

April 21, 2014

To: Clayton K. Lewis, Supervisor
 Division of Economic Regulation
 Public Service Commission
 2540 Shumard Oak Boulevard
 Tallahassee, FL 32399-0850

Subject:
Docket 130212-WS

From: Dr. Robert M. Halleen *Robert M. Halleen*
 Project Manager, CLU Rate Increase
 Cypress Lakes Homeowners Association
 2237 Big Cypress Blvd
 Lakeland, FL 33810

1-863-450-4032

RECEIVED-FPSC
 14 APR 25 AM 9:04
 COMMISSION
 CLERK

Thank you for the information you provided on April 18, 2014. It certainly contained some interesting data concerning the flushing situation. I will provide our comments relative to the flushing situation later this week; however, today I would like to share our analysis of the wastewater rate increase proposed by CLU.

We believe that the wastewater rate increase is unwarranted and should be dropped from the filing.

Consider the following information from a) the 2011 and 2012 annual reports, b) the CFLU filing, c) wastewater rates billed to Cypress Lakes customers for 2011 through 2013 and d) CLU meter reading difficulty in 2012. From the annual reports, the following matrix of data has been developed:

Year	<u>2011(report page)</u>	<u>2012(report page)</u>	<u>2012 (filing-Sch B-2)</u>
Flat rate revenue	\$ 15,672 (S-9(a))	\$ 3,328 (S-9(a))	
Measured revenue	<u>678,275 (")</u>	<u>662,717 (")</u>	
Total Sales	\$ 693,947 (")	\$ 666,046 (")	No change
Operating Income	\$ 242,680 (S-2)	\$ 200,166 (S-2)	No change
Operating Expense	\$ 283,269 (S10A)	\$ 283,283 (S-10A)	No change
Base Rate	\$ 1,790,818 (S-2)	\$ 1,703,047 (S-2)	\$ 1,746,935
Rate of Return	13.55 %	11.75 %	11.46 %

From Customer Billing records, the wastewater rates were as follows:

<u>Date</u>	<u>Base Charge</u>	<u>Usage Charge (per 1000 gal.)</u>
January 2011 to May 2011	\$ 21.66	\$ 7.30
June 2011 to August 2011	21.70	7.31
September 2011 to April 2014	21.46	7.24
May 2014 forward	+1.0%	+ 1.0 %

Meter Reading Difficulty - CLU acknowledged a problem with meter readings for water usage in 2012 – which is the basis for wastewater charges – in that some meters were not read and some were estimated only. CLU claims that the difficulty was limited to a one month period, but some customers claim it occurred more than once in 2012. A letter to the CLU from one customer, attached, implies that the action happened over several months. The significance of this situation is that while water revenue was corrected with subsequent reading, the wastewater effect was limited to only a 6000 gallon usage. Thus, for example, a customer that had successive usage of 5,000 gallons for the two months under consideration but received billings for 2,000 and 8, 000 gallons of water usage for those months would have been charged for 10,000 gallons of water usage but only 6,000 gallons of wastewater usage. This reduces wastewater revenue by 4,000 gallons for that customer. **Therefore, the Measured Sales Revenue for 2012 is understated and should be increased.**

We are unable to develop any magnitude for this increase as the filing we have access to at the Lakeland Public Library contains only Volume One. **Volume Two, the billing data, is specifically excluded by letter.** My computer also did not allow me access to 30 mB of data of the docket filing, which I am assuming is the billing data.

Similarly, the Flat Rate Revenue is decreased by 80 % between 2011 and 2012. **However, the tariff provides for no Flat Rate Revenue.** Again without access to the billing data, we have no way to develop an understanding of Flat Rate Revenue and why it should drop by 80 %. Therefore, we adjusted Operating Revenues in column (3) by 50 % of the difference between 2011 and 2012 report values - + \$ **13, 950** – making Operating Revenues in column (4) an amount of \$ 681,802.

Wastewater Base Rate – the starting point between the 2012 Annual Report and the filing values is different by \$ 43, 888. No explanation is provided for this difference. Therefore, we modified the value for the Rate Base used in columns (4) and (6) of Schedule B-2 (page22) of the filing to the amount of \$ 1,907,923

Using the information above, a new Schedule B-2, attached, has been prepared with the revised values for Operating Revenues and Rate Base, with the elimination of Rate Case Expenses (as no rate increase is needed), the Rate of Return exceeds the target of 8.27 %. **Therefore, the wastewater rate increase request in the filing should be eliminated.**

cc: Office of Public Counsel
Office of the Clerk, Public Service Commission

DELPHINE GREBLICK

9656 Troon Court
Lakeland, FL 33810-4358
863-853-3043
E-mail: dollyg@tampabay.rr.com

July 30, 2012

Cypress Utilities, Inc.
PO Box 11025
Lewiston, ME 04243-9476

Ref: PSC Case No. 1073923W

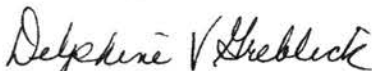
Dear Sir or Madam:

Please reference the PSC Case No. listed above. At Richard's suggestion at the PSC we are paying our normal bill of \$50. We are protesting the balance of the \$302.92. I understand that you have 15 days to reply or remedy this situation.

There is no way that two elderly people that do not shower every day can use 35,550 gallons of water that you are billing us for 28 days..

We have lived on a small island for 33 years and know that normal usage is about 300 gallons per day for the 28 days. There is also no way that you can read the meter for there is so much sand on the meter that it is not readable.

Sincerely,


Delphine V. Greblick

✓ Cc: CLHOA President, Mr. Dennis McLaughlin, 2236 Big Cypress Blvd., Lakeland, FL 33810

CLU FILING (PAGE 22)

REVISED SCHEDULE B-2

	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
OPERATING REVENUE	\$667,852	\$13,950	\$681,802	\$6,818	\$688,620
OPERATION & MAINTENANCE	\$283,285	\$2,503	\$285,788	\$0	\$285,788
DEPRECIATION	\$117,729	-\$628	\$117,101		\$117,101
AMORTIZATION					
TAXES OTHER THAN INCOME	\$45,987	\$9,100	\$55,087	\$3,109	\$58,179
PROVISION FOR INCOME TAXES	\$20,688	-\$20,688		\$58,346	\$58,346
OPERATING EXPENSES	\$467,689	-\$9,713	\$457,977	\$61,455	\$519,442
NET OPERATING INCOME	\$200,162	\$224,112	\$224,112	-\$54,637	\$169,475
RATE BASE	\$1,703,047		\$1,907,923		\$1,907,923
RATE OF RETURN	11.75%		11.75%		8.88%

February 24, 2014

To: Clayton K. Lewis, Supervisor
Division of Economic Regulation
Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Subject:
Docket 130212-WS

From: Dr. Robert M. Halleen *Robert M. Halleen*
Project Manager, CLU Rate Increase
Cypress Lakes Homeowners Association
10000 US 98 N
Lakeland, FL 33809

RECEIVED

MAR 03 2014

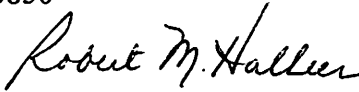
Florida Public Service Commission
Division of ~~SEE~~ ENG

Clayton, I'm sorry to have to keep sending you these files through the Microsoft Word documentation but to date I am unable to consistently transfer them to a pdf file. Hopefully, Adobe Acrobat will be able to correct my problem and I can transmit them as a pdf file.

February 22, 2014

To: Clayton K. Lewis, Supervisor
Division of Economic Regulation
Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Subject:
Docket 130212-WS

From: Dr. Robert M. Halleen 
Project Manager, CLU Rate Increase
Cypress Lakes Homeowners Association
10000 US 98 N
Lakeland, FL 33809

Thank you for the information on the delay of the PSC Staff Recommendations and the Agenda Hearing. I have not been able to spend the needed time on my investigation of the CLU responses due to family responsibilities.

However, I have reviewed the Information that CLU supplied concerning the flushing situation at Cypress Lakes. I am very concerned that the quality of the water has not met Polk County Health Department [PCHD] standards **due to the very erratic flushing schedule employed by CLU**. Further, when I consider that CLU did an excessive amount of flushing while gathering the data that you requested, I would question any data supplied to the PCHD to validate the quality of the water.

As a result of these concerns and with the review of information supplied in the CLU letter {Friedman} of January 17, 2014, we are requesting the following additional information to clarify their responses:

a. Flushing data clarification: "measured data ?" were provided between 2005 and 2011 in the chart submitted with the letter; however, the Test Year data [2012] were apparently estimated. The length of flushing time is very critical for any estimating methodology and must be provided to give any credibility to the 2.0 million gallons per month estimate. The flushing plan used in 2012 is also needed.

b. The AFV data provided in the letter states that meters were not installed until 2012. How were the data from 2005 to 2011 developed?

- c. Chlorine residual levels have been a consistent problem for CLU. Flushing has been a major contributor to the successes and failures with this problem. The flushing levels have been erratic:
- i. From Nov. 2005 to Dec. 2006, the average flushing rate was about 0.2 mg/mth.

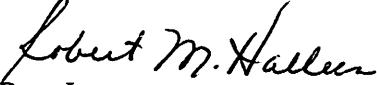
- ii. From Jan. 2007 to Dec. 2009 the average **decreased** from 0.2 mg/mth to 0.025 mg/mth which prompted action by PCHD to demand remedial action.
- iii. CLU responded by increasing the average back to 0.2 mg/mth until March 2011.
- iv. CLU then started **uni-directional flushing** that increased the average to 1.0 mg/mth. CLU tried uni-directional flushing in May 2011 with what the residents **perceived as improved quality** but CLU did not continue the process.
- v. In July 2011, CLU converted from Chlorine disinfection to Chloramine disinfection and began to add AFVs to the system. The average flushing volume increased substantially up to 4.0 mg/mth. The average volume stabilized at an “estimated “ volume of 2.0 mg/mth in 2012. **With all this volume, there still are quality issues according the letter with byproducts.**

If it was necessary for CLU to do the excessive flushing to secure sample for the PSC, how do we know that such flushing technique was not used continually to evaluate quality parameters for the PCHD? We believe that there must be an agreed-to plan for future flushing; it must include elements to stabilize the flushing to assure “**Healthy Water**” and to provide for environmentally acceptable flushing water disposal. Too much good water is being environmentally “wasted”. **We believe that this should be accomplished to the agreement of PSC Staff, CLU, PCHD and Cypress Lakes residents and Cypress Lakes Associates before the Agenda Hearing.**

February 22, 2014

To: Clayton K. Lewis, Supervisor
Division of Economic Regulation
Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Subject:
Docket 130212-WS

From: Dr. Robert M. Halleen 
Project Manager, CLU Rate Increase
Cypress Lakes Homeowners Association
10000 US 98 N
Lakeland, FL 33809

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b. The AFV data provided in the letter states that meters were not installed until 2012. How were the data from 2005 to 2011 developed?

c. Chlorine residual levels have been a consistent problem for CLU. Flushing has been a major contributor to the successes and failures with this problem. The flushing levels have been erratic:

i. From Nov. 2005 to Dec. 2006, the average flushing rate was about 0.2 mg/mth.

- ii. From Jan. 2007 to Dec. 2009 the average **decreased** from 0.2 mg/mth to 0.025 mg/mth which prompted action by PCHD to demand remedial action.
- iii. CLU responded by increasing the average back to 0.2 mg/mth until March 2011.
- iv. CLU then started **uni-directional flushing** that increased the average to 1.0 mg/mth. CLU tried uni-directional flushing in May 2011 with what the residents **perceived as improved quality** but CLU did not continue the process.
- v. In July 2011, CLU converted from Chlorine disinfection to Chloramine disinfection and began to add AFVs to the system. The average flushing volume increased substantially up to 4.0 mg/mth. The average volume stabilized at an “estimated “ volume of 2.0 mg/mth in 2012. **With all this volume, there still are quality issues according to the letter with byproducts.**

If it was necessary for CLU to do the excessive flushing to secure sample for the PSC, how do we know that such flushing technique was not used continually to evaluate quality parameters for the PCHD? We believe that there must be an agreed-to plan for future flushing; it must include elements to stabilize the flushing to assure “**Healthy Water**” and to provide for environmentally acceptable flushing water disposal. Too much good water is being environmentally “wasted”. **We believe that this should be accomplished to the agreement of PSC Staff, CLU, PCHD and Cypress Lakes residents and Cypress Lakes Associates before the Agenda Hearing.**

Shawna Senko

From: rhalleen1@tampabay.rr.com
Sent: Thursday, February 13, 2014 12:08 PM
To: Records Clerk; Clayton Lewis
Subject: REQUEST LETTER / DOCKET130212-WS
Attachments: Document1.pdf

Attached is our latest request for information letter

Dr. Robert M. Halleen

February 12, 2014

To: Clayton K. Lewis, Supervisor
Division of Economic Regulation Public
Service Commission 2540 Shumard Oak
Boulevard Tallahassee, FL 32399-0850

Docket 130212-WS

From: Dr. Robert M. Halleen

Project Manager, CLU Rate Increase
Cypress Lakes Homeowners Association
10000 US 98 N Lakeland, FL 33809

My apologies for the delayed response to the CLU letter of January 17, 2014; I have been unavailable for two weeks due to the hospitalization of my wife.

This letter deals with subjects raised in the CLU letter of January 17, 2014. We are requesting additional information to items reported in that letter.

In reviewing the letter of January 17, 2014 provided to the PSC Staff by CLU, we developed the following requests for additional information to clarify their response:

- a. Flushing Data Clarification: Measured data were provided between 2005 and 2011 in the chart submitted with the letter; however, the Test Year data [2012] of 2.0 million gallons per month was apparently estimated. The length of time for flushing is critical for any estimating methodology and is needed to assess credibility to the value given. The Flushing Plan used in 2012 is also requested.
- b. The AFV data provided in the letter shows that meters were not installed until 2012. How were the data from 2005 to 2011 developed?
- c. Chlorine residual levels have been a consistent problem for CLU. Flushing practices have been major contributors to successes or failures with this problem. At the last Agenda Hearing [2010] CLU reported that in May 2010, they conducted a uni-directional flushing program; we reported that the Cypress Lakes residents noted a significant improvement at that time. However, the information provided in this CLU response indicated that the positive response was ignored and the next attempt at uni-directional flushing was not initiated until March 2011. Data judging the passing or failing the Polk County Public Health Standards is only provided in a single instance; we are requesting the Chlorine Residual and other elemental data provided to confirm actions taken regarding flushing.
- d. The major discrepancy between wastewater treated and water sold is clearly not resolved by the statements in the letter on this subject. The CLU letter asserts that it "...reflects the impact of inflow and infiltration..."; however, they provide no information on possible sources of such inflow or infiltration. It should be

recognized that **there is NO inflow or infiltration from the residents' sites as all drainage from these sites is transported to surrounding ponds.** This includes water that is sold to the resident for lawn watering, car washing, house washing, etc... Please request from CLU documentation of any known inflow or infiltration sources.

Thank you for the considerations that our requests will receive.

Application for increase in water and wastewater rates in Polk County by

Cypress Lakes Utilities, Inc.

DOCKET NO. 130212-WS

RECEIVED-FPSC

13 DEC 30 AM 9:57

COMMISSION
CLERK

Name Michael Love

Address 2350 MULLIGAN DR 134RS

LAKELAND 33810 863-816-2226

Please submit your comments about this docket to the Florida Public Service Commission by completing this comment form and returning it by mail, or send a fax to 1-800-511-0809.

Correspondence will be placed in the file of this docket.

CONSUMER COMMENTS

1-why does the water smell & taste so bad?

2- PLEASE SHOW RATES for comparable parks?

3-why can they charge a monthly min. when you have your water turned off at the meter for the season?

4- How much profit did they make last year & previous 2.

5- over \$100 a month for 2 people in a residence is unacceptable and should be criminal! why don't you investigate and take action to repair this system rather than just approve rates?

P.S. I have been forced to pay fictitious charges on 4 occasions when the house was unoccupied for the season. This is a way of doing business for CUU as I am sure you are aware.

Fold and tape -- see back for address

Any e-mail or other correspondence sent to a Florida Public Service Commissioner, or any other public official and/or employee of the PSC, in the transaction of public business is considered a public record and is subject to Florida's Public Records Law. This means that Florida law generally requires the PSC to provide a copy of any such e-mail or correspondence, upon request, for inspection and copying to any Florida citizen or to any member of the media.

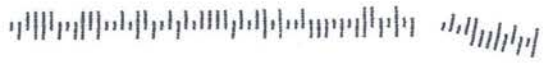
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24 DEC 2013 4:17 L



Love
2350 Mulligan Dr
Lakeland FL
33810

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

32399085099



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te

Crystal Card

From: Angie Calhoun
Sent: Thursday, December 26, 2013 4:37 PM
To: Consumer Correspondence
Subject: Protest to docket 130212-WS
Attachments: Docket # 130212-WS

Please see attached customer protest to Cypress Lakes Utilities docket 130212-WS

Crystal Card

From: Larry Shaughnessy <larryshaughnessy@aol.com>
Sent: Tuesday, December 24, 2013 11:33 AM
To: Consumer Contact
Subject: Docket # 130212-WS

We would like to request that the commission deny the increase in the water rates under the above docket .

We have to filter the water in order to use it to drink and/or cook with as there is black residue in the water and we do not want to use water that we do not know what is in it. In addition to the cost of the water we have to buy the filters act.

We feel that the Utility is not providing a quality product for the cost they are charging.

Thank you for your consideration of our request.

Larry & Evelyn Shaughnessy
9303 Hoosier Circle
Lakeland, FL 33810
Tele: 863-859-9804

Application for increase in water and wastewater rates in Polk County by
Cypress Lakes Utilities, Inc.

DOCKET NO. 130212-WS

RECEIVED-FPSC
13 DEC 23 AM 9:29
COMMISSION
CLERK

Name _____

Address _____
MR. & MRS. D. KELLY
2322 MULLIGAN DR
LAKELAND, FL 33810-4323

Please submit your comments about this docket to the Florida Public Service Commission by completing this comment form and returning it by mail, or send a fax to 1-800-511-0809. Correspondence will be placed in the file of this docket.

CONSUMER COMMENTS	
WE LIVE ON A FIXED INCOME AND CANNOT AFFORD ANY INCREASES TO OUR WATER BILLS. YOUR NEW RATES WOULD DOUBLE WHAT WE ARE PAYING NOW.	
	CURRENT 46.00
	PROPOSED 95.00
D. Kelly	

Fold and tape - - see back for address

Any e-mail or other correspondence sent to a Florida Public Service Commissioner, or any other public official and/or employee of the PSC, in the transaction of public business is considered a public record and is subject to Florida's Public Records Law. This means that Florida law generally requires the PSC to provide a copy of any such e-mail or correspondence, upon request, for inspection and copying to any Florida citizen or to any member of the media.

STAMP

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

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Tape

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MR. & MRS. D. KELLY
2322 MULLIGAN DR
LAKELAND, FL 33810-4323

TANPA FL 335
SAINT PETERSBURG FL
20 DEC 2013 PM 6 L

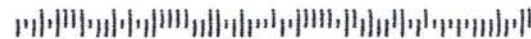


DISTRIBUTION CENTER

13 DEC 23 AM 7:09

FLORIDA PUBLIC SERVICE COMMISSION
OFFICE OF COMMISSION CLERK
2540 SHUMARD OAK BLVD.
TALLAHASSEE, FL 32399-0850

32399085099



STATE OF FLORIDA

COMMISSIONERS:
RONALD A. BRISÉ, CHAIRMAN
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN



DIVISION OF ENGINEERING
TOM BALLINGER
DIRECTOR
(850) 413-6910

Public Service Commission

December 9, 2013

Mr. Donald W. Layng
9458 Ultra Drive
Lakeland, FL 33810

Re: Docket No. 130212-WS, Application for increase in water/wastewater rates in Polk County by Cypress Lakes Utilities, Inc.

Dear Mr. Layng:

Thank you for your correspondence in which you expressed your concerns about the rate increase petition filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

With respect to the development of rates, the Commission is required to set rates that are just, reasonable, compensatory, and not unfairly discriminatory. To determine the appropriate rates for service, the Commission uses a rate of return methodology as set forth in Chapter 367, Florida Statutes. Under the rate of return methodology, a utility is allowed to earn a reasonable return on its prudently invested property that is used and useful in serving the public, less accrued depreciation plus an allowance for operating capital. This ratemaking process is used for all water and wastewater companies and is also used in the electric and gas industry. It is the same approach used throughout the country by various state and federal utility regulatory bodies.

There are many factors that affect the cost of providing service and hence, the rates charged to customers. Some factors affecting the cost of providing service include: the size and age of the utility system; the cost of water and wastewater bulk services; the number of customers; and the geographic spread of the service area. During a rate case, the Commission's accountants, engineers, and economists examine the financial and engineering information filed by the Utility as part of its rate increase application. The Commission's auditors also examine this information and publish the results of their findings in an audit report. All costs found to be imprudent or unreasonable are disallowed.

Mr. Donald W. Layng

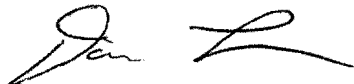
December 9, 2013

Page 2

With respect to the quality of service, pursuant to Rule 25-30.433(1), Florida Administrative Code, in every water and wastewater rate case, the Commission is required to determine the overall quality of service provided by a utility by evaluating three separate components of utility operations. The components are: (1) the quality of the utility's product; (2) the operating conditions of the utility's facilities; and, (3) the utility's attempt to address customers' satisfaction. The Rule further states that sanitary surveys, outstanding citations, violations, and consent orders on file with the Department of Environmental Protection (DEP) and the County Health Department over the preceding three-year period shall be considered, along with input from the DEP and health department officials and consideration of customer comments or complaints. The Commission's engineers will determine the quality of service by addressing each of the three components.

We understand your concerns regarding the Utility's proposed rate increase and recognize that during these difficult economic times any increase in your utility bill would create additional financial hardship. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6836 or by e-mail at dqlee@psc.state.fl.us.

Sincerely,



Daniel Lee
Engineering Specialist
Division of Engineering

cc: Division of Engineering (Lewis)
Office of the General Counsel (Gilcher)
Division of Accounting & Finance (Fletcher, Kelly, Norris)
Division of Economics (Thompson)
Office of Commission Clerk (Docket No. 130212-WS)

STATE OF FLORIDA

COMMISSIONERS:
RONALD A. BRISÉ, CHAIRMAN
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN



DIVISION OF ENGINEERING
TOM BALLINGER
DIRECTOR
(850) 413-6910

Public Service Commission

December 9, 2013

Mr. Neal Steiger
2123 Sabal Palm Dr.
Lakeland, FL 33810

Re: Docket No. 130212-WS, Application for increase in water/wastewater rates in Polk County by Cypress Lakes Utilities, Inc.

Dear Mr. Steiger:

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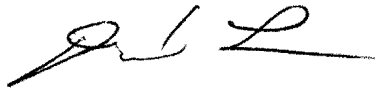
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Mr. Neal Steiger
December 9, 2013
Page 2

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Engineering Specialist
Division of Engineering

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Office of the General Counsel (Gilcher)
Division of Accounting & Finance (Fletcher, Kelly, Norris)
Division of Economics (Thompson)
Office of Commission Clerk (Docket No. 130212-WS)

Donald W. Layng
9458 Ultra Drive
Lakeland, Florida 33810

RECEIVED-FPSC

13 NOV 27 PM 1:54

COMMISSION
CLERK

Florida Public Service Commission
Director, Division of Commission Clerk and Administrative Services
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0870

re: Application for increase in water and wastewater rates in
Polk County by Cypress lakes Utilities, Inc.
Docket No. 130212-WS

Dear Sir:

I have reviewed the Initial Customer Notice mailed out to customers of the Cypress Lakes Utilities, Inc. located in Lakeland, Florida.

My wife and I moved to Florida one year ago on the premise that Florida had a relatively low cost of living compared to other states in the northern U.S.

We purchased a manufactured home in Cypress Lakes approximately one year ago and were told at the time of purchase by the Cypress Lakes sales department there maybe occasional increases in rents and utilities but they historically have been very modest (less than 5%) in prior years. Since my wife and I are on a fixed income, as are most people living in Cypress Lakes, this became a major point of purchase.

After reviewing the Initial Customer Notice, I have summarized the Utility's basis for a rate increase which are:

- 1) The notice mentions the Utility is not receiving a (fair return on Utility's investment). Please note, I am a prior CPA from the State of Illinois and worked as a Controller of manufacturing companies and I am very aware of what is considered a (FAIR) return on investment, (particularly in today's economy).
- 2) This notice goes onto to further state that the Utility is requesting a return on equity of 10.22%
- 3) This notice also states that according to the Utility's books their current rate of return without a rate increase is negative for the water system and 10.75% for the wastewater system.
- 4) The Utility has incurred substantial additional operating costs and capital investment.

My comments regarding the Utilities rate increase comments are as follows:

-In regards to no. 1 & 2 above:

I believe a FAIR return on equity in today's economy is no more 6 to 8 %, particularly an enterprise that has very little risk and no competition.

-In regards to no. 3 above:

If the rate of return on the water system is negative why in the world do they require a 31.5% increase? I have not seen where the cost of water has risen any where near that %. I believe the Utility should be entitled to a fair return but they should look at their expenditures and not only their revenues. No one in this day and age receives a 31.5% increase (please see my worksheet attached.)

Why does the Utility require an increase in their Wastewater service if they currently are receiving a 10.75% rate of return on this portion of their service? I thought the requested return was 10.22%? It sounds as though the Utility needs to charge more for their wastewater service, not because its need for that service but rather to further make up for their inefficiencies in their Capital investing and water service.

-In regards to no. 4 above:

What are the reasons for the increased operating service costs? The number of units in Cypress Lakes has not increased significantly. Either the Utility's equipment is becoming outdated or they are extremely inefficient in their operations.

In regards to the Utility's Capital Investment, the only Capital Investment that is noticeable is in the newer phases of Cypress lakes in which the new models are very slowly being added. Why should current residents of Cypress Lakes be charged more for new Capital that is to be eventually utilized by homes that are not fully in? If this is the case, the owner of Cypress lakes should be charging new homes more for initial water service.

The annual increase in water cost to me would be \$12.64/mo x 12=\$151.68

The water usage from my last bill was low as my wife and I were out of town for part of the month, normal monthly usage is 5,500 gallons.

In summary, I don't see how any public utility should be entitled to increases in rates of 31.5% for water and even 4.01% in wastewater in which the Utility is already receiving a higher rate of return than the 10.22% requested. I don't believe a company should try to make up for new Capital for new areas which do not pertain to existing customers, or inefficiencies in their operations by charging their customers more. I believe the newsmedia needs to be notified of this commissions actions. To make matters worse, the Utility wants this increase from fixed income seniors.

Sincerely,



Donald W. Layng

Cypress Lakes Utilities, Inc.
 Rate Increase Proposal-Docket No. 130212-WS
 Application dated 9/30/13
 9458 Ultra Drive
 Lakeland, Florida 33810

Water service Current Rate 11/1/2013	Utility's Requested Final Rates	Increase Amount	Increase %
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Current Monthly Bill 11/10/2013	With Proposed Increase 1302112-WS	Increase Amount	Increase %
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Residential Water Service

Base Charge	\$ 5.99	\$ 7.98	\$ 1.99	33.22%
First 3,180 gallons/per 1,000 gal.	\$ 4.12	\$ 5.49	\$ 1.37	33.25%
Sub-Total				
Polk County tax @ 10%				
Total Residential Water Service				

\$ 5.99	7.98	\$ 1.99	33.22%
\$ 13.10	\$ 17.13	\$ 4.03	30.74%
\$ 19.09	\$ 25.11	\$ 6.02	31.52%
\$ 1.91	\$ 2.51	\$ 0.60	31.52%
\$ 21.00	\$ 27.62	\$ 6.62	31.52%

Residential Wastewater Service

Wastewater Base Charge	\$ 21.46	\$ 22.32	\$ 0.86	4.01%
First 3,180 gallons/per 1,000 gal.	\$ 7.24	\$ 7.53	\$ 0.29	4.01%
Total Residential Wastewater Service				

\$ 21.46	\$ 22.32	\$ 0.86	4.01%
\$ 23.02	\$ 23.95	\$ 0.92	4.01%
\$ 44.48	\$ 46.27	\$ 1.78	4.01%

Total Amount Due

\$ 65.48	\$ 73.89	\$ 8.40	12.83%
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normal monthly water usage =5,500 gallons, 11/10/13 bill usage low due to being out of town.
 Est. additional monthly water service increase @ normal 5,500 gallons (5,500-3,180) x \$5.49=
 Est. additional wastewater service increase @ normal usage 5,500 gallons (5,500-3,180) x 7.53
 Polk County tax @ 10%
 normal monthly bill
 normal bill in Illinois with same water usage=

9.56	12.74	\$ 3.18	33.25%
16.80	17.47	\$ 0.67	4.01%
2.64	3.02	\$ 0.39	14.61%
\$ 94.47	\$ 107.11	\$ 12.64	13.38%
\$ 50.00			

Crystal Card

From: Ruth McHargue
Sent: Monday, November 25, 2013 12:23 PM
To: Consumer Correspondence
Cc: Diane Hood
Subject: FW: To CLK Docket 130212

Customer correspondence

-----Original Message-----

From: Consumer Contact
Sent: Monday, November 25, 2013 8:10 AM
To: Ruth McHargue
Subject: To CLK Docket 130212

Copy on file, see 1131282C. Customer did not provide company name, prior contact with us regarding a prior rate increase with the same address was company code WS800, Cypress Lake Utilities, Inc. DHood

-----Original Message-----

From: consumerComplaint@psc.state.fl.us [mailto:consumerComplaint@psc.state.fl.us]
Sent: Friday, November 22, 2013 4:47 PM
Cc: Consumer Contact
Subject: E-Form Other Complaint TRACKING NUMBER: 34949

CUSTOMER INFORMATION

Name: Neal Steiger
Telephone: 8634504281
Email: nealsteiger@gmail.com
Address: 2123 Sabal Palm Dr Lakeland FL 33810

BUSINESS INFORMATION

Business Account Name: Neal Steiger
Account Number: 7116750189
Address: 2123 Sabal Palm Dr Lakeland Florida 33810

Water County Selected: POLK

COMPLAINT INFORMATION

Complaint: Other Complaint against
Details:

Company has filed for a rate increase of with a requested "overall" rate of return of 8.27%. As stated in the request, the company is already receiving over a 10% rate of return on wastewater and an unspecified "negative" return on water.

What decade do they think they are in, when Fed funds are trading at 0.1%? If anything, I believe they are due for a rate reduction.

Docket# 130212

Consumer Correspondence

CLK NOTE: Letter dated 11/12/13 was received electronically by CLK with a request to place it in consumer correspondence, resulting in the establishment of DN 06902-13. That letter was subsequently moved to the docket file per staff's request (see DN 07304-13). *12/5/13 css*