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REPLY TO ALTAMONTE SPRINGS

November 27, 2002

Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket No. 020344-SU; Application for increase in Wastewater rates in Monroe
County by Key Haven Utility Corporation
Our File No.: 26043.10

Dear Ms. Bayo:

Enclosed please find for filing the original and fifteen (15) copies of Affidavit
of Mailing the Combined Initial Customer Notice and Notice of Customer Meeting in
the above-referenced docket.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

AUS _____
CAF _____
CMP _____
COM _____
CTR _____
ECR _____
GCL _____
OPC _____
MMS _____
SEC
OTH _____
MSF/dmp
Enclosures

cc: Mr. Wayne Lujan (w/o enclosures)

DOCUMENT NUMBER- DATE

13085 DEC-28

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of)
KEY HAVEN UTILITY CORPORATION)
for a rate increase in Monroe County .)
_____)

DOCKET NO. 020344-SU

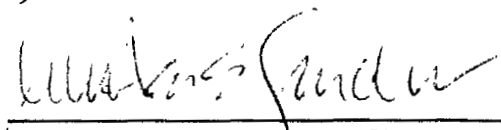
NOTICE OF FILING

Applicant, KEY HAVEN UTILITY CORPORATION, by and through its undersigned attorneys, hereby notices the filing of the Affidavit of Mailing the Combined Initial Customer Notice and Notice of Customer Meeting to the customers of Key Haven Utility Corporation.

Respectfully submitted on this
27th day of November, 2002, by:

ROSE, SUNDSTROM & BENTLEY, LLP
650 S. North Lake Boulevard
Suite 420
Altamonte Springs, Florida 32701
(407) 830-6331
(407) 830-8522 Fax

By:



MARTIN S. FRIEDMAN

AFFIDAVIT OF MAILING

STATE OF FLORIDA

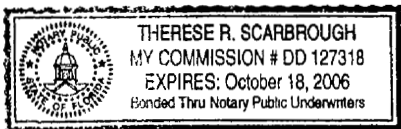
COUNTY OF MONROE

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared ANDREA W. LUJAN, who, after being duly sworn on oath, did depose on oath and say that ~~he~~she is the BOOKKEEPER of Key Haven Utility Corporation and that on Nov 13, 2002, ~~he~~she did send by regular U.S. Mail, a copy of the Initial Customer Notice and Notice of Customer Meeting to the Customers of Key Haven Utility Corporation attached hereto.

FURTHER AFFIANT SAYETH NAUGHT.

Andrea W. Lujan

Sworn to and subscribed before me this 13th day of NOVEMBER 2002, by ANDREA W. LUJAN, who is personally known to me or has produced _____ as identification.



Therese R. Scarbrough
Print Name THERESE R. SCARBROUGH
NOTARY PUBLIC - STATE OF FLORIDA
My Commission Expires: 10/18/06

BEFORE THE PUBLIC SERVICE COMMISSION

INITIAL CUSTOMER NOTICE
AND
NOTICE OF CUSTOMER MEETING

TO THE CUSTOMERS OF
KEY HAVEN UTILITY CORPORATION
AND
ALL OTHER INTERESTED PERSONS

RE: DOCKET NO.: 020344-SU

APPLICATION FOR INCREASE IN RATES IN MONROE COUNTY
BY KEY HAVEN UTILITY CORPORATION

DATED: November 15, 2002

NOTICE is hereby given that the Staff of the Florida Public Service Commission will conduct a customer meeting to discuss Key Haven Utility Corporation's Application for a rate increase. The meeting will be held at the following time and place:

6:00 p.m., Thursday, December 5, 2002
Harvey Government Center
Old Truman School
1200 Truman Avenue
Key West, FL 33040

All persons who wish to comment are urged to be present at the beginning of the meeting, since the meeting may be adjourned early if no customers are present. One or more of the Commissioners of the Florida Public Service Commission may attend and participate in this meeting. The meeting will begin as scheduled and will continue until all of the customers have been heard.

In addition to the customer meeting to be held on December 5, 2002, at 6:00 p.m., the Public Service Commission Staff will be available that afternoon from 3:00 p.m. to 5:00 p.m., to meet with representatives of customer groups, homeowners' associations, and developers who desire a more in-depth discussion of the issues. Appointments may be made for the meeting with Staff by contacting Clint Boutwell of the Florida Public Service Commission Staff at (850) 413-6948 prior to December 5, 2002. All representatives who wish to participate in individual meetings are urged to make an appointment, since the individual meetings may be canceled if no appointments are made.

Any person requiring some accommodation at the customer meeting because of a physical impairment should call the Division of Records and Reporting at (850) 413-6770 at least 48 hours

prior to the meeting. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD).

PURPOSE

The purpose of the meeting(s) is to give customers and other interested persons an opportunity to offer comments to the Public Service Commission staff regarding the quality of service the utility provides and to ask questions, and comment on the rates included in this Notice as well as other issues. Commission staff will be available to address and coordinate customers' comments and to assist members of the public. A representative from the utility may also be in attendance. At the beginning of the meeting, procedures will be established for the order of comments. The Public Service Commission staff will have sign-up sheets, and customers will be called in the order that they sign up to speak.

HOW TO CONTACT THE COMMISSION

Any person who wishes to comment or provide information to staff may do so at the meetings, either orally or in writing. Other written comments regarding the utility and the proposed rates, or requests to be placed on the mailing list for this case, may be directed to this address:

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

All correspondence should refer to "Docket No. 020344-SU", Key Haven Utility Corporation. Your letter will be placed in the correspondence file of this docket. You may also submit comments through the Public Service Commission's toll-free facsimile line at 1-800-511-0809. The Commission also has a web-site available at <http://floridapsc.com/consumers/complaint/index.cfm>

If you wish to contact the Commission regarding complaints about service, you may call the Commission's Division of Consumer Affairs at the following toll-free number 1-800-342-3552.

BACKGROUND

Key Haven Utility Corporation, is a wastewater utility located in Monroe County. As reported in its MFRs, the Utility's revenues per books are \$237,181 for the wastewater system, with operating expenses per books of \$235,964, resulting in a net operating income of \$1,217 for the wastewater system, per books, before adjustments. The rate increase application has been filed by Key Haven Utility Corporation because of inadequate earnings and the capital expenditures to refurbish the collection system.

Copies of the MFRs filed by the Company can be reviewed at the May Hill Russell Public Library located at 700 Fleming Street, Key West, Florida 33040 during the following hours: *Monday & Wednesday, 10:00 a.m. to 8:00 p.m. and Tuesday, Thursday, Friday & Saturday, 10:00 a.m. to 6:00 p.m.* A "A Rate Case Synopsis" is also available, along with the MFRs.

The test period for setting rates is the historical average twelve-month period ended December 31, 2001.

CURRENT AND PROPOSED RATES AND CHARGES

The current and proposed rates and charges follow. These rates are subject to change based on information gathered at the customer meeting, further Staff review, and the final decision by the Commissioners.

Wastewater Service

<u>Class/Meter Size</u>	<u>Present Rates</u> (Flat Rate)	<u>Proposed Interim Rates</u> (Flat Rate)	<u>Proposed Final Rates</u>
Residential and General Service	\$48.07	\$59.11	
Residential Base Facility Charge All Meter Sizes			\$26.96
Gallonge Charge (per 1,000 gallons) 10,000 gallon maximum			\$6.34
<u>General Service Base Facility Charge</u>			
5/8" x 3/4"			\$26.96
1"			\$67.40
1 1/2"			\$134.80
2"			\$215.68
3"			\$431.36
4"			\$674.00
6"			\$1,348.00
8"			\$2,156.80
Gallonge Charge (per 1,000 gallons)			\$7.45
<p>Note: Present rates reflect a 2001 Index Adjustment, effective December 31, 2001</p>			

SERVICE AVAILABILITY CHARGES

The company is not requesting any changes to its service availability charges or its miscellaneous service charges. Even though not requested to do so, the Commission may review and adjust service availability charges.

PROCEDURES AFTER CUSTOMER MEETINGS

In addition to the customer meeting notice described above, other important dates in the rate application are as follows:

<u>Schedule Item</u>	<u>Due Dates</u>
Staff Recommendation on Interim Rates	November 7, 2002
Agenda Conference on Interim Rates	November 19, 2002
Staff Audit Report	December 4, 2002
Order on Interim Rates	December 9, 2002
Staff's Proposed Agency Action ("PAA") Recommendation	February 6, 2003
Agenda Conference on PAA Rates	February 18, 2003
PAA Order Issued	March 10, 2003
Protest Period Expires	March 31, 2003

This notice was prepared by the Company and Commission staff for distribution by the utility to its customers.