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June 2, 2006
VIA HAND DELIVERY

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

RECEIVED-FPSC
06 JUN -2 PM 12: 32
COMMISSION
CLERK

Re: Paradise Lakes Utility, LLC; Request for Establishment of Water and Wastewater Deposits
Our File No. 37089.03

Dear Ms. Bayo:

By this letter, Paradise Lakes Utility, LLC is requesting the establishment of security deposits for its water and wastewater systems in Pasco County, Florida. At the present time, the Utility's tariff does not include a provision for security deposits.

The Utility has some common management staff with the other utility owned by the same shareholders (Mad Hatter Utility, Inc. or MHU). The MHU system has three separate water and wastewater systems, which provide service also to all their customers in Pasco County and surrounding the Paradise Lakes' system. In order to minimize administrative burden on the Utility, all of the systems operated by MHU have a standard set of customer deposits, which have been approved by the Commission.

The administrative staff of MHU and Paradise Lakes are to some extent combined. Therefore, in order to avoid the additional administrative burden that separate and distinct deposits would entail and because of the similarity of operations between the two systems (chlorinated water and bulk wastewater purchases from Pasco County), Paradise Lakes Utility, LLC would like to establish customer deposits identical to those already approved for MHU, for individual 5/8 x 3/4" residential meters. Since these metered residential customers comprise only approximately 20% of the total of Paradise Lakes' customer base, we would like to charge the remaining customers, based

Tariff forwarded
to ECR.

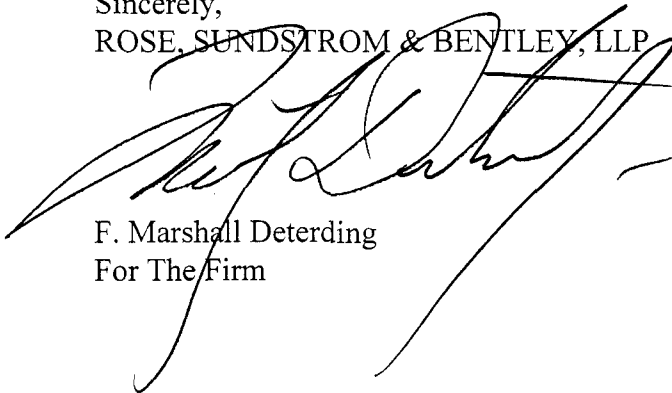
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FPSC-COMMISSION CLERK

Blanca S. Bayo, Director
June 2, 2006
Page 2

upon a calculation of two times the average monthly bill in accordance with the provisions of the Commission rule dealing with customer deposits (25-30.311). Attached hereto is a calculation of the deposits which would be applicable under our proposal for some of our major General Service customers. Because of the diversity of types of such customers, a deposit based on two times the average monthly bill is best tailored to each of them, rather than a deposit of a flat amount.

I have enclosed two copies of the appropriate tariff sheets in order to implement the requested customer deposits for the Paradise Lakes Utility, LLC system, for both its water and wastewater systems. Please approve and return one of each of the original tariff sheets for the Utility's official tariff. If you need any further information or have any questions in this regard, please do not hesitate to contact me.

Sincerely,
ROSE, SUNDBSTROM & BENTLEY, LLP

A large, stylized handwritten signature in black ink, appearing to read 'F. Marshall Deterding', is written over the typed name and firm name.

F. Marshall Deterding
For The Firm

FMD/tms
cc: Mr. Troy Rendell
Larry DeLucenay, President

NAME OF COMPANY: Paradise Lakes Utility, L.L.C.

WATER TARIFF

CUSTOMER DEPOSITS

ESTABLISHMENT OF CREDIT - Before rendering water service, the Company may require an Applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the Customer from complying with the Company's rules for prompt payment. Credit will be deemed so established if the Customer complies with the requirements of Rule 25-30.311, Florida Administrative Code.

AMOUNT OF DEPOSIT - The amount of initial deposit shall be the following according to meter size:

Residential Deposits - \$40.00

General Service

5/8" x 3/4"	<u>2 Times Average Bill</u>
1"	<u>2 Times Average Bill</u>
1 1/2"	<u>2 Times Average Bill</u>
2"	<u>2 Times Average Bill</u>
3"	<u>2 Times Average Bill</u>
4"	<u>2 Times Average Bill</u>
6"	<u>2 Times Average Bill</u>

Unmetered Customers (other than individually billed residential) 2 Times Average Bill

ADDITIONAL DEPOSIT - Under Rule 25-30.311(7), Florida Administrative Code, the Company may require a new deposit, where previously waived or returned, or an additional deposit in order to secure payment of current bills provided.

INTEREST ON DEPOSIT - The Company shall pay interest on Customer deposits pursuant to Rules 25-30.311(4) and (4a). The Company will pay or credit accrued interest to the Customers account during the month of December each year.

REFUND OF DEPOSIT - After a residential Customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the Company shall refund the Customer's deposit provided the Customer has met the requirements of Rule 25-30.311(5), Florida Administrative Code. The Company may hold the deposit of a non-residential Customer after a continuous service period of 23 months and shall pay interest on the non-residential Customer's deposit pursuant to Rules 25-30.311(4) and (5), Florida Administrative Code.

Nothing in this rule shall prohibit the Company from refunding a Customer's deposit in less than 23 months.

EFFECTIVE DATE -

TYPE OF FILING -

LARRY DELUCENAY
ISSUING OFFICER

MANAGING MEMBER
TITLE

NAME OF COMPANY: Paradise Lakes Utility, L.L.C.

WASTEWATER TARIFF

SCHEDULE OF CUSTOMER DEPOSITS

ESTABLISHMENT OF CREDIT - Before rendering wastewater service, the Company may require an Applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the Customer from complying with the Company's rules for prompt payment. Credit will be deemed so established if the Customer complies with the requirements of Rule 25-30.311, Florida Administrative Code.

AMOUNT OF DEPOSIT - The amount of initial deposit shall be the following according to meter size:

Residential Deposits - \$75.00

General Service

5/8" x 3/4"	<u>2 Times Average Bill</u>
1"	<u>2 Times Average Bill</u>
1 1/2"	<u>2 Times Average Bill</u>
2"	<u>2 Times Average Bill</u>
3"	<u>2 Times Average Bill</u>
4"	<u>2 Times Average Bill</u>
6"	<u>2 Times Average Bill</u>

Unmetered Customers (other than individually billed residential) 2 Times Average Bill

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Nothing in this rule shall prohibit the Company from refunding a Customer's deposit in less than 23 months.

EFFECTIVE DATE -

TYPE OF FILING -

LARRY DELUCENAY
ISSUING OFFICER

MANAGING MEMBER
TITLE

Paradise Lakes Utility LLC

This data based on billing period 11/05 to 4/06

Paradise Lakes Inc. - Resort - $\$ 7,130.88/6 \times 2.0 = \$ 2,376.96$

Paradise Lakes Condo Association (South) - $\$10,593.70 \times 2.0 = \$ 21,187.40$

Paradise Lakes Condo - The Fountains 71 $\times \$26.01 \times 2.0 = \$ 3,693.42$

Royal Lanes Bowling - Sewer Only $\$1,362.27/6 \times 2.0 = \$ 454.09$

Paradise Lakes Condo - Irrigation Meter - $\$1,417.91/6 \times 2.0 = \$ 472.64$

Paradise Lakes Inc. – Restaurant- $\$ 16,479.27/6 \times 2.0 = \$ 5,493.09$

Paradise Lakes Inc. – Hotels, Shops, etc - $\$ 12,879.11/6 \times 2.0 = \$ 4,293.04$