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April 30, 2007

Lorena A. Holley  
Florida Public Service Commission  
Office of the General Counsel  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Via hand-delivery

Re: Staff Assisted Rate Case for Mink Associates II, LLC d/b/a Crystal Lake Club Utilities in Highlands County, Docket No. 060747-WS

Dear Ms. Holley:

Enclosed pursuant to your request made by your letter of April 17, 2007, is a copy of the customer notice which was sent by U.S. mail to the customers of Crystal Lake Club Utilities on April 27, 2007.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Kathryn G.W. Cowdery".

s/ Kathryn G.W. Cowdery

Enclosure

TAL:58609:1

RUDEN, McCLOSKEY, SMITH, SCHUSTER & RUSSELL, P.A.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION  
NOTICE OF CUSTOMER MEETINGS  
TO THE CUSTOMERS OF CRYSTAL LAKE CLUB UTILITIES  
AND  
ALL OTHER INTERESTED PERSONS

DOCKET NO. 060747-WS

IN RE: APPLICATION OF CRYSTAL LAKE CLUB UTILITIES  
FOR A STAFF-ASSISTED RATE CASE IN  
HIGHLANDS COUNTY

Issued: April 27, 2007

Notice is hereby given that the staff of the Florida Public Service Commission will conduct a customer meeting to discuss the application of Crystal Lake Club Utilities (Crystal Lake Club or utility) for a staff-assisted rate case in Highlands County. The meeting will be held at the following time and place:

6:00 p.m., Wednesday, May 23, 2007  
Highlands County Agri-Civic Center - Auditorium  
4509 George Blvd.  
Sebring, FL 33872

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 the customers have been heard.

The Public Service Commission staff is also attempting to meet with representatives of customer groups and homeowners associations on May 23, 2007, between 2:00p.m. and 4:00p.m. at the Civic Center Auditorium. If you are a representative of a customer group or homeowners association and you have not been contacted by the Public Service Commission staff, and wish to meet with staff, please contact Troy Rendell at (850) 413-6934 of the Public Service Commission staff prior to May 21, 2007.

All persons who wish to participate in individual meetings are urged to make an appointment, since the individual meeting session may be canceled if no appointments are made.

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.

Any person requiring some accommodation at the customer meeting(s) because of a physical impairment should call the Division of Commission Clerk and Administrative Services at (850) 413-6770 at least five calendar days prior to the meeting(s). 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 this 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, the proposed rate increase, and to ask questions and comment on staff's preliminary rates included in this notice as well as other issues. Staff members will summarize Crystal Lake Club's proposed filing, the preliminary work accomplished, and answer questions to the extent possible. A representative from the utility has also been invited to respond to questions.

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 to speak in the order that they sign-up. Public Service Commission staff will be available to coordinate customers' comments and to assist members of the public.

Any person who wishes to comment or provide information to staff may do so at the meetings, orally or in writing. Written comments may also be sent to the Commission at the address given at the end of this notice. 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.

#### BACKGROUND

Crystal Lake Club Utilities is a Class C water and wastewater utility currently providing service to approximately 520 water and wastewater customers in Highlands County south of Avon Park. Crystal Lake Club is located in the Highlands Ridge Water Use Caution Area in the Southwest Florida Water Management District (SWFWMD). The utility's 2005 annual report shows combined operating revenues of \$137,585, operating expenses of \$217,458 and a net operating loss of \$79,873.

The utility was granted Certificate Nos. 454-S and 525-W in 1989. Crystal Lake Club has been transferred four times.

On May 27, 2003, CWS Communities LP (CWS) entered into a Mobile Home Park Purchase and Sale Agreement with Dockside Investors, L.L.C. (Dockside) for \$19 million. Dockside was created as a temporary, intermediate buyer. Upon closing on the transfer on September 3, 2003, all land was conveyed simultaneously and immediately by Dockside to Mink Associates I, LLC (Associates). That same day, Dockside transferred all of the utility facilities to Mink Associates II, LLC d/b/a Crystal Lake Club Utilities (Mink or buyer).

On December 14, 2004, the seller and Mink submitted a joint application for transfer of Crystal Lake Club to Mink. No deficiencies were found in this application. Mink owns one other Public Service Commission regulated utility, Mink Associates II, LLC, d/b/a Timberwood Utilities. On November 15, 2006, the utility filed an application for a staff-assisted rate case (SARC) and paid the appropriate filing fee. The official date of filing was established as January 12, 2007.

**CURRENT AND PRELIMINARY RATES AND CHARGES**

Staff has compiled the following rates and charges for the purpose of discussion at the customer meeting. These rates are preliminary and subject to change based on information gathered at the customer meeting, further staff review, and the final decision by the Commissioners. The utility's current and staff's preliminary rates and charges are as follows:

**MONTHLY WATER RATES**

<b><u>RESIDENTIAL AND GENERAL SERVICE</u></b>	<b><u>EXISTING RATES</u></b>	<b><u>PRELIMINARY RECOMMENDED RATES</u></b>
<b>BASE FACILITY CHARGE:</b>		
Meter Size:		
5/8"X3/4"	\$2.90	\$3.09
3/4"	\$4.34	\$4.64
1"	\$7.24	\$7.73
1-1/2"	\$14.48	\$15.45
2"	\$23.16	\$24.72
3"	\$46.34	\$49.44
4"	\$72.40	\$77.25
6"	\$144.82	\$154.50
<b><u>Residential Gallonage Charge - per 1,000 gallons</u></b>	<b>\$1.35</b>	
0 - 8,000 gallons		\$1.31
Over 8,000 gallons		\$1.63
<b>General Service Gallonage - per 1,000 gallons</b>		<b>\$1.31</b>

MONTHLY WASTEWATER RATES

	<u>EXISTING RATES</u>	<u>PRELIMINARY RECOMMENDED RATES</u>
<u>RESIDENTIAL</u>		
BASE FACILITY CHARGE:		
Meter Size: All Meter Sizes		\$6.86
GALLONAGE CHARGE:		
PER 1,000 GALLONS (6,000 gallon cap)		\$1.38
<u>RESIDENTIAL</u>		
BASE FACILITY CHARGE:		
Meter Size:		
5/8"X3/4"	\$3.91	
3/4"	\$5.87	
1"	\$9.78	
1-1/2"	\$19.54	
2"	\$31.27	
3"	\$62.53	
4"	\$97.71	
6"	\$195.42	
GALLONAGE CHARGE:		
PER 1,000 GALLONS (6,000 gallon cap)	\$1.53	
<u>GENERAL SERVICE</u>		
BASE FACILITY CHARGE:		
Meter Size:		
5/8"X3/4"	\$3.91	\$6.86
3/4"	\$5.87	\$10.29
1"	\$9.78	\$17.15
1-1/2"	\$19.54	\$34.30
2"	\$31.27	\$54.88
3"	\$62.53	\$109.76
4"	\$97.71	\$171.50
6"	\$195.42	\$343.00
GALLONAGE CHARGE:		
PER 1,000 GALLONS	\$1.84	\$1.66

### MISCELLANEOUS SERVICE CHARGES

The utility's miscellaneous service charges were approved on March 4, 1994, and have not changed since that date. Staff's preliminary charges, below, are designed to more accurately defray the costs associated with each service and place the responsibility of the cost on the person creating it rather than on the ratepaying body as a whole.

#### Water Miscellaneous Service Charges

	<u>Current Charges</u>		<u>Staff Recommended</u>	
	<u>Normal Hrs</u>	<u>After Hrs</u>	<u>Normal Hrs</u>	<u>After Hrs</u>
Initial Connection	\$15	N/A	\$22	N/A
Normal Reconnection	\$15	N/A	\$22	\$44
Violation Reconnection	\$15	N/A	\$22	\$44
Premises Visit (in lieu of disconnection)	\$10	N/A	N/A	N/A
Premises Visit	N/A	N/A	\$22	\$44

#### Wastewater Miscellaneous Service Charges

	<u>Current Charges</u>		<u>Staff Recommended</u>	
	<u>Normal Hrs</u>	<u>After Hrs</u>	<u>Normal Hrs</u>	<u>After Hrs</u>
Initial Connection	\$15	N/A	\$22	N/A
Normal Reconnection	\$15	N/A	\$22	\$44
Violation Reconnection	Actual Cost	N/A	Actual Cost	Actual Cost
Premises Visit (in lieu of disconnection)	\$10	N/A	N/A	N/A
Premises Visit	N/A	N/A	\$22	\$44

### STAFF REPORTS AND UTILITY APPLICATION

The results of staff's preliminary investigation are contained in a staff report dated April 9, 2007. Copies of the report may be examined by interested members of the public from 8:00 a.m. to 4:00 p.m., Monday through Friday at the following location:

Crystal Lake Club Utilities  
533 East Crystal Lake Drive  
Avon Park, FL 33825-9739

### PROCEDURES AFTER CUSTOMER MEETINGS

After the meetings, the Public Service Commission staff will prepare a recommendation which is scheduled to be submitted to the Public Service Commission on June 27, 2007. The Public Service Commission will then vote on staff's recommendation at its July 10, 2007, agenda

conference. The Commission will thereafter issue a proposed agency action (PAA) order containing rates which may be different from those contained in staff's final recommendation. Substantially affected persons have 21 days from the date the PAA order is issued to protest the Commission's proposed agency action order. Five to ten customers or persons who attend the meeting and who wish to receive a copy of the recommendation and the order should so indicate at the meeting. Those individuals are expected to distribute the information in the recommendation and the order to other customers. Anyone who is unable to attend and who wishes to obtain a copy of the recommendation or the order may do so by requesting in writing to the Commission at the address at the end of this notice.

#### HOW TO CONTACT THE COMMISSION

Written comments regarding the utility and the proposed rates, and requests to be placed on the mailing list for this case, may be directed to this address:

Director, Division of Commission Clerk and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

All correspondence should refer to "Docket No. 060747-WS, Crystal Lake Club Utilities."

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.

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