISTRIBUTION: _____		

RECEIVED FPSC
 10 JUN - 9 PM 2: 14
 COMMISSION
 CLERK

June 1, 2010

Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Attention: Public Service Commission Members
At Agenda Hearing

Dear Commissioners,

In order to assure that our concerns with the recommendations offered by the Public Service Commission staff are clearly stated, we are presenting them in document form. We will direct these comments to you in an oral form so you may interject comments or questions as we proceed.

The two major issues that we will address are (1) Quality of the water supplied and (2) the revenue recommended for your approval.

Quality remains a major issue for the residents of Cypress Lakes. At the last Agenda Hearing, considerable discussion ensued between Mr. Holzschuh, the Commissioners and the Utility Attorney. Resolution of the issues was thought to be an Engineering study of the options to improve the Quality and the potential cost associated with them that was to be sent to the PSC, OPC and CLHA Board of Directors with the intent that discussion between parties would lead to a plan and cost to improve the quality. Unfortunately that did not happen. The report was developed, but no copies were sent to either the OPC or CLHA Board. Further, no discussion was initiated by the Utility. Unilaterally, the Utility proceeded to implement a single item and then presumed that the Quality was improved.

The Quality is not improved. The Chlorine residuals remain a problem. The Polk County Health Department has forwarded another Consent Order to the Utility with an increased fine compared to the last one. The Health Department also recommended that the Utility conduct a uni-directional flushing of the entire system, which they completed during the week of May 17th; residents at a recent Town meeting indicated an improvement. The Health Department also advised us that the most consistent section of the community from a chlorine residue aspect was Phase 12 – the new phase with less than 15 homes **but with automatic flushing valves installed initially by the Developer. The report provided to the Utility and PSC had other excellent suggestions that either were dismissed by the Utility or not even considered.** The report clearly recommended that the Utility developed with the community a list of problem complaints in order to localize problem areas; such a map was developed from the 12 people who complained about quality at the PSC Customer Meeting. A copy is included with this letter; it clearly shows that the complaints are highly localized in a limited section of the community.

Therefore, it is requested that, as a minimum, the PSC Commissioners order the Utility to sit with the CLHA Board of Directors and other interested parties to review all recommendations, including potential costs, presented in the Engineering report and present to the PSC Commissioners within three months a plan agreed to by both parties.

The second major issue is the **Revenue Increase** recommended by the PSC Staff which merely mirrors the request submitted in the Limited Proceedings filing. Several items concern the customers of Cypress Lakes Utility as the increased cost results in an almost **35 % increase in their monthly bill** (From \$ 78.68 per month to \$ 105.46 per month for 6,000 gallons per month usage). The highest contributor to this increase is the **Wastewater Treatment Plant Expansion – an action initiated by a legal agreement between the Developer and the Utility in December 2006. This agreement indicates that the estimated cost of the expansion is \$ 250,000 with the developer required to provide upfront money of \$ 125,000. The agreement further states that the developer is responsible for ½ of the final cost, to which the \$ 125,000 will be applied. The final cost, according the filing, was \$ 1,040,000. The Revenue Request recommended places the remaining \$ 915,000 squarely on the customers of the Utility without any justification, other than it was requested. This increase also appears in the Property Tax Revenue Request (Schedule 10), which means that the customer pays again. It is interesting that the Developer was never advised that the project had taken a 400 % increase in cost. The answers provided to date from the PSC Staff have ranged from it was mandated by the FDEP to it was a prudent think to do.**

It is requested that the PSC Commissioners direct Staff to provide definitive answers as to (1) why the developer is not responsible for one-half of the final cost, which would change the CIAC part of the Revenue Request, (2) how the customer share of the remaining one-half is to be determined, and (3) make any revisions to the Revenue Request as determined by the above information.

Reviewing the annual reports for 2008 and 2009, it is apparent that there have been significant changes in the Utility Inc.'s accounting system as a result of the Phoenix Project. There are (1) new allocated costs in accounts previously not used; for example: Officers Salaries, Advertising, Contractual Services-Engineering,-Testing and Regulatory Commission Expense and (2) redistribution of other costs such as Property Tax which impact the Revenue Request. System Property Tax was previously divided about 1/3 for the water system and 2/3 for the wastewater system which were somewhat in line with the UPIS for each entity. However, the 2008 and 2009 reports show the system tax now divided about 55 % for the water system and 45 % for the wastewater system – clearly not in line with the UPIS. **In fact, the new allocated costs and the redistribution of property tax changed the water system from a profitable !0 % return in 2007 to a negative 3 % in 2008 without any increase in the operating accounts of purchased power, chemicals and materials and water pumped.**

Again, relative to the Phoenix Project, we have requested, but not received, documentation on the specific methodology used on cost allocation and the specific numbers associated with Cypress Lakes Utility.

Therefore, we request that the PSC Commissioners direct staff to (1) verify that allocated costs reflect actual costs previously distributed differently (we are assuming that the PSC conducted an audit to verify the accuracy of the new system), (2) provide from the Utility an explanation as to why the Property Tax distributed cost changed significantly in 2008, and (3) provide methodology and specific numbers associated with the Cypress Lakes Utility's allocated costs.

In regard to the Revenue Request for Property Tax relief (Schedule 10), we challenged the value presented for 2008. The Property Tax bill for the total system for 2008 was \$40, 298.90 (Utility letter of December 8, 2009) whereas the Revenue Request has a system value of \$57, 188. The Utility's explanation (Letter of March 8, 2010) focuses on accruals which place the majority of the 2007 tax into 2008. How the Utility chooses to pay its bills does not determine the actual cost.

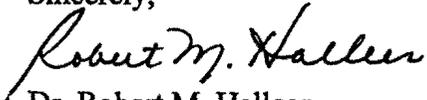
The Revenue Request also includes in Schedule 10 an amount for increased Property Tax based on increases in the UPIS for the wastewater plant and water piping. Review of the Property Tax bills for 2006, 2007 and 2008 shows that the assessed value of the plant in 2007 was increased \$ 1,200,000 and in 2008 another \$ 60,000., which are almost identical to the costs of the two items. Therefore, we believe that the increase in UPIS is already reflected in the assessed value of the system. We have been unable to verify this as the Polk County Assessor Office considered them confidential to the Utility. To date, the PSC staff has not addressed an inquiry to the Utility on this matter.

Therefore, we request that the PSC Commissioners direct staff to reconsider these two items and then reflect the appropriate cost for 2008 in the Revenue Request.

The final items of concern are (1) **Sludge Hauling Expense** and (2) **Rate Case Expense**. Relative to Sludge Hauling expense, it increased significantly in 2006 over the 2005 level and continued at that level through 2008. However, the 2009 annual report shows a 15 % drop in cost, although the wastewater flow handled increased slightly. Because we have no knowledge as to the method for costing sludge hauling, we have no defined basis to determine if this reduction is continuing or will the cost return to previous levels. Our requests for this information have been answered by "this is not a rate case and that would be a rate case question." If this is not a Rate case, why is the Rate Case Expense in the Revenue Request equal to or slightly greater than it has been for our previous rate cases? Items such as the rate case cost of the Phoenix Project allocated to this rate case are not identified. Because we have no specific information to base any request for action, we leave the items as an open issue for the Commissioners to consider.

We appreciate the opportunity to present our thoughts and requests for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Robert M. Halleen". The signature is written in black ink and is positioned above the typed name.

Dr. Robert M. Halleen
President, Cypress Lakes Homeowners Association
2237 Big Cypress Blvd,
Lakeland, FL 33810

cc: PSC Staff , Cypress Lakes Utility, OPC

Cypress Lakes Residents that spoke to the Public Service Commission Staff at the Customer Service Hearing held on November 19, 2009 at the Cypress Lakes Clubhouse:

1. James Nickerson 3026 Peavine Trail –Water Quality Complaint
2. Hank Newman 2910 Fox Branch Court - Sand in Filter, etc... Water Quality Comp.
3. Bill Heffelfinger 2206 Common Loon Drive – Water Quality Complaint
4. Al Heilemann 2246 Cypress Cross Loop – Excessive Increase
5. Ed DeLang 2885 Peavine Trail – Water Quality Complaint / Letter to PSC
6. Ed Hobbie 1758 Big Cypress Blvd – Black Sediment from Shower
7. Nancy Bates 1676 Big Cypress Blvd – AIG Involvement?
8. Diane Vollmer 9461 Big Apple Lane – Plugged Filters / \$ 4500 for filters
9. Frank Martinoli 2248 Big Cypress Blvd – Excessive Computer Cost
10. Parker Finney 3010 Peavine Trail – Water Quality Complaint
11. Bob Benvissuto 1773 Big Cypress Blvd – Water Quality Complaint
12. Isabel Detringo 9541 Cypress Lakes Drive – Commissioner’s Qualifications?
13. Hank Newman 2910 Fox Branch Court – Second Input to Water Quality
14. Jeffrey Unett 9311 Hoosier Circle – Massive Filtration Issue
15. Bob Betts 2460 Peavine Circle – Need More Effort to Resolve Problem
16. Bob Attebery 9944 Killdeer Lane – Better Cost Justification
17. Ted Fletcher 9378 Hoosier Circle – Water Quality Complaint
18. Ed Chandler 9738 Cypress Lakes Drive – Quality Comparison: Fine Dining
Vs. Golden Corral
19. Bob Benvissuto 1773 Big Cypress Blvd – Second Comment / Cost Structure
20. Larry Rumbaugh 2377 Little Cypress Drive – Project Phoenix Driving Force
21. Marie Carlton 2202 Common Loon Drive – Alternate Meter Option?

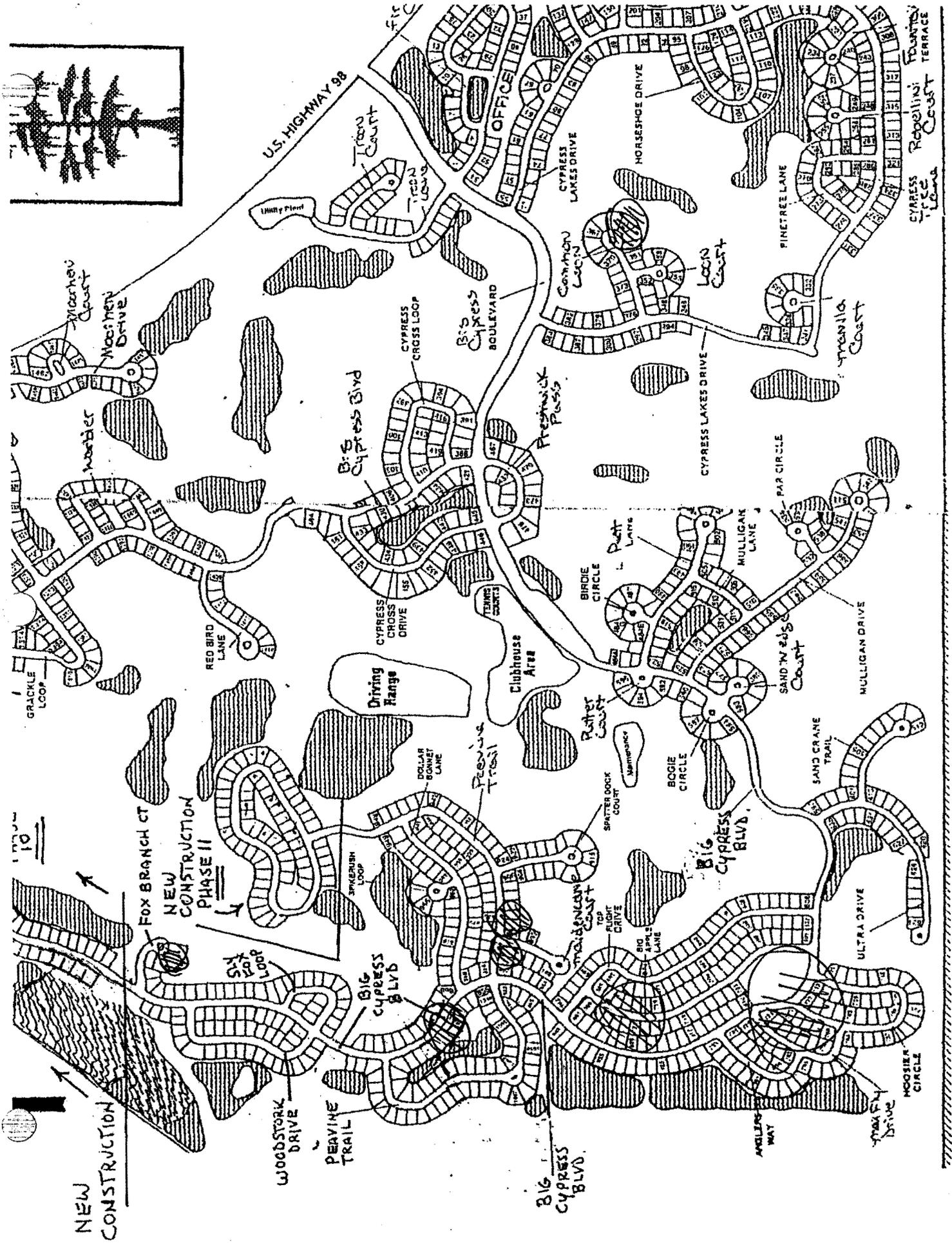
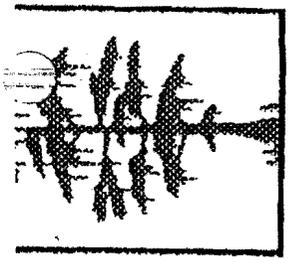
22. Ron Nightingale 2149 Firestone Way – Large Expenditure w/o Budget Approval

Summary: Water Quality Complaints: 12 Individuals

Phoenix Project Complaints: 2 Individuals

Excessive Increase: 4 Individuals

Other Issues: 4 Individuals



NEW CONSTRUCTION

NEW CONSTRUCTION PHASE II

BIG CYPRESS BLVD.

WOODSTOCK DRIVE

PEAVING TRAIL

FOX BRANCH CT

BIG CYPRESS BLVD

BIG CYPRESS BLVD.

WOODSTOCK DRIVE

MOOSEKICK CIRCLE

AMBLEWAY

ULTRA DRIVE

SAND CRANE TRAIL

BOGIE CIRCLE

SPATTER DOCK COURT

THE LIGHT DRIVE

BIG APPLE LANE

DOLLAR BONNET LANE

SPRINGBUSH LOOP

BIG CYPRESS BLVD

5th Street Loop

MULLIGAN DRIVE

PAP CIRCLE

CYPRESS LAKES DRIVE

BIRDIE CIRCLE

PAR LANE

RATHER COURT

PREVINE TRESSI

CLUBHOUSE AREA

CYPRESS CROSS DRIVE

DRIVING RANGE

RED BIRD LANE

CRACKLE LOOP

MARSH

MARCHEV COURT

MARCHEV DRIVE

CYPRESS ROBBING FOUNTAIN TERRACE

FINETREE COURT

PINETREE LANE

LOON COURT

HORSESHOE DRIVE

COMMON LANE

CYPRESS LAKES DRIVE

OFFICE BLVD

BIG CYPRESS BOULEVARD

CYPRESS CROSS LOOP

IRON COURT

IRON LANE

U.S. HIGHWAY 98

IMBLY PLAZA

IRON COURT

IRON LANE

Application for a limited proceeding rate increase by

Cypress Lakes Utilities, Inc.

DOCKET NO. 090349-WS

FPSC, CLK - CORRESPONDENCE
 Administrative Parties Consumer
DOCUMENT NO. 08807-09
DISTRIBUTION:

RECEIVED-FPSC
10 MAR 24 AM 9:11
COMMISSION
CLERK

Name  **Ms. Marlene Drenth**
Address **9473 Big Apple Ln.
Lakeland, FL 33810**

If you want to let the Public Service Commission know how you feel about this case, you may fill out this comment form and return it by mail, or send a fax to 1-800-511-0809.

Correspondence will be placed in the file of this docket.

CONSUMER COMMENTS

I have spent well over \$2,000.00 To improve The water coming into my home. I got a water softner unit To get rid of The rust coming into my home via The water. I also got a special unit for drinking water in my home. That cost me another \$750.00!

Does This Tell you what I Think about The water !! Aw full!

IT's disgusting what comes Thru our water pipes!

Ms. Marlene Drenth
9473 Big Apple Ln.
Lakeland, FL 33810

TAMPA FL 335

22 MAR 2010 PM 5 T

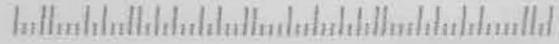
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10 MAR 24 AM 7:15

Florida Public Service Commission
Division of the Commission Clerk and Administrative Services
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

323990850



Fold Here

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Fold Here

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: March 23, 2010

TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk

FROM: Curt Mouring, Regulatory Analyst III, Division of Economic Regulation

RE: Docket No. 090349-WS, Application for limited proceeding rate increase in Polk County by Cypress Lakes Utilities, Inc.

Attached is a document for inclusion in the consumer correspondence file in the above referenced docket.

The document is a one page fax dated March 10, 2010, to Curt Mouring from Dr. Robert Halleen concerning a boil water notice Dr. Halleen received.

FPSC, CLK - CORRESPONDENCE

Administrative Parties Consumer

DOCUMENT NO. 08807-09

DISTRIBUTION: _____

RECEIVED-FPSC
10 MAR 23 PM 3:33
COMMISSION
CLERK

T = 99.4 °F
BP: 140/72 Pulse 90
RESP (w/O2)

DATE 3/10/10

Request To Boil Drinking Water

Due to a problem in your area, the water pressure dropped below the required 20PSI in our system. As a precautionary measure, we are requesting all of our customers boil their drinking water for at least one minute at a vigorous boil for the next 72 hours.

You may discontinue boiling your drinking water after 72 hours.

We apologize for any inconvenience this may cause you. Should you have any questions, please contact our office at the phone number shown on your bill.

Utilities, Inc. of Florida

Telephone-407-869-1919

or

Florida-800-272-1919

COMMISSIONERS:
 NANCY ARGENZIANO, CHAIRMAN
 LISA POLAK EDGAR
 NATHAN A. SKOP
 DAVID E. KLEMENT
 BEN A. "STEVE" STEVENS III

STATE OF FLORIDA



MARSHALL WILLIS, ACTING DIRECTOR
 DIVISION OF ECONOMIC REGULATION
 (850) 413-6900

Public Service Commission

February 22, 2010

FPSC, CLK - CORRESPONDENCE
 ___Administrative___ Parties Consumer
 DOCUMENT NO. 08807-09
 DISTRIBUTION: _____

Robert Halleen
 2237 Big Cypress Blvd.
 Lakeland, FL 33810

RECEIVED-FPSC
 10 FEB 23 AM 10:25
 COMMISSION
 CLERK

Re: Docket No. 090349-WS - Application for limited proceeding rate increase in Polk County by Cypress Lakes Utilities, Inc.

Dear Mr. Halleen:

Thank you for your letter dated February 8, 2010, in which you requested that the Commission staff examine Order No. PSC-07-0109-PAA-WS, the Commission staff letter from Mr. Rendell dated March 2, 2007, and the Utility's letter dated January 15, 2010. Staff has received these documents and has already begun reviewing them. To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

If you have any additional questions, or require further assistance, please call me at (850) 413-7017 or e-mail me at bfletcher@psc.state.fl.us.

Sincerely,

Bart Fletcher
 Public Utilities Supervisor

cc: Division of Economic Regulation (Bulecza-Banks, Fletcher, Rieger, Daniel)
 Office of the General Counsel (Hartman, Brubaker)
 Office of Commission Clerk (Docket No. 090349-WS)
 Office of Public Counsel



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: February 10, 2010
TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk
FROM: Curt Mouring, Regulatory Analyst III, Division of Economic Regulation
RE: Docket No. 090349-WS, Application for limited proceeding rate increase in Polk County by Cypress Lakes Utilities, Inc.

RECEIVED-FPSC
 10 FEB 10 PM 3:45
 COMMISSION
 CLERK

Attached is a document for inclusion in the correspondence file for Docket No. 090349-WS, Application for limited proceeding rate increase in Polk County by Cypress Lakes Utilities, Inc.

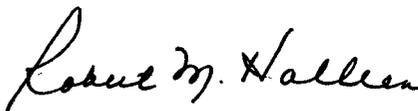
The document is a two page letter dated February 8, 2010, to Bart Fletcher from Dr. Robert Halleen concerning requests for additional information from the PSC.

FPSC, CLK - CORRESPONDENCE
 ___Administrative ___Parties Consumer
 DOCUMENT NO. 08807-09
 DISTRIBUTION: _____

February 8, 2010

To: Bart Fletcher, Supervisor
Division of Economic Regulation
Public Service Commission

From: Dr. Robert M. Halleen, President
Board of Directors
Cypress Lakes Homeowners Association



ECONOMIC REGULATION

10 FEB 10 AM 10:16

PUBLIC SERVICE COMMISSION

Subject: **Requests for Additional Information from PSC**

This letter is to formally document our fifth request to the Public Service Commission for additional information needed to develop the response of the Cypress Lakes Homeowners Association [CLHA] to the Limited Proceedings filing by the Cypress Lakes Utility.

The issue that we are addressing with this request deals with the answers provided by the Cypress Lakes Utility in a letter to the PSC dated January 15, 2010. This letter was copied from the PSC website.

We believe that the letter, written by Mr. Marcelli, makes statements inconsistent with both the written record and statements made by the Utility's spokesman, Mr. Friedman at the Agenda Hearing. Water quality was the primary issue considered at the Agenda Hearing. On page 5 Order No. PSC-07-0199-PAA-WS, it states "In addition, Cypress Lakes shall perform a complete examination of its distribution system to address the low chlorine residual. This shall include a determination of whether a chlorine booster station would help resolve the situation. **The evaluation shall also examine all possible alternatives for the water treatment plant to address the hydrogen sulfide problems of Well No. 2.** This examination shall include all related costs for the water treatment plant booster pump, engineering and permitting. In addition, **all viable options as well as the cost of each option, shall be included in the evaluation.** The utility shall submit the evaluation to the Commission, the Office of Public Counsel **and to the Cypress Lakes Homeowners Association** within 9 months of the date of the Consummating Order."

The hydrogen sulfide problem with Well No. 2 was raised by Mr. Friedman during the hearing discussion of the potential costs involved in improving the water quality. His comment was that resolving the hydrogen sulfide problem may require drilling a new well to replace Well No.2.; **whereupon Commissioner Carter stated that the utility should present all options to address the problem, including costs, so an intelligent decision could be made by the parties involved.** As the record would show, Mr Holzschuh presented customer complaints concerning black contaminants involved in shower spray, filter plugging and surface residue around faucets and drains. Mr. Friedman responded that this could result from an adverse reaction between the chlorine and the hydrogen sulfide. These same complaints were made again at this year's Customer Meeting. There was no misunderstanding of the participants at the Agenda Hearing that there was to be a review of the options before any work chargeable to the residents of Cypress Lakes was performed. This was further confirmed in a letter from Mr. Troy Rendell,

Supervisor for the PSC involved in this rate case. The letter of March 2, 2007 states “ Staff believes the requirement for the utility to do a full analysis will provide a benefit to customers of Cypress Lakes. This analysis will not only examine the chlorine residual problems, including the potential of a chlorine booster pump, **but will also examine all options for water treatment. This is important considering the hydrogen sulfides in well number two. All options should be examined and analyzed. This will include all of the cost involved, so the customers will have full disclosure of any potential rate impact of each option available.”**

Contrary to Mr. Marcelli’s assertion that the Commission made “a clerical error” in addressing hydrogen sulfide, **the subject of hydrogen sulfide was brought up by the Utility at the hearing; CLHA had no knowledge of any sulfide problem prior to the Agenda Hearing. CLHA believes that the water treatment provided by the Utility’ plant is the cause of the significant number of continuing complaints by residents about an adverse black residue and the evaluation was to address that problem. The document provided in the appendix of the January 15, 2010 letter, the report by TBE Group, does not address that problem.** My comment concerning the corrective action, which he states in the 15th letter, was clearly based on the continuing complaints of our residents – ten percent of the responders to our water quality survey, copies supplied to the Utility and the PSC staff, or 45 of the 453 responders, identified this specific problem.

We are requesting that the PSC staff examine the documents involved – ORDER NO. PSC-07-0109-PAA-WS, PSC letter of March 2, 2007 and the Utility letter of January 15, 2010 - and provide the parties involved with the PSC interpretation of the resolution of the water treatment situation.

cc: RSB Attorneys, Attention: C. Marcelli

DR. ROBERT HALLEEN
PRESIDENT, CLHA
2237 BIG CYPRESS BLVD
LAKELAND, FL 33810

TAMPA FL 335
SAINT PETERSBURG FL
09 FEB 2010 PM 11 T



PUBLIC SERVICE COMMISSION
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FL 32399

ATTENTION BART FLETCHER, SUPERVISOR
DIVISION OF ECONOMIC REGULATION

3239910150



State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

RECEIVED-FPSC
10 JAN - 7 AM 11:59
COMMISSION
CLERK

DATE: January 7, 2010
TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk
FROM: Curt Mouring, Regulatory Analyst II, Division of Economic Regulation
RE: Docket No. 090349-WS, Application for limited proceeding rate case in Polk County by Cypress Lakes Utilities, Inc.

Attached is a document for inclusion in the correspondence file for Docket No. 090349-WS, Application for limited proceeding rate case in Polk County by Cypress Lakes Utilities, Inc.

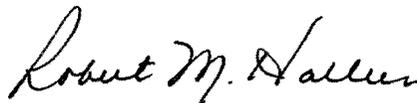
The document is a one page letter dated December 21, 2009, to Bart Fletcher from Dr. Robert Halleen requesting additional information from the PSC concerning the item contained in the Limited Proceedings denoted as Item 3 to recover the cost of the supply main upgrade.

FPSC, CLK - CORRESPONDENCE
Administrative Parties ~~Consumer~~
DOCUMENT NO. 08807.09
DISTRIBUTION: _____

December 21, 2009

To: Bart Fletcher, Supervisor
Division of Economic Regulation
Public Service Commission

From: Dr. Robert M. Halleen, Vice President
Board of Directors
Cypress Lakes Homeowners Association



COMMISSION OF
ECONOMIC REGULATION

09 DEC 24 AM 9:41

PUBLIC SERVICE
COMMISSION
STAFF

Subject: **Requests for Additional Information from PSC**

This letter is to formally document our third request to the Public Service Commission for additional information needed to develop the response of the Cypress Lakes Homeowners Association [CLHA] to the Limited Proceedings filing by the Cypress Lakes Utility.

The issue that we would like the Public Service Commission staff to address is the item contained in the Limited Proceedings denoted as **Item (3) to recover the cost of the supply main upgrade**. Item (3) apparently resulted from a water quality issue study done by Cypress Lakes Utility as their response to Order PSC-07-0912-AS-WS as documented in a letter to the Public Service Commission dated July 21, 2008. As we have expressed orally to the PSC staff, that documentation does not meet the requirements of that order as expressed in Order PSC-07-0199-PAA-WS, page 5 & 6 and further amplified in a letter to the CLHA from the then supervisor, Mr. Troy Rendell, dated March 2, 2007. **The water quality problem has not been resolved** - contrary to the comments expressed by the Utility in its July 21, 2008 letter. CLHA provided you with the results of an internet survey of its residents in which 456 responded and by a ratio of 10:1 indicated unsatisfactory quality, with 10 % (45) clearly identifying a continuing residual problem. Their dissatisfaction was also amplified at the Public Customer meeting held at Cypress Lakes on November 18, 2009.

To understand fully what action the Utility took in regard to the original Order, we are requesting **(1) all documentation provided to the Engineering firm to outline the problem(s) to be studied and (2) the specific report issued by the Engineering firm**. We believe that the Utility **failed to communicate the appropriate quality issue(s)** to be investigated and, as a result, **undertook a corrective action that had no chance to succeed**. Since the Utility failed to comply with the Commission directive to share the information on the various options, including projected costs, with the CLHA **prior to doing any work**; we fail to see why we should absorb the full cost of this project.



Dr. Robert Halleen
2237 Big Cypress Blvd.
Lakeland, FL 33810

Katie Ely

090349

From: Katie Ely
Sent: Wednesday, January 06, 2010 9:56 AM
To: Curt Mouring
Subject: FW: Cypress Lakes - 090349-WS

Thank you for this information. This attachment has been printed and will be placed in Docket Correspondence - Consumers and their Representatives, in Docket 090349

Katie Ely
 Staff Assistant - Office of Commission Clerk
 Florida Public Service Commission
 850-413-6304

Please note: Florida has a very broad public records law. Most written communications to or from state officials regarding state business are considered to be public records and will be made available to the public and the media upon request. Therefore, your e-mail message may be subject to public disclosure.

From: Curt Mouring
Sent: Wednesday, January 06, 2010 9:15 AM
To: 'bonnieschuetze@yahoo.com'
Cc: Bart Fletcher; Cheryl Bulecza-Banks
Subject: Cypress Lakes - 090349-WS

FPSC, CLK - CORRESPONDENCE
 Administrative Parties ~~X~~ Consumer
 DOCUMENT NO. 08807.09
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Dear Mr. & Mrs. Schuetze:

Thank you for your e-mail in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

In response to your concerns regarding the quality of the water provided by the Utility, according to the Polk County Health Department (PCHP), Cypress Lakes is in compliance with the water quality standards. As PCHD is the primary agency with respect to water quality, you may want to contact the agency with your concerns. PCHD's office is responsible for the oversight of Cypress Lakes. Their telephone number is (863) 519-7900.

We understand your concerns regarding the Utility's proposed increases. During these difficult economic times, any increase in your utility bill would create more of a hardship. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6427 or e-mail me at cmouring@psc.state.fl.us.

Curt Mouring

Florida Public Service Commission
 Regulatory Analyst
 Phone: (850)413-6427
 Fax: (850)413-6428
cmouring@psc.state.fl.us

1/6/2010

Katie Ely

090349

From: Katie Ely
Sent: Wednesday, January 06, 2010 9:56 AM
To: Curt Mouring
Subject: FW: Cypress Lakes - 090349-WS

Thank you for this information. This attachment has been printed and will be placed in **Docket Correspondence - Consumers and their Representatives**, in Docket 090349

Katie Ely
 Staff Assistant - Office of Commission Clerk
 Florida Public Service Commission
 850-413-6304

Please note: Florida has a very broad public records law. Most written communications to or from state officials regarding state business are considered to be public records and will be made available to the public and the media upon request. Therefore, your e-mail message may be subject to public disclosure.

From: Curt Mouring
Sent: Wednesday, January 06, 2010 9:15 AM
To: 'tgdean5@verizon.net'
Cc: Bart Fletcher; Cheryl Bulecza-Banks
Subject: Cypress Lakes - 090349-WS

FPSC, CLK - CORRESPONDENCE
Administrative Parties ~~X~~ Consumer
 DOCUMENT NO. 08807.09
 DISTRIBUTION: _____

Dear Mr. & Mrs. Dean:

Thank you for your email in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

In response to your concerns regarding the quality of the water provided by the Utility, according to the Polk County Health Department (PCHP), Cypress Lakes is in compliance with the water quality standards. As PCHD is the primary agency with respect to water quality, you may want to contact the agency with your concerns. PCHD's office is responsible for the oversight of Cypress Lakes. Their telephone number is (863) 519-7900.

We understand your concerns regarding the Utility's proposed increases. During these difficult economic times, any increase in your utility bill would create more of a hardship. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6427 or e-mail me at cmouring@psc.state.fl.us.

Curt Mouring

Florida Public Service Commission
 Regulatory Analyst
 Phone: (850)413-6427
 Fax: (850)413-6428
cmouring@psc.state.fl.us

1/6/2010

Katie Ely

090349

From: Katie Ely
Sent: Monday, January 04, 2010 2:21 PM
To: Ruth McHargue
Subject: FW: To CLK Docket 090349

Thank you for this information. This attachment has been printed and will be placed in **Docket Correspondence - Consumers and their Representatives**, in Docket 090349

Katie Ely
Staff Assistant - Office of Commission Clerk
Florida Public Service Commission
850-413-6304

Please note: Florida has a very broad public records law. Most written communications to or from state officials regarding state business are considered to be public records and will be made available to the public and the media upon request. Therefore, your e-mail message may be subject to public disclosure.

From: Ruth McHargue
Sent: Monday, January 04, 2010 1:43 PM
To: Katie Ely
Cc: Ann Cole; Dorothy Menasco
Subject: FW: To CLK Docket 090349

FPSC, CLK - CORRESPONDENCE
Administrative Parties ~~Consumer~~
DOCUMENT NO. 08807.09
DISTRIBUTION: _____

Customer correspondence

From: Consumer Contact
Sent: Monday, January 04, 2010 10:43 AM
To: Ruth McHargue
Subject: To CLK Docket 090349

Copy on file, see 914553C. DH

From: Bonnie Schuetze [mailto:bonnieschuetze@yahoo.com]
Sent: Sunday, January 03, 2010 8:53 PM
To: Consumer Contact
Subject: BAD WATER

JUST ONE MORE COMPLAINT TO ADD TO YOUR MANY ALREADY RECEIVED. WE LIVE AT CYPRESS LAKES IN LAKELAND, FLORIDA. OUR WATER QUALITY IS HORRIBLE. WE GET BLACK RINGS IN THE TOILET AND IF WATER SITS IN A GLASS THERE IS A BLACK RING AROUND THE TOP. THE SCREENS ON THE FAUCETS ARE ALWAYS COATED WITH BLACK GUNK. I HOPE YOU ARE CONCERNED FOR THE CITIZENS AND DO

SOMETHING ABOUT THIS DEPLORABLE SITUATION. THANK YOU. MR
AND MRS ARTHUR SCHUETZE

Art & Bonnie

Katie Ely

090349

From: Katie Ely
Sent: Monday, January 04, 2010 2:21 PM
To: Ruth McHargue
Subject: FW: To CLK Docket 090349

Thank you for this information. This attachment has been printed and will be placed in Docket Correspondence - Consumers and their Representatives, in Docket 090349

Katie Ely
Staff Assistant - Office of Commission Clerk
Florida Public Service Commission
850-413-6304

Please note: Florida has a very broad public records law. Most written communications to or from state officials regarding state business are considered to be public records and will be made available to the public and the media upon request. Therefore, your e-mail message may be subject to public disclosure.

From: Ruth McHargue
Sent: Monday, January 04, 2010 1:32 PM
To: Katie Ely
Cc: Ann Cole; Dorothy Menasco
Subject: FW: To CLK Docket 090349

FPSC, CLK - CORRESPONDENCE
Administrative Parties ~~Consumer~~
DOCUMENT NO. 08807.09
DISTRIBUTION: _____

Customer correspondence

From: Consumer Contact
Sent: Monday, January 04, 2010 11:20 AM
To: Ruth McHargue
Subject: To CLK Docket 090349

Copy on file, see 914594C. DH

From: Gerry Dean [mailto:tgdean5@verizon.net]
Sent: Sunday, January 03, 2010 11:05 AM
To: Consumer Contact
Subject: WATER

The water at Cypress Lakes (98N) in Lakeland is terrible to say the least. Our water is invariably cloudy, bad taste, and smells. Our water pressure is low also. Please help us. Terry & Gerry Dean, 9244 Woodstork Drive, Lakeland, FL 33810

090349

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
NANCY ARGENZIANO
NATHAN A. SKOP
DAVID E. KLEMENT

STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

December 14, 2009

FPSC, CLK - CORRESPONDENCE
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09 DEC 14 PM 3:06
COMMISSION
CLERK

Robert Halleen
2237 Big Cypress Blvd.
Lakeland, FL 33810

Re: Docket No. 090349-WS - Application for limited proceeding rate increase in Polk County by Cypress Lakes Utilities, Inc.

Dear Mr. Halleen:

Thank you for your letter in which you requested Commission staff's legal opinion. To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

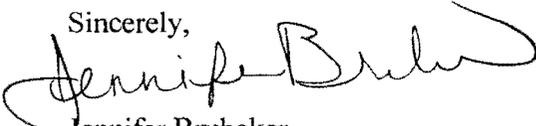
In your letter, you requested staff's position regarding the "legality" of a developer agreement between Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility) and Cypress Lakes Associates (Developer), collectively referred to as "Parties". Pursuant to Rule 25-30.550, Florida Administrative Code (F.A.C.), a utility must file with the Commission developer agreements within 30 days of their execution. Upon the filing of said agreement, it shall be deemed approved under a utility's existing service availability policy, unless the Commission gives notice of intent to disapprove the agreement within 30 days. In accordance with Rule 25-30.550, F.A.C., the agreement between the Parties was effectually approved 30 days from its execution.

However, subsequent to the execution of the developer agreement, the Parties as well as the Office of Public Counsel, executed a settlement agreement addressing the appropriate service availability charges that the Developer must pay. For the purposes of this limited proceeding, the Commission staff must be consistent with the Commission's directives in the Order approving the settlement agreement.

Commission staff cannot offer a legal opinion regarding the "legality" of the developer agreement between the Parties. If the Cypress Lakes Homeowners Association has concerns regarding the "legality" of that agreement, it would need to address that issue in a court of competent jurisdiction. Please be advised that the above is Commission staff's opinion only, and does not bind the Commission in any way.

Robert Halleen
Page 2
December 14, 2009

We understand your concerns regarding the Utility's proposed increases. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6228 or e-mail me at jbrubaker@psc.state.fl.us.

Sincerely,

Jennifer Brubaker
Attorney Supervisor

cc: Division of Economic Regulation (Bulecza-Banks, Fletcher, Rieger, Daniel, Mouring)
Office of the General Counsel (Hartman)
Office of Commission Clerk (Docket No. 090349-WS)
Office of Public Counsel

090349

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December 9, 2009

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DOCUMENT NO. 08807-09		
DISTRIBUTION: _____		

Paul Deignan
2204 Par Circle
Lakeland, FL 33810

Re: Cypress Lakes Utilities, Inc. - Docket No. 090349-WS

Dear Mr. Deignan:

This letter is in response to your letter received on November 24, 2009, in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

We understand your concerns regarding the Utility's proposed increases. During these difficult economic times, any increase in your utility bill would create more of a hardship. If you have any additional questions, or require further assistance, please call me at (850) 413-6427 or e-mail me at cmouring@psc.state.fl.us.

Sincerely,

Curt Mouring
Regulatory Analyst

cc: Division of Economic Regulation (Bulecza-Banks, Fletcher, Rieger)
Office of the General Counsel (Brubaker)
Office of Commission Clerk (Docket No. 090349-WS)
Office of Public Counsel

090349

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December 9, 2009

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COMMISSION
CLERK

Sylvester J. Ackerman
9217 Spatterdock Court
Lakeland, FL 33810

Re: Cypress Lakes Utilities, Inc. - Docket No. 090349-WS

Dear Mr. Ackerman:

Thank you for your letter in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

The Commission is required to set rates that are just, reasonable, compensatory, and not unfairly discriminatory. The Commission cannot prevent a utility from filing a request for an increase its rates. However, the utility has the burden to prove that it is entitled to a rate increase. In evaluating the merits of the case, any costs that are found to be imprudent or are unjustified, will be disallowed.

In response to your concerns regarding the modifications to the wastewater plant, an expansion associated with the additional lots in the park only represents a portion of the Utility's requested increase, which has been partially offset by contributions in aid of construction totaling \$125,000. The primary cause for the Utility's requested increase in wastewater rates is that the Florida Department of Environmental Protection mandated modifications to the existing wastewater treatment plant. Staff is in the process of reviewing and evaluating these items, as well as, the costs associated with the water supply main upgrade.

In response to your concerns regarding the Project Phoenix, this program was a massive overhaul of Utilities, Inc.'s information, customer service and computer systems. This program was implemented at the corporate level, and the cost has been allocated down to Utilities, Inc.'s subsidiary companies. In seven recent Commission decisions for sister companies of Cypress Lakes, the Commission has approved these allocated costs. The purpose of the Project Phoenix is to improve the Utility's capabilities and processes in their accounting, customer service, customer billing, and financial and regulatory reporting areas. The Project Phoenix has been

Sylvester J. Ackerman
Page 2
December 9, 2009

fully deployed for almost a year, and the prudence of the system is still being evaluated by the staff.

Regarding the concerns you raised about the Utility requested increases due to the increase in property taxes and sludge hauling, staff has requested the support documentation from the Utility. Rule 25-30.445(4)(f), Florida Administrative Code, states that the Utility shall provide the support documentation for any operating expense they seek to recover in a limited proceeding rate case.

With respect to the development of rates, the Commission uses a rate of return methodology as set forth in Chapter 367, Florida Statutes (F.S.). Under the rate of return methodology, a utility is allowed to earn a reasonable return on its prudently invested property that is used and useful in serving the public, less accrued depreciation plus an allowance for operating capital. This ratemaking process is used for all water and wastewater companies and is also used in the electric and gas industry. It is the same approach used throughout the country by various state and federal utility regulatory bodies.

There are many factors that affect the cost of providing service and hence, the rates charged to customers. Some factors affecting the cost of providing service include: the size and age of the utility system; the quality of the water at its source; the number of customers; and the geographic spread of the service area. During a rate case, the Commission's accountants, engineers and economists examine the financial and engineering information filed by the Utility as part of its rate increase application. All costs found to be imprudent or unreasonable are disallowed.

We understand your concerns regarding the Utility's proposed increases. During these difficult economic times, any increase in your utility bill would create more of a hardship. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6427 or e-mail me at cmouring@psc.state.fl.us.

Sincerely,



Curt Mouring
Regulatory Analyst

cc: Division of Economic Regulation (Bulecza-Banks, Fletcher, Rieger)
Office of the General Counsel (Brubaker)
Office of Commission Clerk (Docket No. 090349-WS)
Office of Public Counsel

090349

COMMISSIONERS:
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(850) 413-6900

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December 9, 2009

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COMMISSION
CLERK

Ellen Bailey
2321 Mulligan Drive
Lakeland, FL 33810

Re: Cypress Lakes Utilities, Inc. - Docket No. 090349-WS

Dear Ms. Bailey:

Thank you for your letter in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

With respect to the development of rates, the Commission is required to set rates that are just, reasonable, compensatory, and not unfairly discriminatory. The Commission cannot prevent a utility from filing a request for an increase its rates. However, the utility has the burden to prove that it is entitled to a rate increase. In evaluating the merits of the case, any costs that are found to be imprudent or are unjustified, will be disallowed.

In response to your concerns regarding the quality of the water provided by the Utility, according to the Polk County Health Department (PCHP), Cypress Lakes is in compliance with the water quality standards. As PCHD is the primary agency with respect to water quality, you may want to contact the agency with your concerns. PCHD's office is responsible for the oversight of Cypress Lakes. Their telephone number is (863) 519-7900.

On June 30, 2009, the Utility filed a limited proceeding application pursuant to Section 367.0822, Florida Statutes. In its application, Cypress Lakes states that the purpose of this limited proceeding is for the Utility to recover (1) the cost of the modifications to the Utility's wastewater treatment plant; (2) the cost of Project Phoenix, the Utility's modernization of its information, customer service and computer systems; (3) the cost of the supply main upgrade; and (4) the costs of increases in property tax and sludge hauling. The plant expansion associated with the additional lots in the park only represents a portion of the Utility's requested increase, which has been partially offset by contributions in aid of construction totaling \$125,000. The primary cause for the Utility's requested increase in wastewater rates is Florida Department of Environmental Protection mandated modifications to the existing wastewater treatment plant.

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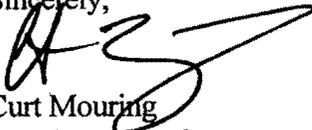
PSC Website: <http://www.floridapsc.com>

Internet E-mail: contact@psc.state.fl.us

Ellen Bailey
Page 2
December 9, 2009

We understand your concerns regarding the Utility's proposed increases. During these difficult economic times, any increase in your utility bill would create more of a hardship. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6427 or e-mail me at cmouring@psc.state.fl.us.

Sincerely,



Curt Mouring
Regulatory Analyst

cc: Division of Economic Regulation (Bulecza-Banks, Fletcher, Rieger)
Office of the General Counsel (Brubaker)
Office of Commission Clerk (Docket No. 090349-WS)
Office of Public Counsel

090349

COMMISSIONERS:
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STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR
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(850) 413-6900

Public Service Commission

December 9, 2009

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DOCUMENT NO. 0880709		
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A. Edwin Putnam
9948 Killdeer Lane
Lakeland, FL 33810

Re: Cypress Lakes Utilities, Inc. - Docket No. 090349-WS

Dear Mr. Putnam:

Thank you for your letter in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

With respect to the development of rates, the Commission is required to set rates that are just, reasonable, compensatory, and not unfairly discriminatory. The Commission cannot prevent a utility from filing a request for an increase its rates. However, the utility has the burden to prove that it is entitled to a rate increase. In evaluating the merits of the case, any costs that are found to be imprudent or are unjustified, will be disallowed.

In response to your concerns regarding the quality of the water provided by the Utility, according to the Polk County Health Department (PCHP), Cypress Lakes is in compliance with the water quality standards. As PCHD is the primary agency with respect to water quality, you may want to contact the agency with your concerns. PCHD's office is responsible for the oversight of Cypress Lakes. Their telephone number is (863) 519-7900.

On June 30, 2009, the Utility filed a limited proceeding application pursuant to Section 367.0822, Florida Statutes. In its application, Cypress Lakes states that the purpose of this limited proceeding is for the Utility to recover (1) the cost of the modifications to the Utility's wastewater treatment plant; (2) the cost of Project Phoenix, the Utility's modernization of its information, customer service and computer systems; (3) the cost of the supply main upgrade; and (4) the costs of increases in property tax and sludge hauling. The plant expansion associated with the additional lots in the park only represents a portion of the Utility's requested increase, which has been partially offset by contributions in aid of construction totaling \$125,000. The primary cause for the Utility's requested increase in wastewater rates is Florida Department of Environmental Protection mandated modifications to the existing wastewater treatment plant.

A. Edwin Putnam
Page 2
December 9, 2009

We understand your concerns regarding the Utility's proposed increases. During these difficult economic times, any increase in your utility bill would create more of a hardship. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6427 or e-mail me at cmouring@psc.state.fl.us.

Sincerely,



Curt Mouring
Regulatory Analyst

cc: Division of Economic Regulation (Bulecza-Banks, Fletcher, Rieger)
Office of the General Counsel (Brubaker)
Office of Commission Clerk (Docket No. 090349-WS)
Office of Public Counsel

090349

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
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STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

December 9, 2009

Edward DeLang
2885 Peavine Trail
Lakeland, FL 33810

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COMMISSION CLERK

Re: Docket No. 090349-WS - Application for limited proceeding rate increase in Polk County by Cypress Lakes Utilities, Inc.

Dear Mr. DeLang:

Thank you for your letter in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

On June 30, 2009, the Utility filed a limited proceeding application pursuant to Section 367.0822, F.S. In its application, Cypress Lakes states that the purpose of this limited proceeding is for the Utility to recover (1) the cost of the modifications to the Utility's wastewater treatment plant; (2) the cost of Project Phoenix, the Utility's modernization of its information, customer service and computer systems; (3) the cost of the supply main upgrade; and (4) the costs of increases in property tax and sludge hauling.

With respect to the development of rates, the Commission is required to set rates that are just, reasonable, compensatory, and not unfairly discriminatory. The Commission cannot prevent a utility from filing a request for an increase its rates. However, the utility has the burden to prove that it is entitled to a rate increase. In evaluating the merits of the case, any costs that are found to be imprudent or are unjustified, will be disallowed.

In your letter, you express concerns about the duties and responsibilities of the Commissioners at the PSC. As mentioned at the November 18, 2009, customer meeting, the Commissioners are appointed by the Governor. Also, the Commissioners' bios can be found on pages 3 and 4 of the Special Report, distributed at the customer meeting. A copy of the Special report is attached. The qualifications, duties and responsibilities of the Commissioners are as follows:

This is a full-time position, with the Commissioner serving on a five-member collegial body. The Commissioner should be competent and knowledgeable in one or more of the following fields: accounting, economics, energy, engineering, finance, law, natural resource conservation, public affairs, or any other field(s) substantially related to the regulation of gas, electric, telecommunications, water and wastewater utilities. The Commissioner must abide by the qualifications specified in s. 350.04, *Florida Statutes*, and subscribe to the oath specified in s. 350.05, *Florida Statutes*, before entering the duties

Edward DeLang
Page 2
December 9, 2009

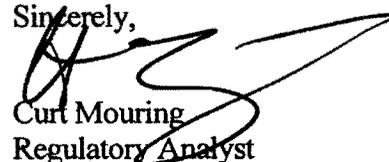
of the office. The Commissioner must comply with s. 350.041, *Florida Statutes*, regarding standards of conduct; s. 350.042, *Florida Statutes*, regarding ex parte communications; s. 286.011, *Florida Statutes*, regarding the Sunshine Law; and the Code of Ethics outlined in Part III of Chapter 112, *Florida Statutes*.

This position requires the ability to assimilate, analyze, and act on complex information related to regulation of public utilities, submitted by the Commission's staff, the Public Counsel, utility companies' representatives, other interested parties, and the general public. Information presented to the Commissioner is often highly technical and conceptually complex. The Commissioner must be able to understand, interpret, and act upon highly technical information which is presented to Commissioners on a regular basis. The Commissioner regularly participates in proceedings in which the Commission exercises high-level quasi-judicial and quasi-legislative functions related to regulated utilities. The Commissioner participates in regularly scheduled agenda conferences to make decisions regarding cases involving regulated utilities, to hear oral arguments from attorneys, and to make decisions related to policies and procedures for internal management of the Commission. The Commissioner travels statewide to attend customer service meetings and rate case proceedings, but most hearings are conducted in Tallahassee. The Commissioner may also represent the Commission on national committees and before federal agencies and Congress.

The Commission is responsible for regulating the rates and service quality for five investor-owned electric companies, seven investor-owned natural gas utilities, and over 160 investor-owned water and/or wastewater utilities. The Commission also has competitive market oversight for more than 1,133 telecommunications companies. Additionally, the Commission has limited jurisdiction over municipal electric and gas utilities and rural electric cooperatives, and has other statutory responsibilities pursuant to Chapters 350, 364, 366, 367, 368, 403 and 427, *Florida Statutes*. Decisions of the Commission are subject to judicial review.

We understand your concerns regarding the Utility's proposed increases. During these difficult economic times, any increase in your utility bill would create more of a hardship. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6427 or e-mail me at cmouring@psc.state.fl.us.

Sincerely,



Curt Mouring
Regulatory Analyst

cc: Division of Economic Regulation (Bulecza-Banks, Fletcher, Rieger)
Office of the General Counsel (Brubaker)
Office of Commission Clerk (Docket No. 090349-WS)
Office of Public Counsel

090349

Application for a limited proceeding rate increase by

Cypress Lakes Utilities, Inc.

RECEIVED-FPSC

09 NOV 24 AM 8:59

DOCKET NO. 090349-WS

FPSC, CLK - CORRESPONDENCE
 Administrative Parties Consumer
 DOCUMENT NO. 08807-09
 DISTRIBUTION: _____

COMMISSION CLERK

Name A. Edwin Putnam
 Address 9948 Killdeer Lane
Lakeland, FL 33810

If you want to let the Public Service Commission know how you feel about this case, you may fill out this comment form and return it by mail, or send a fax to 1-800-511-0809. Correspondence will be placed in the file of this docket.

CONSUMER COMMENTS
We are starting our 4 th year here at Cypress Lakes. Soon after we got here, we realized the water quality was inferior as scum was showing up in the shower, dishwasher, sinks and toilets, plus the water did not taste very good. We spent \$4500 on a water softening system that improved the quality of water immensely. A large part of the increase in rates is attributable to the computer system upgrade and the increased capacity of the sewer plant. These are capital improvements that should be financed by the utility and paid off over a period of time - suggested 5 years for the computer system and 25 years for the sewer plant. An increase that took this into consideration would be far less than the increase being asked for. Also, when those items are paid for the rates should be lowered to reflect the fact that those items are no longer a burden.

090349

Application for a limited proceeding rate increase by

Cypress Lakes Utilities, Inc.

RECEIVED-FPSC

DOCKET NO. 090349-WS

09 NOV 24 AM 8:56

FPSC, CLK - CORRESPONDENCE
 Administrative Parties Consumer
 DOCUMENT NO. 08807.09
 DISTRIBUTION: _____

COMMISSION
CLERK

Name Ellen Bailey (Cypress Lakes Park)
 Address 2321 Mulligan Dr
Wakelad, Florida 33810

If you want to let the Public Service Commission know how you feel about this case, you may fill out this comment form and return it by mail, or send a fax to 1-800-511-0809. Correspondence will be placed in the file of this docket.

CONSUMER COMMENTS	
I was surprised at the big increase in a proposed rate hike of the Cypress Lakes Utilities, Inc.	
I wouldn't mind paying a small increase, but the quality of the water is terrible. You can see particulates of mineral deposits in each glass of tap water and white spots are left on the car glasses & windows when you wash them.	
Also, the terrible smell that comes in the water occurs frequently.	
I already pay almost \$50 a month and I live alone, don't have a dishwasher, use sprinklers only 2 months a year and have water saving devices on the toilet, showers & sink taps. All for bad quality water.	

090340

RECEIVED-FPSC

09 NOV 24 AM 8: 50

November 19, 2009

Florida Public Service Commission
Div. of Commercial Clerk & Administrative Service
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

COMMISSION
CLERK

Subject: DOCKET No. 090349-WS
Cypress Lakes Utilities, Inc.

FPSC, CLK - CORRESPONDENCE		
<input type="checkbox"/> Administrative	<input type="checkbox"/> Parties	<input checked="" type="checkbox"/> Consumer
DOCUMENT NO. <u>08807-09</u>		
DISTRIBUTION: _____		

Copy to: Cypress Lakes Home Owners Association
Dr. Robert Halleen
Mr. Robert Young, Blair Group,
Management & owner of Cypress Lakes Community

Ref. To: Public hearing on Water Rates

My name is Edward DeLang and have been a resident of Cypress Lakes Community for almost 15 years. My wife & I attended the meeting of 11-18-09 hopefully with an open mind to try and better understand the reason & need for the proposed rate changes. Listened intently to the opening statements presented by the guest representative from, I guess Florida Public Service. That followed by opening remarks from Dr. Halleen and other various community resident speakers.

It was quite apparent that many attending residents were in full agreement with Dr. Halleen's opening remarks and followed his words with supporting comments. I'm certain that Dr. Halleen's opening statement is in the form of a written document as well as was recorded by the presiding panel. No need to cover those remarks as they are, or at least can be had, by available documentation.

What was not covered in the meeting, but I think needs to be aired is the history of how we got where we are. Unfortunately history can be reviewed, but not changed.

I am not a scholar in the field of Utility Operations nor educated in the operations of public utilities. So my comments are founded only on historical knowledge as I recall as well as my personal experience of living within the happenings thru the years.

I'll go back to 1974 when I purchase land in Jo Daviess County, Illinois called Apple Canyon Lake. It is a land development by the Branigar Corporation, as I recall out of the Chicago area. They had their own water wells, but each property owner had a private septic system for sewage disposal. While Branigar developed the land and sold the properties to individuals as well as provided water to the common properties such as Clubhouse, Golf Course, Restaurant, and similar common areas, they like Cypress Lakes provided the water to the fire hydrant system as well as all water users. The community property owners formed an association with an elected board of directors. At one time I did serve on said board. As long as Branigar had land to sell, they had membership on the board as well as they paid the community General Manager and Staff from annual assessment for operations, somewhat similar to Cypress Lakes. The water furnished was a portion of that said annual fee to land owning residents of Apple Canyon Lake.

When the development was completed, Branigar turned over all common properties to the Apple Canyon Lake Association and sold the water department to, who of all people, but the same water utility company that now operates the water utility in Cypress Lakes. When we left Illinois and sold our last land ownership at Apple Canyon Lake, we relocated to Lakeland and Cypress Lakes. During the years after Branigar departed ACL and the ACL Utilities Inc. took over metering water and establishing rates, we incurred continual rate increases far and above the normal rate of national & local inflation. It was continuous bickering with the Board in Illinois that supposedly controlled rate increases.

Needless to say I wasn't happy with learning our Cypress Lakes Water Company was sold to the same establishment that we experienced at Apple Canyon Lake.

For the first few years we lived at Cypress Lakes all went along smooth with regard to our water and sewage utilities. Then, as I understand the history, the State of Florida brought attention to the Blair Group that they were required, by some law, to establish metered water usage and develop a Utility Company to meter, bill, and collect money from each attached user of the already well run utility service we enjoyed as a portion of our annual proportionate cost of management expenses that was assessed to us in conjunction with our lease rent agreement with the Park owners.

Our Park Management decided that they were not interested in operating a water company and do the meter reading, billing, and collecting of monies needed to operate the already established self contained water & sewage disposal operations. So they sold the operation and its working system to the present owners. Management did minimally reduce our monthly fee to reflect some of what we were told to expect being billed by Utilities, Inc.

My opinion, and I'm quite sure that others at Cypress agree, that the motivating cause of the pressure applied to Cypress Lakes Community to go public was the fact that the State of Florida then had a fixed operating system that they could apply an existing utilities tax to and collect additional State taxable income. This added tax, of course financially supports the commission that reviews and approved any and all increases passed on to us end users. I guess it's simple to understand how an increase might benefit the people who approve the requests. Their expenses, job security, and wages are directly tied to the revenue generated by utilities.

Then of course what causes the utilities to seek increased levels of rate. Guess what, job security, pay rate changes, and money available for operating expenses. Rather than looking at cost savings or generating economic incentives to increase their profit, they look at how to increase the cost of their operations with added expenses in wages, business expenditures, and operations. Why, because the system established by the Public Service Commission provides them with an agreed level of fair profit after their operation expenditures. The more the operation costs to run the same percent of guaranteed return on investment actually becomes more dollars in revenue generated. Why does the Public Service Commission more often than not grant, at some level, increases in rates. Because the greater the bill to the end users, the greater the actual tax bite in dollars is gained for their coffers. Why does the Public Service Commission more often than not grant, at some level, increases in rates. Because the greater the bill to the end users, the greater the actual tax bite in dollars is gained for their operations.

The commissioners are selected by whom? Yes, our elected officials, who are always short on ways to increase needed State revenues. We are caught in a web that has greater interest in their own, then they do in what is fair and reasonable for the bottom row of the pyramid, the customer of the utility. Unfortunately this has no resolution because the only way to force improvement is thru competition, or choice of server. As long as we are subject to a system that has no choice of whom we buy our water from, we are subject to their monopoly of the service rendered.

Maybe a mass signed document sent off to newspapers, local TV news stations, and other public distributed medias as well as the candidates for any one running for any office State wide that is not presently in the elected people, might catch some attention that the lowly tax payers are being abused. There are laws to prosecute those who abuse pets, wildlife, children, spouses, and loads of other entities, but I know of no law to prosecute those who abuse the defenseless taxpayer. At 80 years of age, I'm too old to start carrying a banner.

Respectfully yours,

Ed DeLang
2885 Peavine Trail
Lakeland, FL 33810

090349

RECEIVED-FPSC

09 NOV 24 AM 8:39

CYPRESS LAKES UTILITIES, INC.
DOCKET NO. 090349

COMMISSION
CLERK

NOVEMBER 19, 2009

SYLVESTER J. ACKERMAN
9217 SPATTERDOCK COURT
LAKELAND, FLORIDA 33810

It is my understanding that the purpose of the Florida Public Service Commission is to monitor the operations of private utilities and to assure that the utility is charging reasonable rates for using their services. It has not been clear as to how the Commission does its job nor does it provide detailed information to the customers as to how it arrived at the rates they allow to be charged by the utility.

ITEM 1--Modifications to waste water treatment plant

Did the Commission approve or validate the need /justification for modifications to the Utilities waste water treatment plant?

If so was this information provided to the customers for review and comment? If not why not? these items should be approved prior to implementation. see Item-6 below concerning amortization.

ITEM 2--Project Phoenix

The same questions as in item 1.

Did the utility show the cost savings that Project Phoenix accomplished for Cypress Lakes Utilities? Reduced overhead.

ITEM 3--SUPPLY MAIN UPGRADE

The same questions as in Item 1.

ITEM 4--PROPERTY TAXES AND SLUDGE HAULING

Taxes and other expenses to operate the utility are reasonable and allowable but I assume that the costs will be validated and that your staff will assure that credit received for sludge sales is included. If not, why not?

Sludge is sold all over the country. The utility cost increases for operations are allowable but since cost of living has gone down, how have their costs increased?

ITEM 6-GENERAL COMMENTS

Does the Commission approve rates based on cost and if not where does the authority come from to allow the Commission to add other factors into rate considerations? i.e. to control the amount of water used.

One of the costs that the utility recovers is the cost of facilities. but why are they not amortized over the life of facility? this would be the same rate they use on their income tax. Thus if a facility costs \$500,000. and amortization rate is \$10,000 a year they should only charge enough to recover the amortization each year and then after complete amortization the rates should go down. This matter should be looked at over the past years to determine if rates should be reduced.

It is my opinion that the Commission has been derelict in their duties to protect the public from the utilities. The state government should relook at what the charter for this commission should be. and appoint/elect people who will abide by the charter.

It is apparent that the current Commission does not..

FPSC, CLK - CORRESPONDENCE		
<input type="checkbox"/> Administrative	<input type="checkbox"/> Parties	<input checked="" type="checkbox"/> Consumer
DOCUMENT NO. 08807-09		
DISTRIBUTION: _____		

090349

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
NANCY ARGENZIANO
NATHAN A. SKOP
DAVID E. KLEMENT

STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

November 17, 2009

FPSC, CLK - CORRESPONDENCE		
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DOCUMENT NO. 08867-09		
DISTRIBUTION: _____		

RECEIVED-FPSC
09 NOV 18 AM 9:40
COMMISSION
CLERK

David Hyer
9614 Cypress Lakes Drive
Lakeland, FL 33810

Re: Cypress Lakes Utilities, Inc. - Docket No. 090349-WS

Dear Mr. Hyer:

Thank you for your letter in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

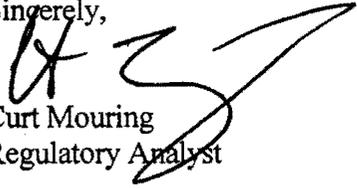
With respect to the development of rates, the Commission is required to set rates that are just, reasonable, compensatory, and not unfairly discriminatory. The Commission cannot prevent a utility from filing a request for an increase its rates. However, the utility has the burden to prove that it is entitled to a rate increase. In evaluating the merits of the case, any costs that are found to be imprudent or are unjustified, will be disallowed.

On June 30, 2009, the Utility filed a limited proceeding application pursuant to Section 367.0822, Florida Statutes. In its application, Cypress Lakes states that the purpose of this limited proceeding is for the Utility to recover (1) the cost of the modifications to the Utility's wastewater treatment plant; (2) the cost of Project Phoenix, the Utility's modernization of its information, customer service and computer systems; (3) the cost of the supply main upgrade; and (4) the costs of increases in property tax and sludge hauling. The plant expansion associated with the additional lots in the park only represents a portion of the Utility's requested increase, which has been partially offset by contributions in aid of construction totaling \$125,000. The primary cause for the Utility's requested increase in wastewater rates is Florida Department of Environmental Protection mandated modifications to the existing wastewater treatment plant.

David Hyer
Page 2
November 17, 2009

We understand your concerns regarding the Utility's proposed increases. During these difficult economic times, any increase in your utility bill would create more of a hardship. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6427 or e-mail me at cmouring@psc.state.fl.us.

Sincerely,



Curt Mouring
Regulatory Analyst

cc: Division of Economic Regulation (Bulecza-Banks, Fletcher, Rieger)
Office of the General Counsel (Brubaker)
Office of Commission Clerk (Docket No. 090349-WS)
Office of Public Counsel

090349

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
NANCY ARGENZIANO
NATHAN A. SKOP
DAVID E. KLEMENT

STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

November 17, 2009

RECEIVED-PPSC
09 NOV 18 AM 9:40
COMMISSION
CLERK

FPSC, CLK - CORRESPONDENCE
 Administrative Parties Consumer
DOCUMENT NO. 08807-09
DISTRIBUTION:

Paul Deignan
2204 Par Circle
Lakeland, FL 33810

Re: Cypress Lakes Utilities, Inc. - Docket No. 090349-WS

Dear Mr. Deignan:

Thank you for your letter in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

With respect to the development of rates, the Commission is required to set rates that are just, reasonable, compensatory, and not unfairly discriminatory. The Commission cannot prevent a utility from filing a request for an increase its rates. However, the utility has the burden to prove that it is entitled to a rate increase. In evaluating the merits of the case, any costs that are found to be imprudent or are unjustified, will be disallowed.

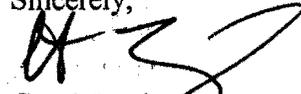
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Though the customer meeting originally scheduled to take place on October 22, 2009, was cancelled due to circumstances outside of the Commission staff's control, the customer meeting has been rescheduled. You should have received a notice from Cypress Lakes that provides information about the rescheduled customer meeting. The cancellation notice of the initial meeting and notice for the rescheduled meeting are attached. The purpose of the customer meeting is to give customers and other interested persons an opportunity to offer comments to the Commission staff regarding the quality of service the Utility provides and the proposed rate increase. Customers will also be given the opportunity to ask questions or make comments on other issues. Commission staff will be available to address and coordinate customers' comments and to assist members of the public.

Paul Deignan
Page 2
November 17, 2009

We understand your concerns regarding the Utility's proposed increases. During these difficult economic times, any increase in your utility bill would create more of a hardship. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6427 or e-mail me at cmouring@psc.state.fl.us.

Sincerely,



Curt Mouring
Regulatory Analyst

Attachments

cc: Division of Economic Regulation (Bulecza-Banks, Fletcher, Redemann)
Office of the General Counsel (Hartman)
Office of Commission Clerk (Docket No. 090349-WS)
Office of Public Counsel

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
NANCY ARGENZIANO
NATHAN A. SKOP
DAVID E. KLEMENT

STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

November 13, 2009

Robert Halleen
2237 Big Cypress Blvd.
Lakeland, FL 33810

FPSC, CLK - CORRESPONDENCE
Administrative Parties / Consumer
DOCUMENT NO. 08807-09
DISTRIBUTION: _____

RECEIVED-FPSC
09 NOV 13 PM 4:12
COMMISSION

Re: Docket No. 090349-WS - Application for limited proceeding rate increase in Polk County by Cypress Lakes Utilities, Inc.

Dear Mr. Halleen:

Thank you for your letter in which you recounted the discussion held between the Cypress Lake Estates customers and Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

In your request for additional information from the PSC, you list several issues that you wish to be addressed by the PSC staff. In response to:

Item 1 - Please see the attached copy of the nine-month water quality investigation.

Item 2 - We believe that a utility should always make an effort to respond to customer concerns and show a willingness to adequately address customer satisfaction. A utility does have responsibilities concerning both "health" and "aesthetic" water quality issues. Of course, the Department of Environmental Protection's (DEP) monitoring rules are very comprehensive and are designed to identify the presence of contaminants that may pose health risks to the consumer. The Utility is expected to comply with the DEP standards in that regard. For items such as taste, color, and odor, the Utility should make an effort to maintain a good aesthetic quality. Although customers may find the properties of the water undesirable, treating the water used for all purposes to the highest customer aesthetic expectation can come at significant cost and may not always be practical.

Item 3 - The use of the term "beneficial improvement" is not a common expression used by the Commission. We do consider prudence when it comes to costs related to improvements made by a utility, and the benefits that the customers receive as a result. The Utility should strive to exercise good judgment in these situations.

Item 4 - This information will be requested in staff's fourth data request.

Item 5 - This information will be requested in staff's fourth data request.

Item 7 - This information will be requested in staff's fourth data request.

Item 8 - This information will be requested in staff's fourth data request.

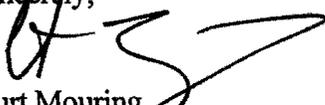
Robert Halleen
Page 2
November 13, 2009

Item 9 - In regards to the reduction of the wastewater gallonage cap, reducing the wastewater cap from 8,000 gallons to 6,000 gallons per month does not have an impact on the utility's wastewater revenue. However, the reduction in the gallonage cap does impact the wastewater gallonage charge.

When the PSC calculates rates, we begin with a determination of the amount of revenue the utility needs to earn annually from providing wastewater service. Next, we separate this revenue amount into two parts. The first part is the revenue to be collected from the Base Facility Charge (BFC), and the second part is the amount to be collected from the gallonage charge. To calculate the appropriate monthly BFC, we divide the annual amount to be collected from the BFC by the number of wastewater customers times 12 months per year. Similarly, to calculate the appropriate gallonage charge, we divide the annual amount to be collected from the gallonage charge by the number of capped gallons sold. Thus, reducing the gallonage cap only reduces the number of gallons used to derive the gallonage charge, causing the gallonage charge to increase but leaving the total revenue collected unchanged.

We understand your concerns regarding the Utility's proposed increases. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6427 or e-mail me at cmouring@psc.state.fl.us.

Sincerely,



Curt Mouring
Regulatory Analyst

cc: Division of Economic Regulation (Bulecza-Banks, Fletcher, Rieger, Daniel)
Office of the General Counsel (Hartman, Brubaker)
Office of Commission Clerk (Docket No. 090349-WS)
Office of Public Counsel

090349

OCT.26, 2009

OFFICE OF THE COMMISSION CLERK
FLORIDA PUBLIC SERVICE COMMISSION
RE: DOCKET NO. 090349-WS

09 OCT 30 AM 7:16
REGISTRATION CENTER

THANK YOU FOR THIS OPPORTUNITY TO COMMENT ON CYPRESS LAKES UTILITIES REQUEST FOR A WATER & SEWAGE RATE INCREASE.

I HAVE BEEN A RESIDENT SINCE MAY OF 1990. MANY THINGS HAVE HAPPENED AT THE WASTE TREATMENT FACILITY TO MAINTAIN ITS EFFECTIVE OPERATION. THE WATER SYSTEM IS FROM WELLS. IT HAS HAD ONLY A FEW PROBLEMS DURING MY TWENTY YEARS. ALL OF THE PREVIOUS INCREASES, THAT WERE GRANTED, BENEFITED OUR CURRENT RESIDENTS TO SOME DEGREE.

NOW A VERY LARGE INCREASE IS BEING REQUESTED BECAUSE OF "EXPANSION" AND MAINTENACE. I FEEL THAT THE EXPANSION WAS A DIRECT RESULT OF THE PARK OWNER DEVELOPING APPROXIMATELY 113 NEW RENTAL LOTS, MOST OF WHICH REMAIN VACANT AT THIS TIME. THE FACT THAT THIS OCCURRED AT JUST THE WRONG ECONOMIC TIME SHOULD NOT BE A FINANCIAL BURDEN TO THE PRESENT RESIDENTS SINCE LOT RENT AND OTHER FEES INCREASE ANNUALLY.

09 OCT 30 AM 10:28
RECEIVED-FPSC
COMMISSION CLERK

THE CHOICE TO INCREASE THE SIZE OF CYPRESS LAKES AND THE NEED TO EXPAND THE WASTE TREATMENT PLANT SHOULD BE THE SOLE RESPONSIBILITY OF THE PARK OWNER IN UNISON WITH CYPRESS LAKES UTILITIES.

THE FUTURE HOME BUYERS IN THE NEWLY CREATED SECTION SHOULD BE THE PEOPLE WHO SHOULD PAY MORE IN LOT RENTS AND HOME COSTS TO REIMBURSE THE PARK OWNER AND CYPRESS LAKES UTILITIES FORTHIS EXPANSION.

I WOULD NOT OBJECT TO A MODEST INCREASE TO PAY FOR INCREASES IN COSTS OF CHEMICALS, UPKEEP, WAGES & OTHER ASSOCIATED COSTS.

HOWEVER, WE THE CURRENT RESIDENTS SHOULD NOT HAVE TO PAY TO INCREASE THE SIZE AND CAPACITY OF THE WATER SYSTEM OR THE WASTE TREATMENT PLANT, SINCE BOTH WERE MOST ADEQUATE PRIOR TO THE PARK OWNERS EXPANSION.

THANK YOU AGAIN FOR THE OPPORTUNITY TO HAVE INPUT ON THE PROPOSED RATE INCREASES.

DAVID M. HYER
9614 CYPRESS LAKES DR.
TEL. 863-602-3752



Mr. David Hyer
9614 Cypress Lakes Dr.
Lakeland, FL 33810

FPSC, CLK - CORRESPONDENCE
 Administrative Parties Consumer
DOCUMENT NO. 08807-09
DISTRIBUTION:

090349

RECEIVED--FPSC
09 OCT 22 AM 8:35
COMMISSION
CLERK

October 19, 2009

Office of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32300-0850

Re: Docket No. 090349-WS

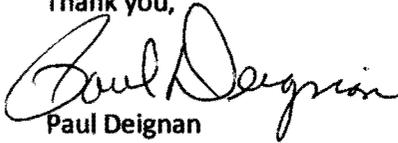
Dear Commission;

The meeting for Cypress Lakes residence to express their feeling and dismay with your notice is not going to happen, that is unfortunate. Since the meeting is not going to happen I am writing to oppose this increase.

Our residences are hurting enough with increasing lot rents annually from Blair Associates to the point they cannot pay their rent! This is a retirement community 100% and your increase far exceeds what Social Security Benefits can handle. The Social Security Administration has confirmed there will no adjustment for the next two years, 2010 is confirmed, and this makes it very difficult for those on a fixed income.

I ask the Public Service Commission to forgo this increase for the foreseeable future or seek other means to pay for this need. Frankly the pockets of Cypress Lakes Residents 1400 of us are being picked by Blair Associates!

Thank you,



Paul Deignan
2204 Par Circle
Lakeland, FL 33810

FPSC, CLK - CORRESPONDENCE		
<input type="checkbox"/> Administrative	<input type="checkbox"/> Parties	<input checked="" type="checkbox"/> Consumer
DOCUMENT NO. <u>08807.09</u>		
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090349

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
KATRINA J. MCMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

RECEIVED-FPSC
OCT - 7 AM 9:39
COMMISSION
CLERK

Public Service Commission

October 6, 2009

Robert A. Benvissuto
1773 Big Cypress Blvd
Lakeland, FL 33810

FPSC, CLK - CORRESPONDENCE		
<input type="checkbox"/> Administrative	<input type="checkbox"/> Parties	<input checked="" type="checkbox"/> Const.
DOCUMENT NO. 00867.09		
DISTRIBUTION		

Re: Cypress Lakes Utilities, Inc. - Docket No. 090349-WS

Dear Mr. Benvissuto:

Thank you for your letter in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure your concerns are available for review by the Commissioners, your letter and this response have been placed in the consumer correspondence side of the docket file, Docket No. 090349-WS.

With respect to the development of rates, the Commission is required to set rates that are just, reasonable, compensatory, and not unfairly discriminatory. The Commission cannot prevent a utility from filing a request for an increase its rates. However, the utility has the burden to prove that it is entitled to a rate increase. In evaluating the merits of the case, any costs that are found to be imprudent or are unjustified, will be disallowed.

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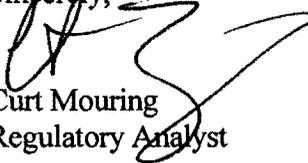
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Robert A. Benvissuto
Page 2
October 6, 2009

questions or make comments on other issues. Commission staff will be available to address and coordinate customers' comments and to assist members of the public.

We understand your concerns regarding the Utility's proposed increases. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6427 or e-mail me at cmouring@psc.state.fl.us.

Sincerely,



Curt Mouring
Regulatory Analyst

cc: Division of Economic Regulation (Bulecza-Banks, Fletcher, Redemann)
Office of the General Counsel (Hartman)
Office of Commission Clerk (Docket No. 090349-WS)
Office of Public Counsel

Katie Ely

090349

From: Katie Ely
Sent: Thursday, October 01, 2009 3:54 PM
To: Curt Mouring
Subject: FW: RE: Complaint against Cypress Lakes (Docket No. 090349-WS)

Thank you for this information. This attachment has been printed and will be placed in **Docket Correspondence - Consumers and their Representatives**, in Docket 090349

Katie Ely
 Staff Assistant - Office of Commission Clerk
 Florida Public Service Commission
 850-413-6304

Please note: Florida has a very broad public records law. Most written communications to or from state officials regarding state business are considered to be public records and will be made available to the public and the media upon request. Therefore, your e-mail message may be subject to public disclosure.

FPSC, CLK - CORRESPONDENCE		
<input type="checkbox"/> Administrative	<input type="checkbox"/> Parties	<input checked="" type="checkbox"/> Consumer
DOCUMENT NO. 08807-09		
DISTRIBUTION: _____		

From: Curt Mouring
Sent: Thursday, October 01, 2009 3:42 PM
To: 'cccrawford@hotmail.com'
Cc: Cheryl Bulecza-Banks; Bart Fletcher
Subject: RE: Complaint against Cypress Lakes (Docket No. 090349-WS)

Ms. Crawford,

Thank you for your e-mail in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure your concerns are available for review by the Commissioners, your e-mail and this response have been placed in the consumer correspondence side of the docket file, Docket No. 090349-WS.

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10/1/2009

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Curt Mouring

Florida Public Service Commission
Regulatory Analyst
Phone: (850)413-6427
Fax: (850)413-6428
cmouring@psc.state.fl.us

Katie Ely

090349

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Katie Ely
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 Florida Public Service Commission
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FPSC, CLK - CORRESPONDENCE		
<input type="checkbox"/> Administrative	<input type="checkbox"/> Parties	<input checked="" type="checkbox"/> Consumer
DOCUMENT NO. 08867.09		
DISTRIBUTION: _____		

From: Curt Mouring
Sent: Thursday, October 01, 2009 3:42 PM
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10/1/2009

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If you wish, you may take an additional opportunity to voice your concerns regarding this matter at the customer meeting to be held in your service area and conducted by Commission staff. You will be receiving a notice from Cypress Lakes that provides information about the customer meeting. The purpose of the customer meeting is to give customers and other interested persons an opportunity to offer comments to the Commission staff regarding the quality of service the Utility provides and the proposed rate increase.

Customers will also be given the opportunity to ask questions or make comments on other issues.

Commission staff will be available to address and coordinate customers' comments and to assist members of the public.

We understand your concerns regarding the Utility's proposed increases. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6427 or e-mail me at cmouring@psc.state.fl.us.

Curt Mouring

Florida Public Service Commission
Regulatory Analyst
Phone: (850)413-6427
Fax: (850)413-6428
cmouring@psc.state.fl.us

Katie Ely

090349

From: Katie Ely
Sent: Thursday, October 01, 2009 3:41 PM
To: Ruth McHargue
Subject: FW: To CLK Docket 090349

Thank you for this information. This attachment has been printed and will be placed in Docket Correspondence - Consumers and their Representatives, in Docket 090349

Katie Ely
Staff Assistant - Office of Commission Clerk Florida Public Service Commission
850-413-6304

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-----Original Message-----

From: Ruth McHargue
Sent: Thursday, October 01, 2009 3:15 PM
To: Katie Ely
Cc: Cheryl Bulecza-Banks; Ann Cole; Dorothy Menasco
Subject: FW: To CLK Docket 090349

Customer correspondence for docket file.

FPSC, CLK - CORRESPONDENCE		
<input type="checkbox"/> Administrative	<input type="checkbox"/> Parties	<input checked="" type="checkbox"/> Consumer
DOCUMENT NO. 08807-09		
DISTRIBUTION: _____		

-----Original Message-----

From: Consumer Contact
Sent: Wednesday, September 30, 2009 4:16 PM
To: Ruth McHargue
Subject: To CLK Docket 090349

Copy on file, see 892505C. DH

-----Original Message-----

From: contact@psc.state.fl.us [mailto:contact@psc.state.fl.us]
Sent: Wednesday, September 30, 2009 2:05 PM
To: Consumer Contact
Subject: E-Form Other Complaint TRACKING NUMBER: 21760

Complaint filed with PSC

Select County: POLK
CUSTOMER INFORMATION

Name: Christina Crawford
Telephone: 613-885-4546
Email: cccrawford@hotmail.com
Address: 2343 Putt Lane Lakeland 33810

BUSINESS INFORMATION

Business Account Name: Christina Crawford Account Number:
Address: 2343 Putt Lane Lakeland Florida 33810

COMPLAINT INFORMATION

Complaint: Other Complaint against Cypress Lakes Utilities, Inc.

Details:

I think the price that Cypress Lakes Utilities wants to charge us for water and wastewater is FAR too high. We are snowbirds and are not there for 6 months of the year. We have to pay for charges when we do not even use the utilities.

Katie Ely

090349

From: Curt Mouring
Sent: Wednesday, September 23, 2009 2:17 PM
To: 'geobobh@aol.com'
Cc: Bart Fletcher; Cheryl Bulecza-Banks; Tom Walden
Subject: Re: Cypress Lakes Utilities, Inc. - Docket No. 090349-WS

Dear Mr. Huckabey:

Thank you for your e-mail in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure your concerns are available for review by the Commissioners, your e-mail and this response have been placed in the consumer correspondence side of the docket file, Docket No. 090349-WS.

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In regard to your concern over the manhole cover being below ground level, I have forwarded your concerns to Tom Walden, an engineer at the Commission. Mr. Walden will be contacting the Utility and examining the possible safety hazard posed by the manhole cover as well as possible solutions.

If you wish, you may take an additional opportunity to voice your concerns regarding this matter at the customer meeting to be held in your service area and conducted by Commission staff. You will be receiving a notice from Cypress Lakes that provides information about the customer meeting. The purpose of the customer meeting is to give customers and other interested persons an opportunity to offer comments to the Commission staff regarding the quality of service the Utility provides and the proposed rate increase. Customers will also be given the opportunity to ask questions or make comments on other issues. Commission staff will be available to address and coordinate customers' comments and to assist members of the public.

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Curt Mouring

Florida Public Service Commission
 Regulatory Analyst
 Phone: (850)413-6427
 Fax: (850)413-6428
cmouring@psc.state.fl.us

FPSC, CLK - CORRESPONDENCE		
<input type="checkbox"/> Administrative	<input type="checkbox"/> Parties	<input checked="" type="checkbox"/> Consumer
DOCUMENT NO. 08867-09		
DISTRIBUTION:		

9/23/2009

Ref: Docket no 090349-WS

Sept 09, 2009 ^{P1}
 1773 Big Cypress Blvd
 Lakeland, FL 33810
 Cypress Lakes Development.

Dear Sir

I am a 70yr old senior citizen
 My wife and I reside at an over 55
 community on RT 98 North.

We oppose Cypress Lakes Utilities
 petition for water and waste water increase
 of rates.

Fifty percent of residence at Cypress Lakes
 leave for five months or more during the
 summer months. We are subject to a rate
 of \$22.04 each month for absolutely using
 zero water and zero waste in the sewer while ^{absent.}

With these high rates for doing nothing
 should be considered as pure profit for
 Cypress Lakes Utilities therefore their
 request for unreasonable increase
 should be rejected.

If these rates keep increasing each year
 you will be responsible party that helps
 drive seniors away from Florida and
 Lakeland because it is getting too expensive
 to live here.

FPSC, CIV. CORRESPONDENCE
 Administrative Division
 DOCUMENT NO. 08867.09
 DISTRIBUTION

RECEIVED-FPSC

09 SEP 11 AM 9:53

COMMISSION
CLERK

We have many residence who have lived here 15 to 20 years who now are financially struggling because there pensions don't increase but the water providers have in an excessive manner.

I want to live here in Lakeland, FL. for years to come but, we do get concern, will I be able to afford to stay here in 15 or 20 years from now? Utilities Inc. must look at other ways to reduce spending and not placing increases on our backs. We can only stand for so much.

Thank you.

Robert A. Benvenuto sr.

Robert A. Benvenuto

P.S. Docket No. 090349-WS

My cost each month is \$80.00 for water service

My former MA water cost was \$80.00 every

Three months.

090349

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
KATRINA J. MCMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

September 10, 2009

Donna De La Salle
6 Summershade Pvt
Ottawa, ON K1Y 4R2

Re: Cypress Lakes Utilities, Inc. - Docket No. 090349-WS

Dear Ms. De La Salle:

RECEIVED-FPSC
09 SEP 11 AM 9:46
COMMISSION
CLERK

FPSC, CLK CORRESPONDENCE
Administrative Panel Consumer
DOCUMENT NO. 08807.09
DISTRIBUTION

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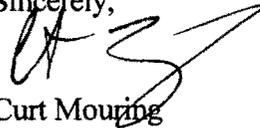
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Donna De La Salle
Page 2
September 10, 2009

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We understand your concerns regarding the Utility's proposed increases. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6427 or e-mail me at cmouring@psc.state.fl.us.

Sincerely,



Curt Mouring
Regulatory Analyst

cc: Division of Economic Regulation (Bulecza-Banks, Fletcher, Redemann)
Office of the General Counsel (Hartman)
Office of Commission Clerk (Docket No. 090349-WS)
Office of Public Counsel

090349

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
KATRINA J. MCMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

September 10, 2009

Donna De La Salle
6 Summershade Pvt
Ottawa, ON K1Y 4R2

Re: Cypress Lakes Utilities, Inc. - Docket No. 090349-WS

Dear Ms. De La Salle:

FPSC, CLK - CORRESPONDENCE
Administrative Parties ~~Customer~~
DOCUMENT NO. 08807-09
DISTRIBUTION: _____

RECEIVED-FPSC
09 SEP 11 AM 9:45
COMMISSION
CLERK

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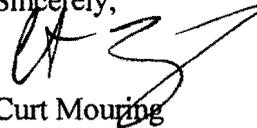
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Donna De La Salle
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September 10, 2009

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Regulatory Analyst

cc: Division of Economic Regulation (Bulecza-Banks, Fletcher, Redemann)
Office of the General Counsel (Hartman)
Office of Commission Clerk (Docket No. 090349-WS)
Office of Public Counsel

090349

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
KATRINA J. MCMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

September 9, 2009

RECEIVED--FPSC
09 SEP 10 AM 10:29
COMMISSION
CLERK

John L. Delaney
2342 Putt Lane
Lakeland, FL 33810

Re: Cypress Lakes Utilities, Inc. - Docket No. 090349-WS

FPSC, CLK - CORRESPONDENCE
Administrative Parties Consumer
DOCUMENT NO. 08807.09
DISTRIBUTION: _____

Dear Mr. Delaney:

Thank you for your letter in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

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John L. Delaney
Page 2
September 9, 2009

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Sincerely,



Curt Mouring
Regulatory Analyst

cc: Division of Economic Regulation (Bulecza-Banks, Fletcher, Redemann)
Office of the General Counsel (Hartman)
Office of Commission Clerk (Docket No. 090349-WS)
Office of Public Counsel

Office of the Commission Clerk

Florida Public Service Commission

2540 Shumard Oak Blvd.

Tallahassee, FL 32399-0850

RECEIVED-FPSC

09 SEP -9 AM 9:28

2009 10 01

COMMISSION CLERK

FPSC, CLK - CORRESPONDENCE
Administrative Parity Consumer
DOCUMENT NO. 08867.09
DISTRIBUTION:

Re: Docket No. 090349-WS.

I reside at Cypress Lakes, Lakeland FL 33810

I do not use any water services six months out of the year but still pay a monthly bill of \$22.04. I disagree strongly with Cypress Lakes Utilities, Inc regarding their petition for rate increases, especially for Base facility charge for both Water Service & Wastewater Service. The company presently receives \$132.24 for using no water for half a year. Under their proposed hike, they would receive \$178.20 from me, for providing nothing. I do not feel I should subsidize their business expenses such as sending me a bill for the use (or non-use) of their services. I am sure that they have already availed themselves of tax credits, deductions, etc. in the "modernization" of their business. I would also assume that increases in property taxes have not been that significant in the last few years.

D. de la Salle



Donna De la Salle
6 Summershade Pvt
Ottawa, ON K1Y 4R2

090349

RECEIVED-FPSC

09 SEP -8 AM 10:26

WATER SERVICE (continued)

FPSC, CLK - CORRESPONDENCE
Administrative Parties Consumer
DOCUMENT NO. 08807-09
DISTRIBUTION:

Irrigation	Present Rates	Proposed Rates
5/8" x 3/4"	\$ 5.22	\$ 6.35
1"	\$13.06	\$15.88
1 1/2"	\$26.11	\$31.74
Irrigation Service Consumption Charge - Per 1,000 Gallons	\$ 3.81	\$ 4.63

WASTEWATER SERVICE

Residential Service	Present Rates	Proposed Rates
Base facility charge - all meter sizes	\$16.30	\$23.35
Residential Consumption Charge - Per 1,000 gallons	\$ 5.49	\$ 7.86
General Service	Present Rates	Proposed Rates
Base facility charge - For the following meter sizes:		
5/8" x 3/4"	\$16.30	\$ 23.35
1"	\$40.76	\$ 58.38
1 1/2"	\$81.49	\$116.71
General service consumption charge - Per 1,000 gallons	\$ 6.59	\$ 9.44

Written comments regarding utility service or the proposed rates and charges should be addressed to the Commission Clerk, at the following address:

John L. Delaney
2342 Pugh Lane
Lakeland, FL 33810

Office of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

AFRAID TO PUT YOUR NAME ON THIS
\$ CRIME?

ANOTHER GOV'S AGENCY
STICKING IT TO GETTING POORER
EVERY DAY! JOHN Q TAXPAYER!

All correspondence should refer to Docket No. 090349-WS. Your letter will placed in the correspondence file of this docket. You may also submit comments through the Public Service Commission's toll-free facsimile line at 1-800-511-0809. The Commission also has a website available at: <http://floridapsc.com/consumers/complaint/index.cfm>

43% INCREASE IS SINFULL

If you wish to contact the Commission regarding complaints about service, you may call the Commission's Division of Regulatory Compliance and Consumer Assistance at the following toll-free number 1-800-342-3552.

MY PROPERTY VALUE IS WAY
DOWN ANOTHER 40% - I DON'T

If you have any questions, please call the Utility's office at (800) 272-1919.

Cypress Lakes Utilities, Inc.

USE THESE SERVICES \$MO'S
EACH YR BUT PAY UTILITIES INC
22.04 FOR NOTHING + YOU CALL

YOURSELVES A PUBLIC SERVICE COMMISSION, ANOTHER GOV'T AGENCY GONE
COMPLETELY CRAZY. YOU CALL IT A LIMITED RATE INCREASE - WHAT A JOKE
I WAS PRES. + CEO OF A CO THAT DIDN'T RAISE PRICES FOR OVER TEN YEARS + WE ARE
STILL GOING STRONG.

NOTICE OF APPLICATION

Cypress Lakes Utilities, Inc.
Docket No. 090349-WS

NOTICE is hereby given on this 19th day of August, 2009, pursuant to Rule 25-30.446, Florida Administrative Code, that Cypress Lakes Utilities, Inc. has filed a Petition for a limited proceeding rate increase for water and wastewater with the Florida Public Service Commission. The purpose of this limited proceeding is for the Utility to (1) recover the cost of the modifications to the Utility's wastewater treatment plant, (2) to recover the cost of Project Phoenix, the Utility's modernization of its information, customer service and computer systems, (3) to recover the cost of the supply main upgrade, and (4) to recover the costs of increases in property tax and sludge hauling.

A copy of the Petition and Minimum Filing Requirements ("MFRs") filed by the Utility will be available for inspection at the following locations:

Lakeland Public Library 100 Lake Morton Road Lakeland, FL 33801	<u>Hours of Operation:</u> Monday through Thursday – 9:00 a.m. to 9:00 p.m. Friday and Saturday – 9:00 a.m. to 5:00 p.m. Sunday - 1:30 p.m. to 5:00 p.m
Cypress Lakes Utilities, Inc. 200 Weathersfield Avenue Altamonte Springs, FL 32714	<u>Office Hours:</u> Monday through Friday 8:00 a.m. to 4:30 p.m.

The current and proposed rates and charges follow. These rates are subject to change based on information gathered at the customer meeting, further Staff review, and the final decision by the Commissioners.

WATER SERVICE

Residential Service (Monthly)	Present Rates	Proposed Rates
Base facility charge – all meter sizes	\$5.22	\$6.35
Consumption Charge (per 1,000 gallons)		
First 6,000 gallons	\$3.59	\$4.36
6,000 – 12,000 gallons	\$5.38	\$6.54
Over 12,000 gallons	\$7.18	\$8.73
General Service	Present Rates	Proposed Rates
Base facility charge – For the following meter sizes:		
5/8" x 3/4"	\$ 5.22	\$ 6.35
1"	\$13.06	\$15.88
1 1/2"	\$26.11	\$31.74
2"	\$41.78	\$50.79
General Service Consumption Charge – Per 1,000 Gallons	\$ 3.81	\$ 4.63

Katie Ely

090349

From: Curt Mouring
Sent: Wednesday, September 02, 2009 12:59 PM
To: Katie Ely; Dorothy Menasco
Cc: Bart Fletcher; Cheryl Bulecza-Banks
Subject: FW:

This customer contacted me directly, please add this e-mail to the customer correspondence file for Docket No. 090349-WS. Thank you.

Curt

From: Cindy Wolcott [mailto:cwolcot1@tampabay.rr.com]
Sent: Wednesday, August 26, 2009 5:34 PM
To: Curt Mouring
Subject:

I to am very concerned over the rate increase, you never take into consideration that the people you are billing here at Cypress Lakes are elderly and many on fixed incomes with do not increase, some may have other income other then SS but there not rich. We can not afford to be taken advantage of. You cost increase is way out of bounds. Our service here is good, we get the water to our homes but can't drink it unless we run it through two filters, they aren't free either, 20.00 + every month. Think about what your doing...

Mrs. Cynthia Wolcott

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090349

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
KATRINA J. MCMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

RECEIVED-FPSC
09 SEP - 1 PM 3:35
COMMISSION
CLERK

Public Service Commission

September 1, 2009

Larry G. Holderfield
9505 Robellini Ct.
Lakeland, FL 33810

FPSC, CLK - CORRESPONDENCE
Administrative Parties Consumer
DOCUMENT NO. 08807-09
DISTRIBUTION: _____

Re: Cypress Lakes Utilities, Inc. - Docket No. 090349-WS

Dear Mr. Holderfield:

Thank you for your letter in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

With respect to the development of rates, the Commission is required to set rates that are just, reasonable, compensatory, and not unfairly discriminatory. The Commission cannot prevent a utility from filing a request for an increase its rates. However, the utility has the burden to prove that it is entitled to a rate increase. In evaluating the merits of the case, any costs that are found to be imprudent or are unjustified, will be disallowed.

On June 30, 2009, the Utility filed a limited proceeding application pursuant to Section 367.0822, F.S. In its application, Cypress Lakes states that the purpose of this limited proceeding is for the Utility to recover (1) the cost of the modifications to the Utility's wastewater treatment plant; (2) the cost of Project Phoenix, the Utility's modernization of its information, customer service and computer systems; (3) the cost of the supply main upgrade; and (4) the costs of increases in property tax and sludge hauling.

If you wish, you may take an additional opportunity to voice your concerns regarding this matter at the customer meeting to be held in your service area and conducted by Commission staff. You will be receiving a notice from Cypress Lakes that provides information about the customer meeting. The purpose of the customer meeting is to give customers and other interested persons an opportunity to offer comments to the Commission staff regarding the quality of service the Utility provides and the proposed rate increase. Customers will also be given the opportunity to ask questions or make comments on other issues. Commission staff will be available to address and coordinate customers' comments and to assist members of the public.

We understand your concerns regarding the Utility's proposed increases. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6427 ore-mail me at cmouring@psc.state.fl.us.

Larry G. Holderfield
Page 2
September 1, 2009

Sincerely,

A handwritten signature in black ink, appearing to read 'Curt Mouring', with a long, sweeping horizontal stroke extending to the right.

Curt Mouring
Regulatory Analyst

cc: Division of Economic Regulation (Bulecza-Banks, Fletcher, Redemann)
Office of the General Counsel (Hartman)
Office of Commission Clerk (Docket No. 090349-WS)
Office of Public Counsel

090349

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
KATRINA J. MCMURRIAN
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NATHAN A. SKOP

STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

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09 SEP - 1 PM 3:35
COMMISSION
CLERK

Public Service Commission

September 1, 2009

Sandra J. Kositzka
1857 Big Cypress Blvd.
Lakeland, FL 33810

FPSC, CLK - CORRESPONDENCE
Administrative Parties Consumer
DOCUMENT NO. 08807-09
DISTRIBUTION: _____

Re: Cypress Lakes Utilities, Inc. - Docket No. 090349-WS

Dear Ms. Kositzka:

Thank you for your letter in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

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Sandra J. Kositzka
Page 2
September 1, 2009

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Curt Mouring
Regulatory Analyst

cc: Division of Economic Regulation (Bulecza-Banks, Fletcher, Redemann)
Office of the General Counsel (Hartman)
Office of Commission Clerk (Docket No. 090349-WS)
Office of Public Counsel

090349

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
KATRINA J. MCMURRIAN
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COMMISSION CLERK

Public Service Commission

September 1, 2009

Sara O. Finney
2191 Big Cypress Blvd.
Lakeland, FL 33810

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Administrative Parties Consumer
DOCUMENT NO. 08807-09
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Re: Cypress Lakes Utilities, Inc. - Docket No. 090349-WS

Dear Ms. Finney:

Thank you for your email in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

With respect to the development of rates, the Commission is required to set rates that are just, reasonable, compensatory, and not unfairly discriminatory. The Commission cannot prevent a utility from filing a request for an increase its rates. However, the utility has the burden to prove that it is entitled to a rate increase. In evaluating the merits of the case, any costs that are found to be imprudent or are unjustified, will be disallowed.

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In your email, you indicated that you are paying more for water and wastewater service when compared to the rates charged by other utilities in Polk County. Rates do vary between utilities for a variety of reasons. As utility rates are designed to cover the cost to run the utility and provide a reasonable return on the utility's investment, a multitude of factors will determine the level of rates to be charged. Such factors include: the type of water treatment method used,

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PSC Website: <http://www.floridapsc.com>

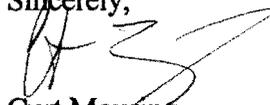
Internet E-mail: contact@psc.state.fl.us

Sara O. Finney
Page 2
September 1, 2009

the level of debt and equity, the number of customers and the amount of plant that is being used to serve the customers. Some utilities may have older infrastructure that is almost fully depreciated, where some may have new expensive equipment that has not been depreciated much. Also, by statute we do not regulate any municipal or county-owned utilities, therefore, we do not have information on their rates. However, there are many differences between Commission-regulated water and wastewater utilities and municipally-owned utilities that affect rates. For example, municipally-owned systems do not have any income or property taxes and have access to low interest construction loans. Further, a city or county may issue bonds to finance capital improvements. In addition, cities and counties may subsidize their water and wastewater operations through electric rates or other sources.

We understand your concerns regarding the Utility's proposed increases. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6427 or e-mail me at cmouring@psc.state.fl.us.

Sincerely,



Curt Mouring
Regulatory Analyst

cc: Division of Economic Regulation (Bulecza-Banks, Fletcher, Redemann)
Office of the General Counsel (Hartman)
Office of Commission Clerk (Docket No. 090349-WS)
Office of Public Counsel

Katie Ely

090349

From: Curt Mouring
Sent: Tuesday, September 01, 2009 10:06 AM
To: 'slotz908@yahoo.com'
Cc: Bart Fletcher; Cheryl Bulecza-Banks
Subject: Re: Cypress Lakes Utilities, Inc. - Docket No. 090349-WS

Dear Mr. Stoltz:

Thank you for your email in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

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We understand your concerns regarding the Utility's proposed increases. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6427 or e-mail me at cmouring@psc.state.fl.us.

Curt Mouring

Florida Public Service Commission
 Regulatory Analyst
 Phone: (850)413-6427
 Fax: (850)413-6428
cmouring@psc.state.fl.us

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9/1/2009

Katie Ely

890349

From: Curt Mouring
Sent: Tuesday, September 01, 2009 10:06 AM
To: 'ebriggs@netsync.net'
Cc: Bart Fletcher; Cheryl Bulecza-Banks
Subject: Re: Cypress Lakes Utilities, Inc. - Docket No. 090349-WS

Dear Mr. Briggs:

Thank you for your email in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

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We understand your concerns regarding the Utility's proposed increases. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6427 or e-mail me at cmouring@psc.state.fl.us.

Curt Mouring

Florida Public Service Commission
 Regulatory Analyst
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 Fax: (850)413-6428
cmouring@psc.state.fl.us

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9/1/2009

Katie Ely

090349

From: Curt Mouring
Sent: Tuesday, September 01, 2009 10:06 AM
To: 'artbon2@tampabay.rr.com'
Cc: Bart Fletcher; Cheryl Bulecza-Banks
Subject: Re: Cypress Lakes Utilities, Inc. - Docket No. 090349-WS

Dear Mr. Schuetze:

Thank you for your email in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

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Curt Mouring

Florida Public Service Commission
 Regulatory Analyst
 Phone: (850)413-6427
 Fax: (850)413-6428
cmouring@psc.state.fl.us

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Administrative Parties Consumer
 DOCUMENT NO. 08807-09
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Katie Ely

090349

From: Curt Mouring
Sent: Tuesday, September 01, 2009 10:06 AM
To: 'mdoyle29@tampabay.rr.com'
Cc: Bart Fletcher; Cheryl Bulecza-Banks
Subject: Re: Cypress Lakes Utilities, Inc. - Docket No. 090349-WS

Dear Mr. & Ms. Doyle:

Thank you for your email in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

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Curt Mouring

Florida Public Service Commission
 Regulatory Analyst
 Phone: (850)413-6427
 Fax: (850)413-6428
cmouring@psc.state.fl.us

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Administrative Parties ~~Consumer~~
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Katie Ely

090349

From: Curt Mouring
Sent: Tuesday, September 01, 2009 9:59 AM
To: 'kprp9@yahoo.com'
Cc: Bart Fletcher; Cheryl Bulecza-Banks
Subject: Re: Cypress Lakes Utilities, Inc. - Docket No. 090349-WS

Dear Mr. Palmer:

Thank you for your email in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

In response to your concerns regarding the quality of the water provided by the Utility, the Polk County Health Department (PCHD) is the primacy agency with respect to water quality. You may want to contact the agency with your concerns. The PCHD is responsible for the oversight of Cypress Lakes. Their telephone number is (863) 519-8330.

With respect to the development of rates, the Commission is required to set rates that are just, reasonable, compensatory, and not unfairly discriminatory. The Commission cannot prevent a utility from filing a request for an increase its rates. However, the utility has the burden to prove that it is entitled to a rate increase. In evaluating the merits of the case, any costs that are found to be imprudent or are unjustified, will be disallowed.

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Customers will also be given the opportunity to ask questions or make comments on other issues.

Commission staff will be available to address and coordinate customers' comments and to assist members of the public.

We understand your concerns regarding the Utility's proposed increases. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6427 or e-mail me at cmouring@psc.state.fl.us.

Curt Mouring

Florida Public Service Commission
 Regulatory Analyst
 Phone: (850)413-6427
 Fax: (850)413-6428
cmouring@psc.state.fl.us

FPSC, CLK - CORRESPONDENCE
Administrative Parties ~~X~~ Consumer
 DOCUMENT NO. 08807-09
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9/1/2009

Katie Ely

090349

From: Curt Mouring
Sent: Tuesday, September 01, 2009 9:59 AM
To: 'glm@mpinet.net'
Cc: Bart Fletcher; Cheryl Bulecza-Banks
Subject: Re: Cypress Lakes Utilities, Inc. - Docket No. 090349-WS

Dear Mr. Myers:

Thank you for your email in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

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If you wish, you may take an additional opportunity to voice your concerns regarding this matter at the customer meeting to be held in your service area and conducted by Commission staff. You will be receiving a notice from Cypress Lakes that provides information about the customer meeting. The purpose of the customer meeting is to give customers and other interested persons an opportunity to offer comments to the Commission staff regarding the quality of service the Utility provides and the proposed rate increase.

Customers will also be given the opportunity to ask questions or make comments on other issues.

Commission staff will be available to address and coordinate customers' comments and to assist members of the public.

We understand your concerns regarding the Utility's proposed increases. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6427 or e-mail me at cmouring@psc.state.fl.us.

Curt Mouring

Florida Public Service Commission
 Regulatory Analyst
 Phone: (850)413-6427
 Fax: (850)413-6428
cmouring@psc.state.fl.us

FPSC, CLK - CORRESPONDENCE
Administrative Parties ~~Consumer~~
 DOCUMENT NO. 08807.09
 DISTRIBUTION: _____

9/1/2009

Katie Ely

090349

From: Curt Mouring
Sent: Tuesday, September 01, 2009 9:59 AM
To: 'Westy00001@aol.com'
Cc: Bart Fletcher; Cheryl Bulecza-Banks
Subject: Re: Cypress Lakes Utilities, Inc. - Docket No. 090349-WS

Dear Ms. Patt:

Thank you for your email in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

In response to your concerns regarding the quality of the water provided by the Utility, the Polk County Health Department (PCHD) is the primacy agency with respect to water quality. You may want to contact the agency with your concerns. The PCHD is responsible for the oversight of Cypress Lakes. Their telephone number is (863) 519-8330.

With respect to the development of rates, the Commission is required to set rates that are just, reasonable, compensatory, and not unfairly discriminatory. The Commission cannot prevent a utility from filing a request for an increase its rates. However, the utility has the burden to prove that it is entitled to a rate increase. In evaluating the merits of the case, any costs that are found to be imprudent or are unjustified, will be disallowed.

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We understand your concerns regarding the Utility's proposed increases. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6427 or e-mail me at cmouring@psc.state.fl.us.

Curt Mouring

Florida Public Service Commission
 Regulatory Analyst
 Phone: (850)413-6427
 Fax: (850)413-6428
cmouring@psc.state.fl.us

FPSC, CLK - CORRESPONDENCE
Administrative Parties Consumer
 DOCUMENT NO. 08807-09
 DISTRIBUTION: _____

9/1/2009

Katie Ely

090349

From: Curt Mouring
Sent: Tuesday, September 01, 2009 9:59 AM
To: 'cwolcot1@tampabay.rr.com'
Cc: Bart Fletcher; Cheryl Bulecza-Banks
Subject: Re: Cypress Lakes Utilities, Inc. - Docket No. 090349-WS

Dear Ms. Wolcott:

Thank you for your email in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

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If you wish, you may take an additional opportunity to voice your concerns regarding this matter at the customer meeting to be held in your service area and conducted by Commission staff. You will be receiving a notice from Cypress Lakes that provides information about the customer meeting. The purpose of the customer meeting is to give customers and other interested persons an opportunity to offer comments to the Commission staff regarding the quality of service the Utility provides and the proposed rate increase. Customers will also be given the opportunity to ask questions or make comments on other issues. Commission staff will be available to address and coordinate customers' comments and to assist members of the public.

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Curt Mouring

Florida Public Service Commission
 Regulatory Analyst
 Phone: (850)413-6427
 Fax: (850)413-6428
cmouring@psc.state.fl.us

FPSC, CLK - CORRESPONDENCE
 Administrative Parties X Consumer
 DOCUMENT NO. 08807.09
 DISTRIBUTION: _____

9/1/2009

Katie Ely

090349

From: Ruth McHargue
Sent: Monday, August 31, 2009 4:29 PM
To: Katie Ely
Cc: Ann Cole; Dorothy Menasco; Cheryl Bulecza-Banks
Subject: FW: To CLK Docket 090349

Please add to the docket file.

-----Original Message-----

From: Consumer Contact
Sent: Monday, August 31, 2009 10:00 AM
To: Ruth McHargue
Subject: To CLK Docket 090349

FPSC, CLK - CORRESPONDENCE
Administrative Parties Consumer
DOCUMENT NO. 08807-09
DISTRIBUTION: _____

Copy on file, see 883442C. DH

-----Original Message-----

From: contact@psc.state.fl.us [mailto:contact@psc.state.fl.us]
Sent: Saturday, August 29, 2009 10:30 AM
To: Consumer Contact
Subject: E-Form Other Complaint TRACKING NUMBER: 21310

Complaint filed with PSC

Select County: POLK
CUSTOMER INFORMATION

Name: Richard Palmer
Telephone: 8638153453
Email: krp9@yahoo.com
Address: 9504 Maidencane Court Lakeland FL 33810

BUSINESS INFORMATION

Business Account Name: Richard Palmer
Account Number:
Address: 9504 Maidencane Court Lakeland Florida FL 33810

COMPLAINT INFORMATION

Complaint: Other Complaint against Cypress Lakes Utilities, Inc.
Details:

I am concerned that the utility continues to ask for more money without improving the quality of the water. This is the highest by far that we have ever paid for water and this is by far the worst water we have ever had to deal with. It has a bad odor, even with a filter on our hoses we have had to install additional filters to just brush our teeth! We are a community of retired people, all our costs continue to rise but our income does not, in fact, it has decreased. In an economy where there is a decrease in jobs, a significant decrease in the value of our homes and decrease in income, why are you allowing these utilities to gouge us? They can tighten their belts as the rest of us have to AND do a better job on water quality, they need to better on what we are already giving them. Do not let them raise our costs one cent! In NY, only 4 years ago, I paid \$60 every 6 months for water, they should be giving a

decrease while doing a better job or find another company who can.

090349

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
KATRINA J. MCMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

August 28, 2009

FPSC, CLK - CORRESPONDENCE
Administrative Parties / Consumer
DOCUMENT NO. 08807.09
DISTRIBUTION: _____

COMMISSION
CLERK

09 AUG 31 AM 10:06

RECEIVED - FPSC

David Daning
2354 Putt Lane
Lakeland, FL 33810

Re: Docket No. 090349-WS - Application for limited proceeding rate increase in Polk County by Cypress Lakes Utilities, Inc.

Dear Mr. Daning:

Thank you for your letter in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

With respect to the development of rates, the Commission is required to set rates that are just, reasonable, compensatory, and not unfairly discriminatory. To determine the appropriate rates for service, the Commission uses a rate of return methodology as set forth in Chapter 367, Florida Statutes (F.S.). Under the rate of return methodology, a utility is allowed to earn a reasonable return on its prudently invested property that is used and useful in serving the public, less accrued depreciation plus an allowance for operating capital. This ratemaking process is used for all water and wastewater companies and is also used in the electric and gas industry. It is the same approach used throughout the country by various state and federal utility regulatory bodies.

There are many factors that affect the cost of providing service and hence, the rates charged to customers. Some factors affecting the cost of providing service include: the size and age of the utility system; the quality of the water at its source; the number of customers; and the geographic spread of the service area. During a rate case, the Commission's accountants, engineers and economists examine the financial and engineering information filed by the Utility as part of its rate increase application. All costs found to be imprudent or unreasonable are disallowed.

The above-mentioned review was performed by the Commission in Cypress Lakes' 2006 rate case. Pursuant to Order No. PSC-07-0199-PAA-WS (PAA Order), issued March 5, 2007, the Commission approved a revenue increase of 16.81 percent for water and 39.22 percent for wastewater. On March 26, 2007, the Utility filed a protest to the PAA Order. By Order No. PSC-07-0912-AS-WS, issued November 9, 2007, the Commission approved the settlement agreement between Cypress Lakes and the Office of Public Counsel which, among other things, accepted the Commission's previously approved revenue increases in the PAA Order.

On June 30, 2009, the Utility filed a limited proceeding application pursuant to Section 367.0822, F.S. In its application, Cypress Lakes states that the purpose of this limited proceeding is for the Utility to recover (1) the cost of the modifications to the Utility's wastewater treatment plant; (2) the cost of Project Phoenix, the Utility's modernization of its information, customer service and computer systems; (3) the cost of the supply main upgrade; and (4) the costs of increases in property tax and sludge hauling.

In your letter, you express concerns about the costs associated with upgrading the Utility's computer system under the Project Phoenix program. This program was implemented at the corporate level, and the cost has been allocated down to Utilities, Inc.'s subsidiary companies. In seven recent Commission decisions for sister companies of Cypress Lakes, the Commission has approved these allocated costs. The purpose of the Project Phoenix is to improve the Utility's capabilities and processes in their accounting, customer service, customer billing, and financial and regulatory reporting areas.

You have also expressed concerns over the wastewater usage that you are billed for while you are not residing there, and merely irrigating your lawn. First, Cypress Lakes' rates for its water and wastewater service include a base facility charge and a gallonage charge. The base facility charge involves a portion of the total expense of providing water and wastewater service that is incurred whether or not the customer actually uses the service and regardless of how much is consumed. The gallonage charge is to recover the variable costs associated with providing water and wastewater service which is applied to water consumption.

As a general rule, utilities do not meter the amount of wastewater returned to the system from individual customers. Wastewater rates are set based on an average customer basis. If the Commission were to individually set rates for each customer, it would be extremely complex and costly. As opposed to water, it is very difficult to measure the amount of wastewater returned for treatment by each customer. The only way currently available to measure wastewater flows for a residential customer is with a sewage flow meter. However, these meters are very expensive and have proven to be inaccurate in measuring the actual wastewater flows.

This Commission has recognized that not all the water consumed by customers is returned to a utility's wastewater treatment plant. The Commission has developed mechanisms in Cypress Lakes' rate structure that does address this concern. In determining the appropriate wastewater gallonage charge, the Commission has approved a common procedure that 80 percent of residential water is collected and treated by the wastewater plant.

The Commission has also approved a residential wastewater gallonage cap for Cypress Lakes. The implementation of a residential wastewater gallonage cap serves two purposes. One is to recognize that all water used by residential customers is not returned to the wastewater collection system. This is why a cap is not imposed on general service customers, since most of their water is returned to the wastewater facility. But more importantly, the residential wastewater gallonage cap affects rate design because it creates the maximum amount a customer will pay on his/her wastewater bill. In other words, the wastewater cap prevents a residential wastewater customer from being charged above 6,000 gallons of water used recognizes excess wastewater as not being returned to the wastewater facility.

David Daning
Page 3
August 28, 2009

Another alternative would be to measure the amount of water used for outdoor purposes for an individual customer through the installation an irrigation meter. It is the customer's option whether or not to have an additional water meter for irrigation purposes. If installed, the water used through this meter will not be billed as wastewater. However, the customer has to pay any authorized meter installation fee and other service availability charges for the additional meter. It is important to consider the increased costs and benefits prior to installing an additional water meter for irrigation purposes.

If you wish, you may take an additional opportunity to voice your concerns regarding this matter at the customer meeting to be held in your service area and conducted by Commission staff. You will be receiving a notice from Cypress Lakes that provides information about the customer meeting. The purpose of the customer meeting is to give customers and other interested persons an opportunity to offer comments to the Public Service Commission regarding the quality of service the Utility provides and the proposed rate increase. Customers will also be given the opportunity to ask questions or make comments on other issues. Commission staff will be available to address and coordinate customers' comments and to assist members of the public.

We understand your concerns regarding the Utility's proposed increases. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6427 or e-mail me at cmouring@psc.state.fl.us.

Sincerely,



Curt Mouring
Regulatory Analyst

cc: Division of Economic Regulation (Bulecza-Banks, Fletcher, Redemann)
Office of the General Counsel (Hartman)
Office of Commission Clerk (Docket No. 090349-WS)
Office of Public Counsel

090349

Larry G Holderfield
9505 Robellini Ct
Lakeland, FL 33810-4300
863-853-2230

RECEIVED-FPSC

09 AUG 31 AM 9:57

COMMISSION
CLERK

August 27, 2009

Office of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 21288-0850

FPSC, CLK - CORRESPONDENCE
Administrative Parties X Consumer
DOCUMENT NO. 08807.09
DISTRIBUTION: _____

Dear Commission Members,

Cypress Lakes Utilities bought the water treatment plant and water meters from Cypress Lakes Assoc about 7 years ago. The plant services only the residents of Cypress Lakes Retirement Park, a 55 and over Park.

Since their acquisition, this is either the 3rd or 4th rate increase they have requested and received. If it wasn't a profitable operation, why would they buy it in the first place? The Park was opened in late 1988, so the lines are about 20 years old for the older homes in the Park and of course some are less than 2 years old. The Park has basically doubled in size since 1988, so those lines are barely 10 years old. So the question is why do they need another increase?

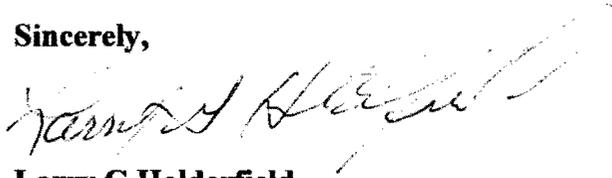
Let's examine the economy?

1. We're in a depression, so the cost of living is not going up.
2. Housing sales are down, businesses are laying off employees.
3. Retirements and 401K's are taking a hit.
4. Social Security is not giving retirees a COLA for the 1st time in many years.
5. Oil Prices, that drives the cost of operation of most utilities are down about 25% from a year ago.

Since this is a retirement community, the residents are using their retirement income that has taken a financial hit. Social Security is not giving a COLA and all residents are being hammered by the economy. Yet Cypress Lakes Utilities is asking for another huge increase for a retirement community that is their only customer.

Prayerfully and hopefully, the FPSC will see look at the economic times and see through Cypress Lakes Utilities weak excuse for an 22% increase.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry G Holderfield", written in a cursive style.

Larry G Holderfield

NOTICE OF APPLICATION

Cypress Lakes Utilities, Inc.
Docket No. 090349-WS

NOTICE is hereby given on this 19th day of August, 2009, pursuant to Rule 25-30.446, Florida Administrative Code, that Cypress Lakes Utilities, Inc. has filed a Petition for a limited proceeding rate increase for water and wastewater with the Florida Public Service Commission. The purpose of this limited proceeding is for the Utility to (1) recover the cost of the modifications to the Utility's wastewater treatment plant, (2) to recover the cost of Project Phoenix, the Utility's modernization of its information, customer service and computer systems, (3) to recover the cost of the supply main upgrade, and (4) to recover the costs of increases in property tax and sludge hauling.

A copy of the Petition and Minimum Filing Requirements ("MFRs") filed by the Utility will be available for inspection at the following locations:

Lakeland Public Library 100 Lake Morton Road Lakeland, FL 33801	<u>Hours of Operation:</u> Monday through Thursday – 9:00 a.m. to 9:00 p.m. Friday and Saturday – 9:00 a.m. to 5:00 p.m. Sunday - 1:30 p.m. to 5:00 p.m
Cypress Lakes Utilities, Inc. 200 Weathersfield Avenue Altamonte Springs, FL 32714	<u>Office Hours:</u> Monday through Friday 8:00 a.m. to 4:30 p.m.

The current and proposed rates and charges follow. These rates are subject to change based on information gathered at the customer meeting, further Staff review, and the final decision by the Commissioners.

WATER SERVICE

Residential Service (Monthly)	Present Rates	Proposed Rates
Base facility charge – all meter sizes	\$5.22	\$6.35
Consumption Charge (per 1,000 gallons)		
First 6,000 gallons	\$3.59	\$4.36
6,000 – 12,000 gallons	\$5.38	\$6.54
Over 12,000 gallons	\$7.18	\$8.73
General Service	Present Rates	Proposed Rates
Base facility charge – For the following meter sizes:		
5/8" x 3/4"	\$ 5.22	\$ 6.35
1"	\$13.06	\$15.88
1 1/2"	\$26.11	\$31.74
2"	\$41.78	\$50.79
General Service Consumption Charge – Per 1,000 Gallons	\$ 3.81	\$ 4.63

09 AUG 31 AM
 DISTRIBUTION CENTER

WATER SERVICE (continued)

Irrigation Service	Present Rates	Proposed Rates
5/8" x 3/4"	\$ 5.22	\$ 6.35
1"	\$13.06	\$15.88
1 1/2"	\$26.11	\$31.74
Irrigation Service Consumption Charge – Per 1,000 Gallons	\$ 3.81	\$ 4.63

WASTEWATER SERVICE

Residential Service	Present Rates	Proposed Rates
Base facility charge – all meter sizes	\$16.30	\$23.35
Residential Consumption Charge – Per 1,000 gallons	\$ 5.49	\$ 7.86
General Service		
Base facility charge – For the following meter sizes:		
5/8" x 3/4"	\$16.30	\$ 23.35
1"	\$40.76	\$ 58.38
1 1/2"	\$81.49	\$116.71
General service consumption charge – Per 1,000 gallons	\$ 6.59	\$ 9.44

Written comments regarding utility service or the proposed rates and charges should be addressed to the Commission Clerk, at the following address:

Office of the Commission Clerk
 Florida Public Service Commission
 2540 Shumard Oak Boulevard
 Tallahassee, FL 32399-0850

All correspondence should refer to Docket No. 090349-WS. Your letter will be placed in the correspondence file of this docket. You may also submit comments through the Public Service Commission's toll-free facsimile line at 1-800-511-0809. The Commission also has a website available at: <http://floridapsc.com/consumers/complaint/index.cfm>

If you wish to contact the Commission regarding complaints about service, you may call the Commission's Division of Regulatory Compliance and Consumer Assistance at the following toll-free number 1-800-342-3552.

If you have any questions, please call the Utility's office at (800) 272-1919.
 Cypress Lakes Utilities, Inc.

090349

FPSC, CLK - CORRESPONDENCE
Administrative Parties Consumer
DOCUMENT NO. 08807.09
DISTRIBUTION: _____

8/27/09

Office of the Commission Clerk
FL Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee FL 32399

RECEIVED-FPSC
09 AUG 31 AM 9:43
COMMISSION
CLERK

Re: Docket No 090349-WS

I would like to file a complaint against this petition.

I propose that you deny this request for an increase(s) to our water service at Cypress Lakes.

The residents who are retired + on fixed income for the most part will not be receiving any ^{INCREASE} ~~INCOME~~ to their SST for the next 2 years. We are currently experiencing a unique economic downturn in our country and Florida. The residents will have to tighten their belts + do their part and I would expect that Cypress Lakes Utilities will do the same.

Therefore I employ you.
Do NOT Approve this petition.

Thank you for your consideration
in this matter

Sandra J. Kositzka
1857 Big Cypress Blvd
Lakeland, FL 33810
863-868-6850

090349

Katie Ely

From: Curt Mouring
Sent: Monday, August 31, 2009 8:18 AM
To: 'clinster2@msn.com'
Cc: Bart Fletcher; Cheryl Bulecza-Banks
Subject: Re: Cypress Lakes Utilities, Inc. - Docket No. 090349-WS

Dear Mr. Walker:

Thank you for your email in which you expressed your concerns about a rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure your concerns are available for review by the Commissioners, your e-mail and this response have been placed in the consumer correspondence side of the docket file, Docket No. 090349-WS.

With respect to the development of rates, the Commission is required to set rates that are just, reasonable, compensatory, and not unfairly discriminatory. The Commission cannot prevent a utility from filing a request for an increase its rates. However, the utility has the burden to prove that it is entitled to a rate increase. In evaluating the merits of the case, any costs that are found to be imprudent or are unjustified, will be disallowed.

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We understand your concerns regarding the Utility's proposed increases. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6427 or e-mail me at cmouring@psc.state.fl.us.

Curt Mouring

Florida Public Service Commission
 Regulatory Analyst
 Phone: (850)413-6427
 Fax: (850)413-6428
cmouring@psc.state.fl.us

FPSC, CLK - CORRESPONDENCE
~~Administrative Parties~~ Consumer
 DOCUMENT NO. 08807-09
 DISTRIBUTION: _____

8/31/2009

Katie Ely

890349

From: Ruth McHargue
Sent: Friday, August 28, 2009 9:25 AM
To: Katie Ely
Cc: Cheryl Bulecza-Banks; Dorothy Menasco; Ann Cole
Subject: FW: To CLK Docket 090349

Please add to docket file.

-----Original Message-----

From: Consumer Contact
Sent: Friday, August 28, 2009 8:41 AM
To: Ruth McHargue
Subject: To CLK Docket 090349

FPSC, CLK - CORRESPONDENCE
Administrative Parties ~~Consumer~~
DOCUMENT NO. 08807.09
DISTRIBUTION: _____

Copy on file, see 882955C. DH

-----Original Message-----

From: contact@psc.state.fl.us [mailto:contact@psc.state.fl.us]
Sent: Thursday, August 27, 2009 4:37 PM
To: Consumer Contact
Subject: E-Form Other Complaint TRACKING NUMBER: 21290

Complaint filed with PSC

Select County: POLK
CUSTOMER INFORMATION

Name: Cathy Patt
Telephone: 8638154280
Email: Westy00001@aol.com
Address: 2112 Moorhen Ct. Lakeland 33810

BUSINESS INFORMATION

Business Account Name: Cathy Patt
Account Number: 7416510000
Address: 2112 Moorhen Ct. Lakeland Florida 33810

COMPLAINT INFORMATION

Complaint: Other Complaint against Cypress Lakes Utilities, Inc.
Details:

I have lived at Cypress Lakes since September of 2000, there has not been a year go by that the water rates have not increased. I can understand, and willingly absorb an increase of 3 to 5 percent every year, I feel that is a reasonable amount. However, the PSC, in it's infinite wisdom, has seen fit in recent years to grant water rate increases to Cypress Lakes Utilities, Inc. far in excess of what is reasonable.

I have read Mr. Mouring's response to Mr. Steiger's letter and, frankly, it's a bunch of boilerplate state statute garbage that is fed to the public in order to make the process, any process, appear complicated and oh so necessary.

If the tap water here in Cypress Lakes was crystal clear and tasted as clean as Evian no one would object to a 20% increase, but I assure you that is not the case here in "mud town." Not only do we have to pay the exorbitant cost we also have to purify the water before we can drink it.

In this time of economic turmoil no company can justify raising it's rates, or prices, by 20% or even 10%. The situation before you brings to my mind how the public felt when it read earlier this year of the billions of dollars in profits the oil companies raked in last year. Please inform the citizens of Cypress Lakes what profit was made by Cypress Lakes Utilities, Inc. last year. And, while you're at it, why don't you look at all the rate increases you granted them in the past 9 years and add up the percentages. Perhaps those two exercises will open the Commission's eyes and, hopefully, the Commission will finally do the RIGHT thing.

Katie Ely

090349

From: Ruth McHargue
Sent: Thursday, August 27, 2009 4:34 PM
To: Katie Ely
Cc: Cheryl Bulecza-Banks; Ann Cole; Dorothy Menasco
Subject: FW: To CLK Docket 090349
Attachments: E-Form Other Complaint TRACKING NUMBER: 21281; E-Form Other Complaint TRACKING NUMBER: 21273; E-Form Other Complaint TRACKING NUMBER: 21270; E-Form Other Complaint TRACKING NUMBER: 21265; E-Form Other Complaint TRACKING NUMBER: 21264; E-Form Other Complaint TRACKING NUMBER: 21263; E-Form Other Complaint TRACKING NUMBER: 21279

Please add to docket file.

From: Diane Hood
Sent: Thursday, August 27, 2009 2:28 PM
To: Ruth McHargue
Subject: To CLK Docket 090349

Tracking number, 21281, is also a repair complaint, see 882722W. These have been put into the system with the appropriate docket number and close out code. DH

FPSC, CLK - CORRESPONDENCE
Administrative Parties Consumer
DOCUMENT NO. 08867.09
DISTRIBUTION: _____

Katie Ely

From: Consumer Contact
Sent: Thursday, August 27, 2009 8:44 AM
To: Consumer Contact
Subject: E-Form Other Complaint TRACKING NUMBER: 21281

Complaint filed with PSC

Select County: POLK
CUSTOMER INFORMATION

Name: George Huckabey
Telephone: 863-868-5208
Email: geobobh@aol.com
Address: 9993 Jaybird Drive Lakeland 33810

BUSINESS INFORMATION

Business Account Name: George Huckabey
Account Number: 2653510000
Address: 9993 Jaybird Drive Lakeland Florida 33810

COMPLAINT INFORMATION

Complaint: Other Complaint against Cypress Lakes Utilities, Inc.

Details:

Two things:

1st.....there has been a sewer manhole in the grass area of our cul-de-sac that has been at least 6 to 8 inches below ground level and I am afraid of someone falling into this hole. They have been told by me and the mangerment of cypress lakes with no results and this has been going on for months. This should be raised.

2nd...They are asking for a very large increase at a time when most of us will not be getting raises with our social security and they do not listen to our complaints.Thanks for hearing my complaints and I hope that A large reduction in their raise should be forth coming.....George Huckabey

Katie Ely

From: Consumer Contact
Sent: Wednesday, August 26, 2009 4:12 PM
To: Consumer Contact
Subject: E-Form Other Complaint TRACKING NUMBER: 21273

Complaint filed with PSC

Select County: POLK
CUSTOMER INFORMATION

Name: Sara O. Finney
Telephone: 863-853-3532
Email:
Address: 2191 Big Cypress Blvd. Lakeland 33810

BUSINESS INFORMATION

Business Account Name: Sara O. Finney
Account Number:
Address: 2191 Big Cypress Blvd. Lakeland Florida 33810

COMPLAINT INFORMATION

Complaint: Other Complaint against Cypress Lakes Utilities, Inc.

Details:

I am writing concerning the proposed rate increase in water and wastewater services in the Cypress Lakes Retirement Community. This rate increase proposal is unreasonably substantial and is totally unacceptable. I am a Senior Citizen as are most of us who live in this community. I live on a very fixed income and simply cannot afford this increase. It is abhorrent that my water and wastewater service costs more than my telephone service. In the 8+ years that I have lived in this community, my water bill has more than doubled. I am a widow living on Social Security. I have learned that there will be 0% increase in Social Security benefits for the next 2 years. The cost of Medicare will go up in 2010. My income cannot accommodate this water rate increase. People who live within the city limits don't pay near the amount that we do for their water service. I hope that you will give serious consideration to this matter. I am asking you to give the Cypress Lakes Utilities, Inc., the same increase that we are getting from Social Security.

Sincerely, Sara O. Finney

Katie Ely

From: Consumer Contact
Sent: Wednesday, August 26, 2009 3:30 PM
To: Consumer Contact
Subject: E-Form Other Complaint TRACKING NUMBER: 21270

Complaint filed with PSC

Select County: POLK
CUSTOMER INFORMATION

Name: Walker Clinton
Telephone: 863-815-3601
Email: clinster2@msn.com
Address: 9212 Spatterdock Ct Lakeland 33810

BUSINESS INFORMATION

Business Account Name: Walker Clinton
Account Number: 6659410000
Address: 9212 Spatterdock Ct Lakeland Florida 33810

COMPLAINT INFORMATION

Complaint: Other Complaint against Cypress Lakes Utilities, Inc.

Details:

The rate hike that Cypress Lakes Utilities is asking for is a disgrace. When and were is it going to stop? We the retired people are not going to get a cost of living increase in our social security checks for the next two years. Why should these people get a raise. I would hope that the Public Serives Commission will help the people they serve and not go along with this greed by this company....Thank you,

Clint Walker

Katie Ely

From: Consumer Contact
Sent: Wednesday, August 26, 2009 2:29 PM
To: Consumer Contact
Subject: E-Form Other Complaint TRACKING NUMBER: 21265

Complaint filed with PSC

Select County: POLK
CUSTOMER INFORMATION

Name: Peter Briggs
Telephone: 716-673-5145
Email: ebriggs@netsync.net
Address: 9694 Cypress Lakes Dr Lakeland 33810

BUSINESS INFORMATION

Business Account Name: Peter Briggs
Account Number:
Address: 9694 Cypress Lakes Dr Lakeland Florida 33810

COMPLAINT INFORMATION

Complaint: Other Complaint against Cypress Lakes Utilities, Inc.

Details:

The huge rate increases under the current petition filed with the FPSC will be an undue burden to the residences of Cypress Lakes. Speaking for my wife and myself we are a retired couple on a fixed income and these increases will have a considerable negative effect on our finances. I can understand a reasonable rate increase of 5 to 10 percent but the increases requested are ridiculous, especially in light of increases they've received the past couple of years.

Katie Ely

From: Consumer Contact
Sent: Wednesday, August 26, 2009 2:22 PM
To: Consumer Contact
Subject: E-Form Other Complaint TRACKING NUMBER: 21264

Complaint filed with PSC

Select County: POLK
CUSTOMER INFORMATION

Name: Bob Stoltz
Telephone: 863-815-2384
Email: slotz908@yahoo.com
Address: 9533 Cypress Tree Ln Lakeland 33810

BUSINESS INFORMATION

Business Account Name: Bob Stoltz
Account Number:
Address: 9533 Cypress Tree Ln Lakeland Florida 33810

COMPLAINT INFORMATION

Complaint: Other Complaint against Cypress Lakes Utilities, Inc.

Details:

another outrageous increase pending while we are limited to no social security increases for two years. why isn't this utility held to a more efficient operation and made to bear its fair share of the economic downturn??

Katie Ely

From: Consumer Contact
Sent: Wednesday, August 26, 2009 1:55 PM
To: Consumer Contact
Subject: E-Form Other Complaint TRACKING NUMBER: 21263

Complaint filed with PSC

Select County: POLK
CUSTOMER INFORMATION

Name: Martha and John Doyle
Telephone: 863-937-7858
Email: mdoyle29@tampabay.rr.com
Address: 7922 Snowy Plover Drive Lakeland 33810

BUSINESS INFORMATION

Business Account Name: Martha and John Doyle Account Number: 4267467288
Address: 7922 Snowy Plover Drive Lakeland Florida 33810

COMPLAINT INFORMATION

Complaint: Other Complaint against Cypress Lakes Utilities, Inc.

Details:

This is a protest against the rate increases that are being applied for by this company. This is a 55+ community in which most residents are social security dependent. We have been informed that there will be no cost of living increases for the next two years and then everywhere we turn the cost of living IS increasing. It does not make sense to increase our water bill by almost half when our incomes are not going up.

Katie Ely

From: Consumer Contact
Sent: Wednesday, August 26, 2009 8:32 PM
To: Consumer Contact
Subject: E-Form Other Complaint TRACKING NUMBER: 21279

Complaint filed with PSC

Select County: POLK
CUSTOMER INFORMATION

Name: arthur schuetze
Telephone: 8638162358
Email: artbon2@tampabay.rr.com
Address: 2421 big cypress blvd lakeland 33820

BUSINESS INFORMATION

Business Account Name: arthur schuetze
Account Number:
Address: 2421 big cypress blvd lakeland Florida 33820

COMPLAINT INFORMATION

Complaint: Other Complaint against Cypress Lakes Utilities, Inc.

Details:

We are all Senior s living at this comples. we do not experience an increase in our s.s. and yet your are gouging us with a tremendous increase in water etc. bills. when will you stop.

To whom it may concern,

090349

Why is it necessary for us to pay for upgrades to their computer systems?
I AM A 6 MONTH RESIDENT YET I AM REQUIRED TO PAY THE 28.35 SEWAGE
FEE AND APP. 28.32 for 3000 gallons of sewage which in fact is lawn
watering ONCE A WEEK, NONE OF WHICH GOES INTO THE SEWER. I DON'T MIND
PAYING FOR THE WATER USAGE APPROVED) IS ~~XXXXXXXXXX~~ ~~XXXXXXXXXX~~ BALONEY! DAVID DANING
Cypress Lakes Utilities, Inc. 2354 Puff Ln. Lakeland
Docket No. 090349-WS but \$5167 (IF THIS INCREASE IS
APPROVED) IS ~~XXXXXXXXXX~~ ~~XXXXXXXXXX~~ BALONEY!

NOTICE is hereby given on this 19th day of August, 2009, pursuant to Rule 25-30.446, Florida
Administrative Code, that Cypress Lakes Utilities, Inc. has filed a Petition for a limited proceeding rate
increase for water and wastewater with the Florida Public Service Commission. The purpose of this limited
proceeding is for the Utility to (1) recover the cost of the modifications to the Utility's wastewater treatment
plant, (2) to recover the cost of Project Phoenix, the Utility's modernization of its information, customer
service and computer systems, (3) to recover the cost of the supply main upgrade, and (4) to recover the costs
of increases in property tax and sludge hauling.

A copy of the Petition and Minimum Filing Requirements ("MFRs") filed by the Utility will be
available for inspection at the following locations:

Lakeland Public Library 100 Lake Morton Road Lakeland, FL 33801	<u>Hours of Operation:</u> Monday through Thursday - 9:00 a.m. to 9:00 p.m. Friday and Saturday - 9:00 a.m. to 5:00 p.m. Sunday - 1:30 p.m. to 5:00 p.m.
Cypress Lakes Utilities, Inc. 200 Weathersfield Avenue Altamonte Springs, FL 32714	<u>Office Hours:</u> Monday through Friday 8:00 a.m. to 4:30 p.m.

The current and proposed rates and charges follow. These rates are subject to change based on
information gathered at the customer meeting, further Staff review, and the final decision by the
Commission.

WATER SERVICE

RECEIVED-FPSC
AUG 25 AM 9:10

COMMISSION
CLERK

09 AUG 25 AM 7:18

DISTRIBUTION CENTER

Residential Service (Monthly)	Present Rates	Proposed Rates
Base facility charge - all meter sizes	\$5.22	\$6.35
Consumption Charge (per 1,000 gallons)		
First 6,000 gallons	\$3.59	\$4.36
6,000 - 12,000 gallons	\$5.38	\$6.54
Over 12,000 gallons	\$7.18	\$8.73
General Service	Present Rates	Proposed Rates
Base facility charge - For the following meter sizes:		
5/8" x 3/4"	\$ 5.22	\$ 6.35
1"	\$13.06	\$15.88
1 1/2"	\$26.11	\$31.74
2"	\$41.78	\$50.79
General Service Consumption Charge - Per 1,000 Gallons	\$ 3.81	\$ 4.63

FPSC, CLK - CORRESPONDENCE
 Administrative Parties Consumer
DOCUMENT NO. 08807-09
DISTRIBUTION:

Katie Ely

090349

From: Ruth McHargue
Sent: Monday, August 24, 2009 2:34 PM
To: Katie Ely
Cc: Dorothy Menasco; Ann Cole; Cheryl Bulecza-Banks
Subject: FW: To CLK Docket 090349

Please add to docket file.

-----Original Message-----

From: Consumer Contact
Sent: Monday, August 24, 2009 11:43 AM
To: Ruth McHargue
Subject: To CLK Docket 090349

Copy on file, see 881262C. DH

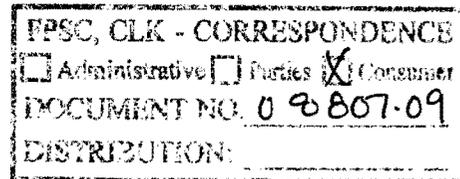
-----Original Message-----

From: contact@psc.state.fl.us [mailto:contact@psc.state.fl.us]
Sent: Sunday, August 23, 2009 11:26 PM
To: Consumer Contact
Subject: E-Form Other Complaint TRACKING NUMBER: 21192

Complaint filed with PSC

Select County: POLK
CUSTOMER INFORMATION

Name: Gary Myers
Telephone: 863-853-4747
Email: glm@mpinet.net
Address: 1664 Big Cypress Blvd Lakeland 33810



BUSINESS INFORMATION

Business Account Name: Gary Myers
Account Number:
Address: 1664 Big Cypress Blvd Lakeland Florida 33810

COMPLAINT INFORMATION

Complaint: Other Complaint against Cypress Lakes Utilities, Inc.
Details:

We here in the park just received letters of intent to raise our water rates 21.6% and wastewater service by 43.2%. This comes after your last approval of rate increase for them, when you came out here and had the meeting. And still the ones that complained they can't drink the dirty water still have the same problem. The water pipes haven't been bled since the two days before your last meeting here !!!!!!!
We are a 55+ community and most are on fixed incomes and the news tonight said no increase in cost of living for Social Security for possibly 2 years, yet they ask for 21.6 % and 43.2%. Probably they asked outrageous hikes so that could get a 10% hike from you with no problem. Give them the same thing I will be getting for 2 years 0% !!!!
docket number 090349-WS

Katie Ely

090349-WS

From: Ruth McHargue
Sent: Monday, August 24, 2009 2:34 PM
To: Katie Ely
Cc: Cheryl Bulecza-Banks; Ann Cole; Dorothy Menasco
Subject: FW: To CLK Docket 090349

CONSUMER

Please add to docket file.

-----Original Message-----

From: Consumer Contact
Sent: Monday, August 24, 2009 11:39 AM
To: Ruth McHargue
Subject: To CLK Docket 090349

Copy on file, see 881255C. DH

-----Original Message-----

From: contact@psc.state.fl.us [mailto:contact@psc.state.fl.us]
Sent: Saturday, August 22, 2009 4:58 PM
To: Consumer Contact
Subject: E-Form Other Complaint TRACKING NUMBER: 21179

Complaint filed with PSC

Select County: POLK
CUSTOMER INFORMATION

Name: Neal Steiger
Telephone: 863-450-4281
Email: nealsteiger@gmail.com
Address: 2123 Sabal Palm Dr Lakeland 33810

BUSINESS INFORMATION

Business Account Name: Neal Steiger
Account Number: 7116750189
Address: 2123 Sabal Palm Dr Lakeland Florida 33810

COMPLAINT INFORMATION

Complaint: Other Complaint against Cypress Lakes Utilities, Inc.
Details:

Cypress Lakes Utilities, Inc. has filed a Notice of Application, Docket no. 090349-WS, proposing a 21.65% increase in residential base water charges, a 21.45% increase in first 6,000 gallons usage, and an incredible 43.25% increase in the already high base residential facility wastewater charge, and a 43.69% increase in the wastewater consumption charge. The reason given is to recover various costs.

This utility serves mainly a 55+ population, many of whom are retired senior citizens on fixed income, already being charged annual rate increases in other services that outstrip their cost of living. I would suggest that that Cypress

DOCUMENT NUMBER - DATE
08807 AUG 24 09
FPSC-COMMISSION CLERK

Lakes Utilities pursue other options, such as issuing bonds to cover these costs in a way that would not create undue hardships for its customers.