

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Notice of Intent of Forest Utilities, Inc. to increase sewer rates based upon the application of the provisions of Section 367.081(4) (a), Florida Statutes.

NOTICE OF INTENT OF FOREST UTILITIES, INC.  
TO INCREASE ITS RATES

Forest Utilities, Inc., by and through its undersigned attorneys, gives notice to the Florida Public Service Commission of its intent to apply the indexing provisions of Section 367.081(4) (a), Florida Statutes, and Order No. PSC-06-0005-PCO-WS, to increase rates for sewer service provided by Forest Utilities, Inc. to its customers in Lee County, Florida.

In accordance with the requirements of Rules 25-30.420, Florida Administrative Code, the following information is provided:

1. Attached hereto as **EXHIBIT "A"** is a group of two schedules prepared by the Utility's accountant which comply with the financial requirements of Rule 25-30.420, Florida Administrative Code (F.A.C.).

**Schedule No. 1** is a calculation of the percentage increase in rates necessary to implement the index increase.

**Schedule No. 2** is a schedule of annualized revenue for the

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

year ended December 31, 2005.

**Schedule No. 3** is a schedule of present and proposed rates.

2. Attached hereto as **EXHIBIT "B"** in conformance with the requirements of Section 25-30.420(2)(d), F.A.C., is a copy of the Notice to Customers of this increase in rates. This notice conforms to the requirements of Section 25-30.420(6), F.A.C., and will be provided to each of the Utility's customers prior to the time those customers begin consumption at the rates established by application of the index.

3. Attached hereto as **EXHIBIT "C"** are revised tariff sheets reflecting the increased rates proposed in conformance with the requirements of Section 25-30.420(2)(a), F.A.C.

4. Attached hereto as **EXHIBIT "D"** is a copy of an affirmation as required by Section 367.081(4)(c), Florida Statutes and Section 25-30.420(2)(c), F.A.C.

5. The FDEP wastewater Treatment Facility Operating Permit No. for Forest Utilities' plant is: FLA014478.

6. The Utility 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 Department.

Forest Utilities, Inc. requests that the Florida Public Service Commission and its Staff approve the form of the customer notice provided herein as soon as possible so that it may be distributed to the Utility's customers well in advance of the implementation of the increased rates for service rendered on or after July 11, 2006.

Respectfully submitted on this 12<sup>th</sup> day of May, 2006, by:

ROSE, SUNDSTROM & BENTLEY, LLP  
2548 Blairstone Pines Drive  
Tallahassee, Florida 32301  
(850) 877-6555

BY.

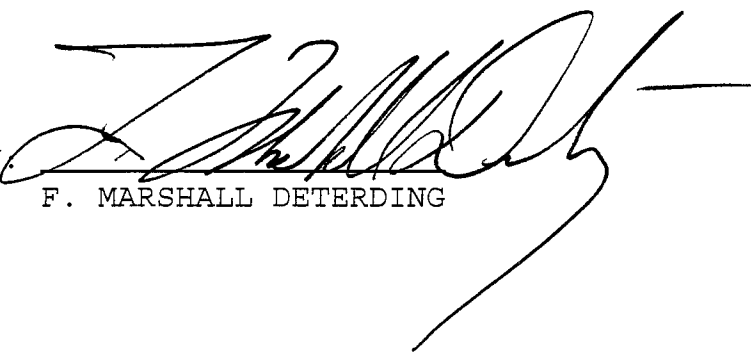
  
F. MARSHALL DETERDING

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**EXHIBITS**

Exhibit "A"

Schedule No. 1 - Calculation of Index Percentage

Schedule No. 2 - Schedule of Annualized Revenue

Schedule No. 3 - Schedule of Present and Proposed Rates

Exhibit "B"            Customer Notice

Exhibit "C"            Revised Tariff Sheets Reflecting the Increased  
Rates Proposed

Exhibit "D"            Affirmation Required by Section 367.08(4)(a),  
Florida Statutes

EXHIBIT "A"

Schedule No. 1 - Calculation of Index Percentage

Schedule No. 2 - Schedule of Annualized Revenue

Schedule No. 3 - Schedule of Present and Proposed Rates

Forest Utilities, Inc.  
 2006 Index Adjustment  
 For the Year Ended December 31, 2005

<u>Line No.</u>	<u>Sewer</u>
1 2005 operations and maintenance (O&M) expense	\$ 634,488
2 Less: Purchased power	(53,777)
3 Amortization of regulatory commission expense-other	<u>(6,124)</u>
4 2005 O&M expense to be indexed	574,587
5 2006 GDP Implicit Price Deflator Index	<u>2.74 %</u>
6 Indexed 2006 O&M Expenses	15,744
7 Divide by Regulatory Assessment Fee	
8 expansion factor	<u>0.955</u>
9 Total increase in revenue	<u>\$ 16,486</u>
10 Divide by annualized revenue (1)	<u>\$ 713,964</u>
11 Total increase adjustment factor	<u>2.31 %</u>
12 Notes: (1) Rates were last increased per the 2005 index adjustment effective July 30, 2005.	
13	
14 (1) Forest Utilities, Inc. provides wastewater service only.	
15 (3) DEP ID Number: FLA 014478	

Forest Utilities, Inc.  
Schedule of Annualized Revenue  
December 31, 2005

<u>Line No.</u>		<u>Rate</u>	<u>No. of Bills/ Gallons (000)</u>	<u>Annualized</u>
1	<u>Wastewater</u>			
2	<u>Residential</u>			
3	Flat Rate	\$ 25.69	20,538	<u>\$ 527,621</u>
4	<u>General Service</u>			
5	Base Facility Charge			
6	5/8" x 3/4"	13.86	342	4,740
7	1"	34.67	252	8,737
8	1 1/2"	69.36	216	14,982
9	2"	110.98	96	10,654
10	Gallonage charges	3.81	38,643	<u>147,230</u>
11	Total General Service			<u>186,343</u>
12	Total annualized revenue			<u>\$ 713,964</u>

13 Note: Present rates per 2005 index adjustment, effective July 30, 2005.

Forest Utilities, Inc.  
Schedule of Present and Proposed Rates  
December 31, 2005

<u>Line No.</u>		<u>Monthly Rates</u>	
		<u>Present</u>	<u>Proposed</u>
1	<u>Sewer (2.31% Increase)</u>		
2	<u>Residential</u>		
3	Flat Rate	\$ 25.69	\$ 26.28
4	<u>Multi-Family and General Service</u>		
5	Base facility charges:		
6	5/8" x 3/4"	13.86	14.18
7	3/4"	20.80	21.28
8	1"	34.67	35.47
9	1 1/2"	69.36	70.96
10	2"	110.98	113.54
11	Gallonage charge per 1,000 gallons	3.81	3.90
12	<u>Bulk Service</u>		
13	Gallonage charge per 1,000 gallons	3.14	3.21

14 Notes: (1) Forest Utilities, Inc. provides wastewater service only.



EXHIBIT "B"

CUSTOMER NOTICE

**CUSTOMER NOTICE**

Dear Customer:

Under the provisions of section 367.081(4)(a), Florida Statutes, and Public Service Commission Rule 25-30.420, Florida Administrative Code, investor-owned sewer utilities such as Forest Utilities, Inc. are allowed to increase their rates annually based on inflation. Rule 25-30.420 allows for an inflation increase in rates based on the changes in Gross National Product Implicit Price Deflator (GNPIPD), which is applied to most operation and maintenance expense other than electric and ad valorem taxes. On May 12, 2006, Forest Utilities, Inc. filed for the 2005 price index increase. The Commission staff has reviewed the filing for accuracy and completeness.

The actual across-the-board rate increase for wastewater service is 2.31%. Please refer to the back of this letter notice for a schedule of new rates.

These new rates will go into effect on July 11, 2006 and will appear on your bills for service rendered on or after that date.

Sincerely,

Forest Utilities, Inc.

EXHIBIT "C"

REVISED TARIFF SHEETS

GENERAL AND MULTI-FAMILY SERVICE (Master Metered)

RATE SCHEDULE GS

AVAILABILITY - Available throughout the area served by the company.

APPLICABILITY- To any customer 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.

RATE Monthly

<u>Meter Size</u>	<u>Base Facility Charge</u>
5/8" x 3/4"	\$ 14.18
3/4"	21.28
1"	35.47
1 1/2"	70.96
2"	113.54
Gallonage Charge per 1,000 Gallons	\$ 3.90

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 the customer, separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE: July 11, 2006

David W. Swor  
ISSUING OFFICER

TYPE OF FILING: 2006 Index

President  
TITLE

FOREST UTILITIES, INC.  
WASTEWATER TARIFF

FIFTEENTH REVISED SHEET NO. 17.0  
CANCELS FOURTEENTH REVISED SHEET NO. 17.0

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.

RATE Monthly

All Meter Sizes - 26.28

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 the customer, separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE: July 11, 2006

David W. Swor  
ISSUING OFFICER

TYPE OF FILING: 2006 Index

President  
TITLE

FOREST UTILITIES, INC.  
WASTEWATER TARIFF

FIRST REVISED SHEET NO. 17.1  
CANCELS ORIGINAL SHEET NO. 17.1

BULK WASTEWATER SERVICE (BWS)

AVAILABILITY - Available to Jamaica Bay Mobile Home Park and others who contract for bulk wastewater service.

APPLICABILITY- For bulk wastewater service.

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

RATE

<u>Meter Size</u>	<u>Rate</u>
Not Applicable	
Gallonge Charge: per 1,000 gallons	\$3.21

BASE FACILITY CHARGE - Not Applicable

TERMS OF PAYMENT - Same as General Service

EFFECTIVE DATE: July 11, 2006

David W. Swor  
ISSUING OFFICER

TYPE OF FILING: 2006 Index

President  
TITLE


EXHIBIT "D"

AFFIRMATION

AFFIRMATION

I, David W. Swor, hereby affirm that the figures and calculations upon which the change in rates is based are accurate and that the change will not cause Forest Utilities, Inc. to exceed the range of its last authorized rate of return on equity, which is 11.34 percent.


This Affirmation is made pursuant to my request for a 2006 price index and/or pass-through rate increase, in conformance with Section 367.081(4)(c), Florida Statutes.

  
David W. Swor, President

Sworn to and subscribed before me this 11<sup>th</sup> day of MAY, 2006.

My Commission expires:

 **Judy Mallett**  
Commission # DD286803  
Expires May 28, 2008  
Bonded Troy Fain - Insurance, Inc. 800-385-7019

  
Notary Public  
State of Florida



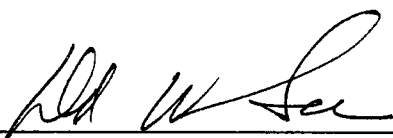
**STATEMENT OF QUALITY OF SERVICE**

Pursuant to Rule 25-30.420(2)(h) and (i), Florida Administrative Code,  
Forest Utilities, Inc.

[ X ] 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), consent 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 to Section 367.081(4)(a), Florida Statutes, and Rule 25-30.420(4)(a), Florida Administrative Code.

Name:   
Title: President  
Telephone Number: (239) 481-0111  
Fax Number: (239) 482-3633  
Date: 5/11/06