



Florida Public Service Commission

# SPECIAL REPORT

NOVEMBER 2009

Application for a limited proceeding rate increase by

## Cypress Lakes Utilities, Inc.

DOCKET NO. 090349- WS

*On June 30, 2009, Cypress Lakes Utilities, Inc. (Cypress Lakes) filed an application with the Florida Public Service Commission (PSC or Commission) for a limited proceeding water and wastewater rate increase. Cypress Lakes is a Class B utility that serves approximately 1,458 water and 1,419 wastewater customers in Polk County.*

### QUESTIONS & ANSWERS

#### **1** Is there an opportunity for public input on this rate case?

Yes. As part of the evaluation process for Cypress Lakes' rate request, the Commission staff will conduct a customer meeting to allow customer feedback about Cypress Lakes and the rate setting process. Customer comments, written and oral, will be taken into consideration when the Commission reaches a decision.

#### **2** Why is Cypress Lakes requesting a rate increase?

Cypress Lakes is requesting a rate increase (1) to cover 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 system; (3) to recover the cost of the supply main upgrade; and (4) to recover the costs of increases in property tax and sludge hauling.

#### **3** When was Cypress Lakes' last approved rate increase?

Cypress Lakes' last approved rate increase was on March 5, 2007, Docket number 060257-WS.

#### **CUSTOMER MEETING**

**Wednesday, November 18, 2009**

**6:00 p.m.**

Cypress Lakes Clubhouse  
10000 US Hwy 98 North  
Lakeland, FL 33809

To check if a meeting has been canceled, look on the Commission's Web site ([www.floridapsc.com](http://www.floridapsc.com)) under the Hot Topics link on the home page. Cancellation can also be confirmed by calling the Office of the General Counsel at (850) 413-6199.

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#### **4 Presently, how much are the average monthly water and wastewater bills for a residential customer?**

Presently, the average monthly water and wastewater bills for a residential customer are \$16.50 and \$33.60, respectively.

#### **5 Using Cypress Lakes' proposed rates, how much would the average monthly water and wastewater bills be for a residential customer?**

Using Cypress Lakes' proposal, the average monthly water and wastewater bills for a residential customer would be \$20.04 and \$48.12, respectively.

#### **6 What if I can't make the customer meeting or prefer not to speak? Are there other ways to comment on the issue?**

Any person who wants to comment or provide information to the Commission regarding this matter may do so orally at the meeting or in writing. Correspondence will be placed in the docket file. Written comments should be mailed to:

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

The PSC will also accept faxes and e-mails.

Fax number: 1-800-511-0809

Internet e-mail address:  
*contact@psc.state.fl.us*

Please be sure to include the docket number, **090349**.

Customer comments are placed on the consumer side of the docket file and are taken into consideration by the Commissioners in reaching their decision. In accordance with Florida Statutes, the PSC will also consider Cypress Lakes' quality of service and other matters. If you have questions, call the Florida Public Service Commission's Division of Service, Safety & Consumer Assistance at 1-800-342-3552.

#### **7 Who can answer technical or legal questions?**

##### **For technical questions, contact:**

Curtis Mouring  
(850) 413-6427

Arlisha Roberts  
(850) 413-6410

Stan Rieger  
(850) 413-6970

##### **For legal questions, contact:**

Jennifer Brubaker  
(850) 413-6228

#### **8 Where on the Internet can I obtain more detailed information?**

Detailed docket information is available on the PSC Web site at [www.floridapsc.com](http://www.floridapsc.com). Click on **Dockets and Filings/Dockets** and then type in the docket number, 090349.

#### **9 When will the PSC make a decision?**

The PSC staff is scheduled to file a recommendation with the Commission on **December 3, 2009**. The Commissioners are expected to vote on this matter at the **December 15, 2009 Agenda Conference**.

## PSC Commissioners



COMMISSIONER  
Nathan A. Skop



COMMISSIONER  
Lisa Polak Edgar



CHAIRMAN  
Matthew M. Carter II



COMMISSIONER  
Nancy Argenziano



COMMISSIONER  
David E. Klement

**Matthew Mark Carter II** was appointed to the Florida Public Service Commission by Governor Jeb Bush for a four-year term beginning January 2006 and was subsequently elected Chairman by his fellow commissioners for the years 2008 and 2009. Chairman Carter serves on the National Association of Regulatory Utility Commissioners (NARUC) Committee on Water, the Committee on Critical Infrastructure, and the Committee on International Relations. Chairman Carter is also active in NARUC activities designed to improve regulated companies' minority business procurement practices. Chairman Carter sought appointment to the Committee on Water in particular because he recognizes the stress that Florida's rapid population growth is placing on existing water resources, and the important role water and wastewater utility regulation will have on the development of future conservation efforts and water supply alternatives in Florida, as well as the health and economic vitality of the State. Chairman Carter hopes to foster an open dialogue concerning water policies in the State with an aim toward maximizing the effectiveness of partnerships between various state agencies having regulatory jurisdiction over water use. Chairman Carter is the son of the late Rev. Matthew and Pearl Carter. He was born in Douglas, Georgia and educated in the public schools there. He graduated from Atkinson County High School (in Pearson). After graduation from high school, he volunteered for the United States Army. In the Army, he served in the Presidential Honor Guard in Washington, D.C. and the First Armored Division in Germany. After being honorably discharged from the Army, Chairman Carter attended Tallahassee Community College where he graduated with honors, and was later inducted into the TCC Alumni Association's Hall of Fame. He then attended Florida State University and graduated with a Bachelor's of Science in Mass Communications and was commissioned a Second Lieutenant in the United States Army Reserve and later the Florida National Guard. After a tour of duty with the 124th Infantry in the Panama Canal Zone, Chairman Carter returned to Tallahassee where he set up a public relations firm that, for over ten years, concentrated on political campaigns. Afterward, he entered into the financial investment industry and worked as a financial consultant for Waddell & Reed, Florida Professional Services Group, and Merrill Lynch. Chairman Carter left Merrill Lynch to complete law school at the Florida State University College of Law. After graduation, he became a member of the Florida Bar and a Minister of the Gospel of Jesus Christ. As an attorney, he specialized in business law. He also served as a communications consultant and senior manager for private industry and governmental agencies. Chairman Carter's prior government leadership includes service as the Director of the Division of Land Sales, Deputy Secretary of the Department of Management Services, and multiple senior staff positions with the Florida House of Representatives. Chairman Carter has a Master's degree in Theological Science from Smith Chapel Bible University, a Doctor of Ministry degree from Gulf Coast College & Seminary, and was also awarded an honorary Doctor of Divinity degree from the St. Thomas Christian College. Chairman Carter is currently pastor of the Beulah Hill Missionary Baptist Church in Gretna, Florida, where he once served as President of the Congress of Christian Education (Union Baptist Association) and Vice Moderator for the Gadsden County Baptist Association (Southern Baptist Convention). He has also written the book *The 90% Rule – How to Get Out of Debt and Prosper and Why It's Important*. Chairman Carter is married to the former Rita Taylor (of Enigma, Georgia) and they have two beautiful children.

**Lisa Polak Edgar** was reappointed to the Florida Public Service Commission (PSC) by Governor Charlie Crist for a four-year term beginning January 2009. From January 2006 to January 2008, she served as Chairman and participated as a member of the Florida Energy Commission and the Governor's Action Team on Energy and Climate Change. During her first term, Commissioner Edgar worked to develop policies to strengthen the state's electric infrastructure to better prepare for, and withstand, storm events; to establish net metering and interconnection rules that encourage customer participation and renewable energy development; to further the diversification of Florida's fuel supply; to effectively reform the collection and distribution of universal service funds; and to broaden stakeholder participation. She is a member of the National Association of Regulatory Utility Commissioners Board of Directors and the Telecommunications Committee. Commissioner Edgar serves on the Federal Communications Commission Universal Service Joint Board and the U.S. Department of Transportation Technical Pipeline Safety Standards Committee. She is a member of Leadership Florida. Prior to joining the PSC, Commissioner Edgar served as Deputy Secretary for the Florida Department of Environmental Protection (DEP). Her responsibilities at DEP included oversight of the agency's \$2.1 billion budget, fiscal and strategic planning, accountability measures, information technology, administrative services, geological survey, and coordination between the state and federal government on environmental issues, including oil and gas drilling on the Outer Continental Shelf. Commissioner Edgar represented the State of Florida on the Minerals Management Service Outer Continental Shelf (OCS) Policy Committee from 1993-2004, and on the Subcommittees on Environmental Studies in OCS Areas under Moratoria and OCS Hard Minerals. During her career in public service, Commissioner Edgar has also served as chief analyst on Environmental Policy for the Office of Policy and Budget, Executive Office of the Governor; senior cabinet aide in the Department of Agriculture and Consumer Services; staff counsel and legislative analyst for the Florida Senate Committees on Reapportionment and Regulated Industries;

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## PSC Commissioners *continued*

completed the Harvard Kennedy School of Government Program for Senior Executives in State and Local Government; and co-taught a special topics graduate course on the Everglades at Florida A&M University. Commissioner Edgar received a Bachelor of Science and a Juris Doctorate from Florida State University and is a member of the Florida Bar. She studied in London during her undergraduate education and in Yugoslavia during law school. She and her husband are raising their two young children in Tallahassee.

Before her appointment to the Florida Public Service Commission in May of 2007, **Commissioner Argenziano** served more than 10 years in the Florida legislature. She was first elected to the Florida House of Representatives in 1996 (District 43) and served there until her election in 2002 to the Florida Senate (District 3). While serving in the legislature, she served on many different committee and council assignments including Environmental Preservation, Governmental Oversight (Chair), Comprehensive Planning, Criminal Justice (Chair), Criminal Justice Appropriations, Regulated Industries, Rules and Calendar, Agriculture (Chair), Administrative Procedure, Public Service Commission Oversight, Ethics and Elections, Health Policy, Elder Affairs (Chair), Healthcare Council (Chair), Crime and Punishment, Water Resource Management, and Utilities and Communication. Senator Argenziano's legislative career has focused on protection of the elderly and other vulnerable citizens, resource protection, and full participation of the citizens in their government. Notable legislation which she has sponsored includes nursing home reform, "local sources first" (water use), two pharmacy discount programs, a law providing for clearing the courtroom for victim sex crime testimony, enhanced penalties for crimes against the elderly, Public Counsel representation in utility rates cases, protection of our springs, a "scambusters" program for the protection of consumers, and protection for our children from sexual predators (the Jessica Lunsford Act), just to mention a few. Commissioner Argenziano has one son, Joseph, who has proudly served his country for 14 years in the United States Air Force. Commissioner Argenziano is a member of the National Association of Regulatory Utility Commissioners (NARUC).

**Commissioner Nathan A. Skop** was appointed to the Florida Public Service Commission by Governor Charlie Crist for a four-year term beginning January 2007. Commissioner Skop currently serves on the National Association of Regulatory Utility Commissioners (NARUC) Committee on Consumer Affairs and the Committee on Energy Resources and the Environment. Prior to his appointment, Commissioner Skop gained over thirteen years of engineering, manufacturing, operations, program management, and financial management experience working for Fortune 500 corporations. Commissioner Skop began his professional career as a nuclear project engineer with the Electric Boat Division of General Dynamics Corporation in Groton, Connecticut. As a member of the Advanced Propulsion Plant Technology Program he participated in the design, integration and qualification testing of nuclear submarine propulsion system turbomachinery for the USS SEAWOLF (SSN 21), and participated in the initial criticality and power range testing of the USS SANTA FE (SSN 763) nuclear submarine reactor plant. Commissioner Skop continued his professional career as a specialist engineer with the Propulsion Systems and Customer Service divisions of the Boeing Commercial Airplane Group in Seattle, Washington. While serving in these positions he participated in the design, integration, and test of Engine Build-Up installations for Pratt & Whitney engines installed on Boeing 777 aircraft, and supported General Electric aircraft engines installed on Boeing 747, 767, and 777 aircraft. Prior to attending law school, Commissioner Skop gained substantial renewable energy and energy industry experience as a business manager with FPL Energy (an unregulated subsidiary of FPL Group) through managing nine renewable wind energy projects located in Altamont Pass, California, and a coal fired co-generation plant located in Stockton, California. Commissioner Skop's extensive power generation experience includes renewable energy (wind and solar), fossil fuel (combined cycle, gas turbine, co-generation, and coal), and nuclear power. Commissioner Skop graduated from the University of Florida with a BS in Aerospace Engineering in 1991. He later earned an MBA with concentrations in financial management and investment analysis from Rensselaer Polytechnic Institute in 1996, and a JD from the University of Florida Levin College of Law in 2006. Commissioner Skop also holds a graduate level certificate in environmental management from the Hartford Graduate Center and attended an executive education program focusing on mergers and acquisitions at the Wharton School of Business at the University of Pennsylvania. Commissioner Skop is a member of the Florida Bar and recently had a case comment published in the Journal of Technology Law & Policy for the Levin College of Law at the University of Florida. Commissioner Skop was raised in Sanford, Florida. Prior to relocating to Tallahassee to serve in his current position, Commissioner Skop previously lived in Gainesville and Palm Beach Gardens, Florida.

**David E. Klement** was appointed to the Florida Public Service Commission (PSC) by Governor Charlie Crist for a four-year term beginning January 2010. He joined the PSC in October 2009, when Governor Crist selected him to fill a Commissioner vacancy. Prior to his appointment, Commissioner Klement served as Director of the Institute for Public Policy & Leadership at the University of South Florida, where he created forums to address community needs, anticipated future challenges and the strategies to tackle them, and engaged students in leadership and civic opportunities. Commissioner Klement worked as a journalist for more than four decades, most recently serving as editorial page editor at *The Bradenton Herald*. In this capacity, he formulated editorial policy for the daily newspaper and authored editorials as well as regular personal columns. He formerly held the business editor and city editor positions at the *Herald*, which involved convening and moderating town hall meetings and creating public affairs programs on government access television. The Commissioner was also an editor and reporter at *The Detroit Free Press* and *The Daily Oklahoman* in Oklahoma City. He has received honors from the Southern Newspaper Publishers Association, the Society of Professional Journalists, and the Florida Press Association for his editorial writing. Commissioner Klement also shared the prestigious Pulitzer Prize with the newsroom staff of *The Detroit Free Press* in 1968 for coverage of the Detroit riots in 1967. A recent graduate of Leadership Florida, Commissioner Klement received a bachelor's degree in journalism from the University of North Texas and a master's degree in mass communications from the University of South Florida. He has served as a member of both the Manatee and the Sarasota Chambers of Commerce and served on the Boards of the U.S. Green Building Council, Myakka River Branch, and Manatee Educational Television (METV). He has been married to his wife, JoAnne, for 31 years. She is a former journalist and now is a public relations marketing consultant. They have two adult children and five grandchildren who live in Bradenton.

## Water Rates

Account Description and Service Type	Present Rates	Proposed ** Increase	Proposed Rates
<b>Residential BFC</b>	\$ 5.22	\$ 1.13	\$ 6.35
<b>Residential Gallonage Charge per 1,000 Gallons*</b>			
First 6,000 Gallons	\$ 3.59	\$ 0.77	\$ 4.36
6,000 - 12,000 Gallons	\$ 5.38	\$ 1.16	\$ 6.54
Over 12,000 Gallons	\$ 7.18	\$ 1.55	\$ 8.73
<b>General Service BFC</b>			
5/8" x 3/4"	\$ 5.22	\$ 1.13	\$ 6.35
1"	\$ 13.06	\$ 2.82	\$ 15.88
1-1/2"	\$ 26.11	\$ 5.63	\$ 31.74
2"	\$ 41.78	\$ 9.01	\$ 50.79
3"	\$ 83.55	\$ 18.02	\$ 101.57
4"	\$ 130.55	\$ 28.16	\$ 158.71
6"	\$ 261.11	\$ 56.31	\$ 317.42
<b>Irrigation General Service BFC</b>			
5/8" x 3/4"	\$ 5.22	\$ 1.13	\$ 6.35
1"	\$ 13.06	\$ 2.82	\$ 15.88
1-1/2"	\$ 26.11	\$ 5.63	\$ 31.74
<b>General Service Gallonge Charge per 1,000 Gallons</b>			
	\$ 3.81	\$ 0.82	\$ 4.63
<b>Irrigation General Service Gallonage Charge per 1,000 Gallons</b>			
	\$ 3.81	\$ 0.82	\$ 4.63

## Wastewater Rates

Account Description and Service Type	Present Rates	Proposed ** Increase	Proposed Rates
<b>Residential BFC</b>	\$ 16.30	\$ 7.05	\$ 23.35
<b>General Service BFC</b>			
5/8" x 3/4"	\$ 16.30	\$ 7.05	\$ 23.35
1"	\$ 40.76	\$ 17.62	\$ 58.38
1-1/2"	\$ 81.49	\$ 35.22	\$ 116.71
2"	\$ 130.40	\$ 56.36	\$ 186.76
3"	\$ 260.79	\$ 112.72	\$ 373.51
4"	\$ 407.49	\$ 176.13	\$ 583.62
6"	\$ 814.98	\$ 352.26	\$ 1,167.24
<b>Residential Gallonge Charge per 1,000 Gallons*</b>	\$ 5.49	\$ 2.37	\$ 7.86
<b>General Service Gallonage Charge per 1,000 Gallons</b>	\$ 6.59	\$ 2.85	\$ 9.44

\* 6,000 gallon maximum applies.

\*\* Rates are increased based on the 21.57 percent increase for water and 42.93 percent for wastewater.



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

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