

ORIGINAL

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

05 OCT 28 AM 9:18

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October 27, 2005

Ms. Blanca Bayo, Director
Division of the Commission Clerk
and Administrative Services
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED FPSC
OCT 28 AM 10:12
COMMISSION
CLERK

BY FEDERAL EXPRESS

RE: Heather Hills Estates
Revised Notice to Customers

Dear Ms. Bayo:

Per your request, and on behalf of our client, Heather Hills Estates, we have enclosed a copy of the revised proposed Notice to Customers.

Should you have questions please contact me.

Very truly yours,

CRONIN, JACKSON, NIXON & WILSON, CPAs

Paul E. DeChario

- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- RCA _____
- SCR _____
- SGA _____
- SEC 1
- OTH _____

cc: Keith Starkey w/enclosure

PED/dd

Enclosure

DOCUMENT NUMBER-DATE

10438 OCT 28 05

FPSC-COMMISSION CLERK

NOTICE TO CUSTOMERS

Pursuant to Section 367.081 (4) (b), Florida Statutes, water and wastewater utilities are permitted to "pass-through," without a public hearing, a change in rates resulting from an increase or decrease in rates charged for utility services received from a governmental agency, and which services were redistributed by the utility to its customers; Heather Hills Estates purchases bulk water and wastewater service from Manatee County Utilities. The County has recently increased their rates charged to Heather Hills Estates, effective October 1, 2005.

Under the provisions of Sections 367.081 (4) (a), Florida Statutes, and Public Service Commission Rule 25-30.420, Florida Administrative Code, investor-owned water and sewer utilities, such as Heather Hills Estates, are allowed to increase their rates annually based on inflation. Rule 25-30.420 allows for an inflation index increase in rates based on the change in Gross Domestic Product Implicit Price Deflator (GDPIPD), which is applied to most operation and maintenance expenses other than "pass-through" items such as electric, ad valorem taxes, purchased wastewater, and passed through DEP required testing.

Even though these increases are allowed, the increased revenue will not allow any increased profit (rate of return) on capital investment of the Utility.

The actual across-the-board rate increase (base facility and gallonage charge for the inflationary index increase and required water testing) for water and wastewater service is 0.94% and 0.45%, respectively. In addition, due to the purchased water and wastewater pass-through adjustment, the water and wastewater gallonage charges will increase by an additional \$0.10 and \$0.56 (per 1,000 gallons), respectively.

These new rates will go into effect on December 12, 2005 and will appear on your bills after that date.

Sincerely,

Heather Hills Estates