

**CYPRESS LAKES UTILITIES, INC.**  
an Affiliate of Utilities, Inc.  
1000 US Hwy 98 N. Bldg. 1  
Lakeland, FL 33809  
(863) 815-1524

**Corporate Offices:**  
2335 Sanders Road  
Northbrook, IL 60062  
(847) 498-6440

August 27, 2004

Blanca Bayo  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

RE: 2004 Price Index

Dear Ms. Bayo:

Enclosed are the original and five copies of the 2004 Price Index for Cypress Lakes Utilities, Inc. The following tariffs are contained in the application for filing:

Water	Sixth Revised Sheet	No. 18.0
	Sixth Revised Sheet	No. 19.0
	Fifth Revised Sheet	No. 20.0
Wastewater	Sixth Revised Sheet	No. 16.0
	Sixth Revised Sheet	No. 17.0
	Fifth Revised Sheet	No. 18.0

If you require additional information, please feel free to contact me.

Sincerely,



Steven W. Dihel  
Regulatory Accountant

Enclosure

DOCUMENT NUMBER-DATE

09448 AUG 30 3

FPSC-COMMISSION CLERK

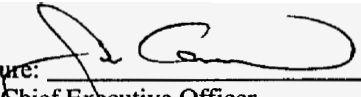
AFFIRMATION

I, James L. Camaren, hereby affirm that the figures and calculations upon which the change in rates is based are accurate and that the change will not cause Cypress Lakes Utilities, Inc. to exceed its last return on equity of 10.93%.

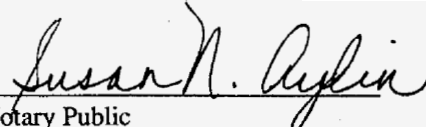
I, the undersigned/officer of the above-named utility, have read the foregoing and declare that, to the best of my knowledge and belief, the information contained in this application is true and correct.

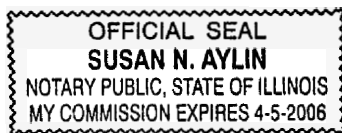
This affirmation is made pursuant to my request for the 2004 Price Index increase, in conformance to Section 367.081 (4) ( c), Florida Statutes.

Further, I am aware that pursuant to Section 837.06, F.S., whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree.

Signature:   
Title: Chief Executive Officer  
Telephone Number: 847/498-6440  
Fax Number: 847-498-2066

Sworn to and Subscribed before me this 27<sup>th</sup> day of August, 2004.

  
Notary Public  
State of Illinois



## Statement of Quality of Service

Pursuant to rule 25-30.420(2)(h) and (I), Florida Administrative Code, Cypress Lakes Utilities, Inc.

does not have any active written complaints, corrective orders, consent orders, or outstanding citations with the Department of Environmental Protection (DEP) or the County Health Departments.

does have the attached active written complaint(s), corrective order(s), or outstanding citation(s) with the DEP or the County Health Department(s). The attachment(s) includes the specific system(s) involved with DEP permit number and the nature of the active complaint, corrective order, consent order, or outstanding citation.

This statement is intended such that the Florida Public Service Commission can make a determination of quality of service pursuant to Section 367.081(4) (a), Florida Statutes, and Rule 25-30.420(4)(a), Florida Administrative Code.

Name: Patrick Flynn  
Title: Regional Operations Manager  
Telephone Number: 407-869-1919  
Date: 8/26/04

## NOTICE TO CUSTOMERS

Pursuant to Section 367.081 (4) (a), Florida Statutes, water and wastewater utilities are permitted to adjust the rates and charges to its customers without those customers bearing the additional expense of a public hearing. These adjustments in rates would depend on increases or decreases in noncontrollable expenses subject to inflationary pressures such as chemicals, and other general operation and maintenance costs.

On August 30, 2004 Cypress Lakes Utilities, Inc. filed its notice of intention with the Florida Public Service Commission to increase water and wastewater rates in Polk County pursuant to this Statute. The filing is subject to review by the Commission Staff for accuracy and completeness. If approved by the Commission, water rates would be increased by .75% and wastewater rates would be increased by .89%. These rates should be reflected on your bills for service rendered on or after October 29, 2004.

If you have any questions, please contact your local utility office. Be sure to have your account number handy for quick reference.

GENERAL SERVICE  
RATE SCHEDULE GS

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For water service to all customers for which no other schedule applies.
- LIMITATIONS - Subject to all Rules and Regulations of this Tariff and General Rules and Regulations of this Commission.
- RATES - Monthly

<u>Meter Size</u>	<u>Base Facility Charge</u>
5/8" x 3/4"	\$6.41
1"	16.01
1 1/2"	32.02
2"	51.22
3"	102.45
4"	160.07
6"	320.15
Gallonge Charge per 1,000	\$ 2.66

- MINIMUM CHARGE - Base Facility Charge per month
- TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, separate and apart from bill, service may then be discontinued.
- EFFECTIVE DATE - For services rendered on or after October 29, 2004
- TYPE OF FILING - 2004 Price Index

Larry Schumacher  
ISSUING OFFICER

President & CFO  
TITLE

RESIDENTIAL SERVICE  
RATE SCHEDULE RS

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For water service for all purposes in private residences and individually metered apartment units.
- LIMITATIONS - Subject to all Rules and Regulations of this Tariff and General Rules and Regulations of this Commission.
- RATES - Monthly

<u>Meter Size</u>	<u>Base Facility Charge</u>
All Meter Sizes	\$6.41
Gallonge Charge per 1,000 gallons	
0-6,000	2.44
6,001-12,000	3.67
over 12,000	4.89

- MINIMUM CHARGE - \$6.41
- TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, separate and apart from bill, service may then be discontinued.
- EFFECTIVE DATE - For services rendered on or after October 29, 2004
- TYPE OF FILING - 2004 Price Index

Larry Schumacher  
ISSUING OFFICER  
President & CFO  
TITLE

MULTI-RESIDENTIAL SERVICE

RATE SCHEDULE MS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For water service to all master-metered residential customers including, but not limited to Condominiums, Apartments, and Mobile Homes.

LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

RATES - Monthly

<u>Meter Size</u>	<u>Base Facility Charge</u>
All Meter Sizes	\$6.41
Gallonge Charge per	
0-6,000	2.44
6,001-12,000	3.67
over 12,000	4.89

MINIMUM CHARGE - \$6.41

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice is mailed to customer separate and apart from bill, service may then be discontinued.

EFFECTIVE DATE - For services rendered on or after October 29, 2004

TYPE OF FILING - 2004 Price Index

Larry Schumacher  
ISSUING OFFICER

President & CFO  
TITLE

GENERAL SERVICE

RATE SCHEDULE GS

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For wastewater service to all customers for which no other schedule applies.
- LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.
- RATES - Monthly

<u>Meter Size</u>	<u>Base Facility Charge</u>
5/8" x 3/4"	\$ 14.00
1"	35.01
1 1/2"	70.04
2"	112.06
3"	224.10
4"	350.16
6"	700.32
Gallonge Charge per 1,000	\$ 3.41

- MINIMUM CHARGE - Base Facility Charge Per Month.
- TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice is mailed to customer separate and apart from bill, service may then be discontinued.
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Larry Schumacher  
ISSUING OFFICER

President & CFO  
TITLE



RESIDENTIAL SERVICE

RATE SCHEDULE RS

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For wastewater service for all purposes in private residences and individually metered apartment units.
- LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.
- RATES - Monthly

<u>Meter Size</u>	<u>Base Facility Charge</u>
All Meter Sizes	\$ 14.00
Gallage Charge per 1,000	\$ 2.85 (Maximum charge at 8,000 gallons)

- MINIMUM CHARGE - Base Facility Charge Per Month.
- TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice is mailed to customer separate and apart from bill, service may then be discontinued.
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Larry Schumacher  
ISSUING OFFICER

President & CFO  
TITLE

MULTI-RESIDENTIAL SERVICE

RATE SCHEDULE MS

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For wastewater service to all master-metered residential customers including, but not limited to Condominiums, Apartments, and Mobile Homes.
- LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.
- RATES - Monthly

<u>Meter Size</u>	<u>Base Facility Charge</u>
All Meter Sizes	\$ 14.00 (per dwelling unit)
Gallage Charge per 1,000	\$ 2.85 (maximum charge at 8,000 gallons per dwelling unit)

- MINIMUM CHARGE - Base Facility Charge Per Month.
- TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice is mailed to customer separate and apart from bill, service may then be discontinued.
- EFFECTIVE DATE - For services rendered on or after October 29, 2004
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Larry Schumacher  
ISSUING OFFICER

President & CFO  
TITLE

ORDER NO. PSC-04-0119-PAA-WS  
DOCKET NO. 040005-WS

CYPRESS LAKES UTILITIES, INC.

APPENDIX 'A'

2004 PRICE INDEX APPLICATION  
TEST YEAR ENDED DECEMBER 31, 2003

DEP PWS ID NO. 6535055

DEP WWTP ID NO. FLA013123-001-DW2P

	<u>Water</u>	<u>Sewer</u>
*2003 Operation and Maintenance Expenses	116,400	213,834
Less:		
(a) Pass-through Items:		
(1) Purchased Power	(1,334)	(37,526)
(2) Purchased Water		
(3) Purchased Sewer		
** (4) DER Required Water Testing		
*** (5) DER Required Wastewater Testing		
(b) Rate Case Expense Included in 2003 Expenses	(4,173)	(4,045)
(c) Adjustments to O & M Expenses from last case, if applicable		
(1)		
Costs to be Indexed	110,893	172,263
Multiply by change in GNP Implicit Price Deflator Index	<u>.0160</u>	<u>.0160</u>
Indexed Costs	1,774	2,756
****Add Pass Through Items:		
(1) Purchased Power		
(2)		
Divide Index and Pass-Through Sum by Expansion Factor for Regulatory Assessment Fees	<u>.9550</u>	<u>.9550</u>
Increase in Revenue	1,858	2,886
*****Divide by 2003 Annualized Revenue	<u>249,190</u>	<u>326,045</u>
Percentage Increase in Rates	<u>0.75%</u>	<u>0.89%</u>

ORDER NO. PSC-04-0119-PAA-WS  
DOCKET NO. 040005-WS

APPENDIX 'A'

- \* This amount must match 2003 Annual Report
- \*\* Testing for 125 volatile organic and unregulated contaminants per DER Rule 17-550.590 F.A.C.
- \*\*\* Routine daily, weekly, or monthly testing required by the Department of Environmental REGulation (DER) not currently included in the utility's rates.
- \*\*\*\* This may include an increase in purchased power, purchased water, purchased sewage treatment, required DER testing, and ad valorem taxes, providing that those increases have been incurred within the 12 month period prior to the submission of the pass-through application. DER water and wastewater testing pass-throughs require invoices. See chapter 25+30.425 F.A.C. (included in this order) for more information.
- \*\*\*\* If rates changed during or subsequent to calendar year 2003, the book revenues must be adjusted to show the changes and an explanation of the calculation should be attached to this form. See appendix 'B' for instructions and a sample format.

Cypress Lakes Utilities, Inc.  
 Calculation of Year Ended 12/31/03 Water Revenues

ORDER NO. PSC-04-0119-PAA-WS  
 DOCKET NO. 040005-WS

	<u>Gallons</u>	<u>Billing Units</u>	<u>Rates</u>	<u>Revenues</u>
Consumption	9,749,000		0.820	\$ 7,994
	7,456,000		1.230	9,171
	1,276,015		1.640	2,093
	16,649,000		2.410	\$ 40,124
	9,100,000		3.620	32,942
	2,028,566		4.820	9,778
	1,550,760		0.820	1,272
	3,061,540		2.630	8,052
Residential		4,596	3.82	17,557
		9,353	6.32	59,111
5/8" Meter, General Service		8	3.82	31
		16	6.32	101
5/8" Meter, Irrigation		60	3.82	229
		120	6.32	758
1" Meter		11	9.55	105
		8	15.80	126
1" Meter, Irrigation		49	9.55	468
		112	15.80	1,770
1.5" Meter		8	19.10	153
		16	31.60	506
1.5" Meter, Irrigation		8	19.10	153
		16	31.60	506
2" Meter, Irrigation		16	30.56	489
		32	50.56	1,618
Total	<u>50,870,881</u>	<u>14,429</u>		\$ <u>195,107</u>

Cypress Lakes Utilities, Inc.  
 Calculation of Annualized Water Revenues

ORDER NO. PSC-04-0119-PAA-WS  
 DOCKET NO. 040005-WS

	<u>Gallons</u>	<u>Billing Units</u>	<u>Rates</u>	<u>Revenues</u>
Consumption	26,398,000		2.420	\$ 63,883
	16,556,000		3.640	60,264
	3,304,581		4.850	16,027
	4,612,300		2.640	12,176
Residential		13,949	6.360	88,716
5/8" Meter, General Service		24	6.360	153
5/8" Meter, Irrigation		180	6.360	1,145
1" Meter		19	15.890	302
1" Meter, Irrigation		161	15.890	2,558
1.5" Meter		24	31.780	763
1.5" Meter, Irrigation		24	31.780	763
2" Meter, Irrigation		48	50.840	2,440
Total	<u>50,870,881</u>	<u>14,429</u>		\$ <u>249,190</u>

**Cypress Lakes Utilities, Inc.**  
 Calculation of Year Ended 12/31/03 Sewer Revenues

ORDER NO. PSC-04-0119-PAA-WS  
 DOCKET NO. 040005-WS

	<u>Gallons</u>	<u>Billing Units</u>	<u>Rates</u>	<u>Revenues</u>
Consumption	17,520,000		2.02	\$ 35,390
	26,366,000		2.80	73,825
	662,960		2.02	1,339
	1,188,690		3.36	3,994
Residential		4,596	9.52	43,754
		9,353	13.79	128,978
5/8" Meter		8	9.52	76
		16	13.79	221
1" Meter		4	23.81	95
		8	34.48	276
1.5" Meter		8	47.62	381
		16	68.97	1,104
	<u>45,737,650</u>	<u>14,009</u>		<u>\$ 289,433</u>

**Cypress Lakes Utilities, Inc.**  
 Calculation of Annualized Sewer Revenues

ORDER NO. PSC-04-0119-PAA-WS  
 DOCKET NO. 040005-WS

	<u>Gallons</u>	<u>Billing Units</u>	<u>Rates</u>	<u>Revenues</u>
Consumption	43,886,000		2.82	\$ 123,759
	1,851,650		3.38	6,259
Residential		13,949	13.88	193,612
5/8" Meter		24	13.88	333
1" Meter		12	34.70	416
1.5" Meter		24	69.42	1,666
	<u>45,737,650</u>	<u>14,009</u>		<u>\$ 326,045</u>



Cypress Lakes Utilities, Inc.  
Calculation of Proposed Sewer Tariffs

ORDER NO. PSC-04-0119-PAA-WS  
DOCKET NO. 040005-WS

<u>Meter Size</u>	<u>Base Facility Charge</u>	<u>Proposed Increase</u>	<u>Proposed Base Facility Charge</u>	<u>Gallonge Charge (/ 1000)</u>	<u>Proposed Gallonge Charge (/1000)</u>
Residential	13.88	0.89%	14.00	2.82	2.85
5/8"	13.88	0.89%	14.00	3.38	3.41
1"	34.70	0.89%	35.01	3.38	3.41
1.5"	69.42	0.89%	70.04	3.38	3.41
2"	111.07	0.89%	112.06	3.38	3.41
3"	222.12	0.89%	224.10	3.38	3.41
4"	347.07	0.89%	350.16	3.38	3.41
6"	694.14	0.89%	700.32	3.38	3.41

Cypress Lakes Utilities, Inc.  
 Calculation of Proposed Water Tariffs

ORDER NO. PSC-04-0119-PAA-WS  
 DOCKET NO. 040005-WS

<u>Meter Size</u>	<u>Base Facility Charge</u>	<u>Proposed Increase</u>	<u>Proposed Base Facility Charge</u>	<u>Gallonge Charge (/ 1000)</u>	<u>Proposed Gallonge Charge (/1000)</u>
Residential	6.36	0.75%	6.41	2.42	2.44
over 6,000 gals	6.36	0.75%	6.41	3.64	3.67
over 12,000 gals	6.36	0.75%	6.41	4.85	4.89
5/8"	6.36	0.75%	6.41	2.64	2.66
5/8"	6.36	0.75%	6.41	2.64	2.66
1"	15.89	0.75%	16.01	2.64	2.66
1"	15.89	0.75%	16.01	2.64	2.66
1.5"	31.78	0.75%	32.02	2.64	2.66
1.5"	31.78	0.75%	32.02	2.64	2.66
2"	50.84	0.75%	51.22	2.64	2.66
3"	101.69	0.75%	102.45	2.64	2.66
4"	158.88	0.75%	160.07	2.64	2.66
6"	317.77	0.75%	320.15	2.64	2.66