

ORIGINAL

LAW OFFICES
ROSE, SUNDBSTROM & BENTLEY, LLP
2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

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FREDERICK L. ASCHAUER, JR.
CHRIS H. BENTLEY, P.A.
ROBERT C. BRANNAN
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JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
CHASITY H. O'STEEN
DAREN L. SHIPPY
WILLIAM E. SUNDBSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON
WAYNE L. SCHIEFELBEIN, OF COUNSEL
ROBERT M. C. ROSE (1924-2006)

(850) 877-6555
FAX (850) 656-4029
www.rsbattorneys.com

CENTRAL FLORIDA OFFICE
SANLANDO CENTER
2180 W. STATE ROAD 434, SUITE 2118
LONGWOOD, FLORIDA 32779
(407) 830-6331
FAX (407) 830-8522

REPLY TO CENTRAL FLORIDA OFFICE

October 6, 2006

MARTIN S. FRIEDMAN, P.A.
VALERIE L. LORD
BRIAN J. STREET

HAND DELIVERY

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

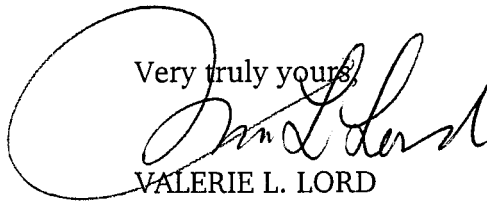
RE: Docket No.: 060257-WS; Cypress Lakes Utilities, Inc.'s Application for Rate Increase in Polk County, Florida
Our File No.: 30057.113

Dear Ms. Bayo:

Enclosed you will find for filing in the above-referenced docket the original and twelve (12) copies of the Notice of Filing and Affidavit of Mailing Initial Customer Notice and Notice of Customer Meeting.

Should you have any questions regarding this filing, please do not hesitate to give me a call.

Very truly yours,



VALERIE L. LORD

For the Firm

OMP _____
OM _____
TR _____
CR _____ VLL/tlc
CL _____ Enclosures

PC _____ cc: Troy Rendell, Division of Economic Regulation (w/enclosures - via hand delivery)
SA _____ Steven M. Lubertozzi, Director Regulatory Accounting (w/enclosures - via U.S. Mail)
R _____ John Hoy, Regional Vice President for Operations (w/o enclosures - via U.S. Mail)
A _____ Patrick C. Flynn, Regional Director (w/enclosures - via U.S. Mail)
C [cover] _____ Stephen Reilly, Esquire, Office of Public Counsel (w/enclosures - via hand delivery)
H _____

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DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of
CYPRESS LAKES UTILITIES, INC.
for an increase in water and wastewater
rates in Polk County, Florida

Docket No. 060257-WS

NOTICE OF FILING

Applicant, CYPRESS LAKES UTILITIES, INC. hereby notices the filing of the Affidavit of Mailing the Combined Initial Customer Notice and Notice of Customer Meeting to the customers of Cypress Lakes Utilities, Inc.

Respectfully submitted on this the
5th of October, 2006, by:

ROSE, SUNDSTROM & BENTLEY, LLP
Sanlando Center
2180 W. State Road 434
Suite 2118
Longwood, Florida 32779
(407) 830-6331
(407) 830-8522 Fax

By: 
VALERIE L. LORD

AFFIDAVIT OF MAILING

STATE OF ILLINOIS

COUNTY OF COOK

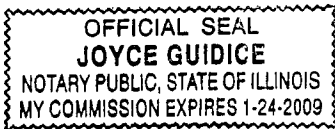
Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared STEVEN M. LUBERTOZZI, who, after being duly sworn on oath, did depose and say that he is the Chief Regulatory Officer of Cypress Lakes Utilities, Inc., and that on October 2, 2006, he did send by regular U.S. Mail a copy of the Initial Customer Notice and Notice of Customer Meeting for Cypress Lakes Utilities, Inc. to the Utility's customers in the form attached hereto.

FURTHER AFFIANT SAYETH NAUGHT.

Steven M. LubertoZZi

STEVEN M. LUBERTOZZI

Sworn to and subscribed before me this 4 day of October, 2006, by STEVEN M. LUBERTOZZI, who is personally known to me or has produced _____ as identification.



Joyce Guidice

NOTARY PUBLIC - STATE OF ILLINOIS
Printed _____ Name:

My Commission Expires: Jan 24, 2009

BEFORE THE PUBLIC SERVICE COMMISSION

**INITIAL CUSTOMER NOTICE
AND
NOTICE OF CUSTOMER MEETING**

TO THE CUSTOMERS OF
CYPRESS LAKES UTILITIES, INC.
AND
ALL OTHER INTERESTED PERSONS

RE: DOCKET NO.: 060257-WS

APPLICATION FOR INCREASE IN WATER AND WASTEWATER RATES
IN POLK COUNTY, FLORIDA
BY CYPRESS LAKES UTILITIES, INC.

DATED: October 2, 2006

NOTICE is hereby given that the Staff of the Florida Public Service Commission will conduct a customer meeting to discuss the Application for an increase in water and wastewater rates of Cypress Lakes Utilities, Inc. ("Utility"). The meeting will be held at the following time and place:

Thursday, October 19, 2006
6:00 p.m.
Cypress Lakes Clubhouse
10000 U.S. Highway 98 North
Lakeland, Florida

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 Thursday, October 19, 2006, at 6:00 p.m., the Public Service Commission Staff will be available that afternoon from 2:00 p.m. to 4:00 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 Mr. Jay Revell of the Florida Public Service Commission Staff at (850) 413-6425 prior to Monday, October 16, 2006. 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).

Emergency Cancellation of Customer Meeting

If a named storm or other disaster requires cancellation of the meeting, Commission staff will attempt to give timely direct notice to the parties. Notice of cancellation of the meeting will also be provided on the Commission's website (<http://www.psc.state.fl.us/>) under the Hot Topics link found on the home page. Cancellation can also be confirmed by calling the Office of the General Counsel at (850) 413-6199.

PURPOSE

The purpose of the meeting 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 meeting, 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. 060257-WS, Cypress Lakes Utilities, Inc.". 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, or the Commission's website 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 Regulatory Compliance and Consumer Assistance at the

following toll-free number 1-800-342-3552.

BACKGROUND

Cypress Lakes Utilities, Inc. (*Utility*) is a water and wastewater utility whose corporate offices are located at 200 Weathersfield Avenue, Altamonte Springs, Florida. The Utility's water and wastewater facilities are located in Polk County, Florida. As reported in its Minimum Filing Requirements (*MFRs*) filed with the Florida Public Service Commission (*Commission*) on May 15, 2006, the Utility's revenues per books are \$245,865, with operating expenses per books of \$212,829, for its water system, and revenues per books of \$353,217, with operating expenses per books of \$314,865, for its wastewater system, resulting in net operating income of \$33,036 for its water system, and net operating income of \$38,352 for its wastewater system, per books, before adjustments. The rate increase application has been filed by the Utility because of inadequate earnings.

Copies of the MFRs, when filed by the Utility, will be available for inspection by members of the public at the following locations:

Lakeland Public Library
100 Lake Morton Road
Lakeland, FL 33801

Hours:

Monday through Thursday
9:00 a.m. to 9:00 p.m.
Friday and Saturday
9:00 a.m. to 5:00 p.m.
Sunday
1:30 p.m. to 5:00 p.m.

Utilities, Inc. of Florida
200 Weathersfield Avenue
Altamonte Springs, FL 32714

Office Hours:

Monday through Friday
8:00 a.m. to 4:30 p.m.

A "Rate Case Synopsis" will also be available, along with the MFRs.

The test period for setting rates is the historical average twelve-month period ended December 31, 2005.

CURRENT AND PROPOSED RATES AND CHARGES

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

WATER SERVICE

<u>Residential and Multi-Family</u>	<u>Rates Prior to Filing</u>	<u>Utility's Requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>	<u>Commission Approved Interim Rates</u>
Base Facility Charge:				
<u>Meter Size</u>				
All Meter Sizes	\$6.49	\$6.59	\$8.73	\$7.11
Gallonage Charge (per 1,000 gallons)				
0– 6,000 gallons	\$2.47	\$2.63	\$3.47	\$2.71
6,001 – 12,000 gallons	\$3.72	\$3.96	\$5.20	\$4.08
Over 12,000 gallons	\$4.95	\$5.27	\$6.93	\$5.43

<u>General Service</u>	<u>Rates Prior to Filing</u>	<u>Utility's Requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>	<u>Commission Approved Interim Rates</u>
Base Facility Charge:				
<u>Meter Size</u>				
5/8" x 3/4"	\$6.49	\$6.59	\$8.73	\$7.11
1"	\$16.22	\$16.48	\$21.81	\$17.78
1 ½"	\$32.44	\$32.97	\$43.63	\$35.55
2"	\$51.89	\$52.72	\$69.81	\$56.87
3"	\$103.78	\$98.85	\$139.61	\$113.74
4"	\$162.15	\$164.75	\$218.15	\$177.71
6"	\$324.31	\$329.50	\$436.29	\$355.43
Gallonage Charge (per 1,000 gallons)				
	\$2.69	\$2.87	\$3.81	\$2.95

WASTEWATER SERVICE

<u>Residential and Multi-Residential</u>	<u>Rates Prior to Filing</u>	<u>Utility's Requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>	<u>Commission Approved Interim Rates</u>
Base Facility Charge:				
<u>Meter Size</u>				
All Meter Sizes	\$14.36	\$10.77	\$13.33	\$17.45
Gallage Charge (per 1,000 gallons) (Maximum 8,000 gallons)				
	\$2.92	\$5.14	\$6.37	\$3.55

<u>General Service</u>	<u>Rates Prior to Filing</u>	<u>Utility's Requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>	<u>Commission Approved Interim Rates</u>
Base Facility Charge:				
<u>Meter Size</u>				
5/8" x 3/4"	\$14.36	\$10.77	\$13.33	\$17.45
1"	\$35.92	\$26.92	\$33.32	\$43.65
1 1/2"	\$71.86	\$53.83	\$66.64	\$87.33
2"	\$114.97	\$86.16	\$106.62	\$139.72
3"	\$229.93	\$161.55	\$213.24	\$279.42
4"	\$359.26	\$269.25	\$333.18	\$436.59
6"	\$718.52	\$538.50	\$666.36	\$873.18
Gallage Charge (per 1,000 gallons)				
	\$3.50	\$6.17	\$7.64	\$4.25

SERVICE AVAILABILITY CHARGES

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

MISCELLANEOUS SERVICE CHARGES

The Utility is requesting the following changes to its miscellaneous service charges.

Water

Type of Charge	Present Charge		Requested Charge	
	During Business Hours	After Business Hours	During Business Hours	After Business Hours
Initial Connection	\$15.00	N/A	\$15.00	\$22.50
Normal Reconnection	\$15.00	N/A	\$15.00	\$22.50
Violation Reconnection	\$25.00	N/A	\$25.00	\$37.50
Premises Visit (in lieu of disconnection)	\$15.00	N/A	\$15.00	\$22.50

Wastewater

Type of Charge	Present Charge		Requested Charge	
	During Business Hours	After Business Hours	During Business Hours	After Business Hours
Initial Connection	\$15.00	N/A	\$15.00	\$22.50
Normal Reconnection	\$15.00	N/A	\$15.00	\$22.50
Violation Reconnection	\$25.00	N/A	\$25.00	\$25.00
Premises Visit (in lieu of disconnection)	\$15.00	N/A	\$15.00	\$22.50

PROCEDURES AFTER CUSTOMER MEETINGS

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

Schedule Item

Due Dates

Staff Recommendation on Interim Rates
 Agenda Conference on Interim Rates
 Order on Interim Rates

July 6, 2006
 July 18, 2006
 August 7, 2006

Staff Audit Report	September 26, 2006
Customer Meeting	October 19, 2006
Staff's Proposed Agency Action ("PAA") Recommendation	December 27, 2006
Agenda Conference on PAA Rates	January 9, 2007
PAA Order	January 29, 2007
Protest Period Expires	February 19, 2007

This notice was prepared by the Utility and approved by Commission Staff for distribution by the Utility to its customers.