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REPLY TO CENTRAL FLORIDA OFFICE

July 17, 2007

HAND DELIVERY

RECEIVED-FPSC

07 JUL 17 AM 11:14
CENTRAL FLORIDA OFFICE
SANLANDO CENTER
2180 W. STATE ROAD 434, SUITE 2118
LONGWOOD, FLORIDA 32779
(407) 830-6331
FAX (407) 830-8522

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

Ann Cole, Commission Clerk
Office of Commission Clerk
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. Cole:

Enclosed for filing in the above-referenced docket is the original and twelve (12) copies of Cypress Lake Utilities, Inc.'s Affidavit of Mailing evidencing the Customer Notice attached thereto was mailed to each of the Utility's customers.

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

CMP call.

COM

CTR

ECR

GCL 1

OPC MSF/mp

RCA Enclosures

SCR cc.

SGA Katherine Fleming, Esquire, Office of General Counsel (w/o enclosures)

SEC Andrew Maurey, Division of Economic Regulation (w/enclosures) (via hand delivery)

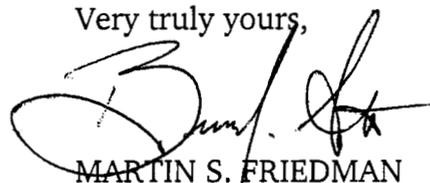
OTH Stephen Reilly, Esquire, Office of Public Counsel (w/enclosures)

OTH Gary V. Perko, Esquire (w/enclosures)

OTH Steven M. Lubertozi, Chief Financial Officer (w/enclosures)

OTH John Hoy, Chief Regulatory Officer (w/enclosures)

OTH Patrick C. Flynn, Regional Director (w/enclosures)

Very truly yours,

MARTIN S. FRIEDMAN
For the Firm (FOR)

DOCUMENT NUMBER-DATE

05981 JUL 17 5

FPSC-COMMISSION CLERK

ORIGINAL

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

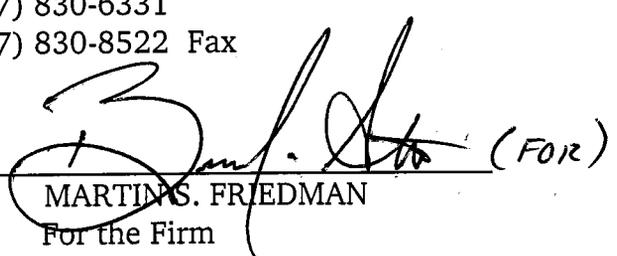
NOTICE OF FILING

Applicant, CYPRESS LAKES UTILITIES, INC., by and through its undersigned counsel, hereby gives notice of filing in the above-referenced docket, its Affidavit of Mailing evidencing the Customer Notice attached thereto was mailed to the customers of Cypress Lakes Utilities, Inc., on July 16, 2007.

Respectfully submitted this 17th day of
July, 2007, by:

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

By:

 (For)
MARTIN S. FRIEDMAN
For the Firm

DOCUMENT NUMBER-DATE

05981 JUL 17 08

FPSC-COMMISSION CLERK

CERTIFICATE OF SERVICE
DOCKET NO. 060257-WS

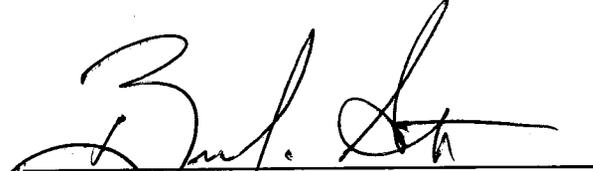
I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished

by U. S. Mail this 17th day of July, 2007, to the following:

Katherine Fleming, Esquire
OFFICE OF GENERAL COUNSEL
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Steve Reilly, Esquire
OFFICE OF PUBLIC COUNSEL
Claude Pepper Building
111 W. Madison Street, Suite 812
Tallahassee, FL 32399

Gary V. Perko, Esquire
Hopping Green & Sams, P.A.
Post Office Box 6526
Tallahassee, FL 32314-6526


MARTIN S. FRIEDMAN
For the Firm

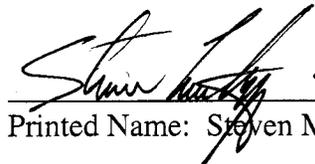
AFFIDAVIT OF MAILING

STATE OF ILLINOIS

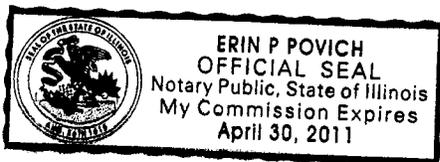
COUNTY OF COOK

BEFORE ME, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared Steven M. Lubertozi, who, after being duly sworn on oath, did depose and say that he/she is the Chief Financial Officer of Utilities, Inc., the sole shareholder of Cypress Lakes Utilities, Inc., and that on the 16th day of July, 2007, he/she did send by regular U.S. Mail a copy of the Customer Notice in the form attached hereto to each of the customers of Cypress Lakes Utilities, Inc.

FURTHER AFFIANT SAYETH NAUGHT.


Printed Name: Steven M. Lubertozi

Sworn to and subscribed before me this 16th day of July, 2007, by Steven M. Lubertozi, who is personally known to me or has produced _____ as identification.




NOTARY PUBLIC - STATE OF ILLINOIS
Printed Name: Erin P. Povich
My Commission Expires: April 30, 2011

CYPRESS LAKES UTILITIES, INC.

CUSTOMER NOTICE

ISSUED: July 16, 2007

On August 22, 2006, Cypress Lakes Utilities, Inc. (*Utility*), completed its application to the Florida Public Service Commission (*Commission*) for increased water and wastewater service rates, in which it requested interim water and wastewater rate increases of 19.32% and 26.07%, respectively, and final water and wastewater rate increases of 40.99% and 41.73%, respectively. The Commission approved an interim water increase of 9.52% and an interim wastewater rate increase of 21.35% subject to refund with interest by Order No. PSC-06-0661-FOF-WS, dated August 7, 2006.

At the Agenda Conference held on February 13, 2007, the Commission took action on the Utility's application. By Proposed Agency Action Order No. PSC-07-0199-PAA-WS (PAA Order), issued March 5, 2007, the Commission approved a rate increase of 16.81% for its water system and 39.22% for its wastewater system. In addition, the Commission approved revised miscellaneous service charges and a plant capacity charge of \$1,500 for water and \$1,500 for wastewater. The plant capacity charge does not apply to existing customers. These rates and charges were designed to allow the Utility the opportunity to recover its reasonable and prudent costs for providing service, and a reasonable rate of return on its investment in facilities necessary to provide such water and wastewater service. Cypress Lakes Associates, Ltd., the developer of the final phase of Cypress Lakes filed a timely protest of the PAA to contest the imposition of service availability charges on the unsold lots within Cypress Lakes. The Office of Public Counsel filed a Cross-Petition. A formal hearing will be held to determine the Utility's entitlement to its requested rate increase, or some lesser amount, and the implementation of service availability charges. The Utility has chosen not to implement its full requested rates, but only those approved in the PAA Order, which will be held subject to refund.

The increased rates and charges are effective for service rendered on and after July 21, 2007. The previous rates, the interim rates (as reduced to reflect the 4 year reduction in rate case expense in the 2002 rate case), and the PAA rates (as reduced to reflect the 4 year reduction in rate case expense in the 2002 rate case) are attached to this Customer Notice.

If you have any questions about the rate increase, please contact the Utility at (407) 869-1919.

Sincerely,

Cypress Lakes Utilities, Inc.
200 Weathersfield Avenue
Altamonte Springs, FL 32714-4099

CYPRESS LAKES UTILITIES, INC.
Schedule of Approved Water and Wastewater Rates

WATER

<u>Residential, General Service and General Service Irrigation</u>	<u>Rates Prior to Filing in Docket No. 060257-WS</u>	<u>Interim Rates After Four-Year Rate Reduction Per Order No. PSC-03-0647-PAA-WS</u>	<u>PAA Rates Per Order No. PSC-07-0199-PAA-WS</u>
Base Facility Charge by Meter Size:			
5/8" x 3/4"	\$6.49	\$6.91	\$5.17
1"	\$16.22	\$17.28	\$12.93
1 1/2"	\$32.44	\$34.54	\$25.84
2"	\$51.89	\$55.26	\$41.35
3"	\$103.78	\$110.51	\$82.69
4"	\$162.15	\$172.67	\$129.21
6"	\$324.32	\$345.35	\$258.42
<u>Gallonage Charge - Residential</u>			
(per 1,000 gallons)			
0 to 6,000 gallons	\$2.47	\$2.63	\$3.55
6,001 to 12,000 gallons	\$3.72	\$3.96	\$5.32
Over 12,000 gallons	\$4.95	\$5.28	\$7.11
<u>Gallonage Charge - General Service and General Service Irrigation</u>			
(per 1,000 gallons)	\$2.69	\$2.87	\$3.77

WASTEWATER

<u>Residential and Multi-Residential</u>	<u>Rates Prior to Filing in Docket No. 060257-WS</u>	<u>Interim Rates After Four-Year Rate Reduction Per Order No. PSC-03-0647-PAA-WS</u>	<u>PAA Rates Per Order No. PSC-07-0199-PAA-WS</u>
Base Facility Charge by Meter Size:			
All Meter Sizes	\$14.36	\$17.13	\$16.12
Gallonge Charge (per 1,000 gallons)			
Maximum 6,000 gallons	\$2.92	\$3.48	\$5.43

<u>General Service</u>	<u>Rates Prior to Filing in Docket No. 060257-WS</u>	<u>Interim Rates After Four-Year Rate Reduction Per Order No. PSC-03-0647-PAA-WS</u>	<u>PAA Rates per Order No. PSC-07-0199-PAA-WS</u>
Base Facility Charge by Meter Size:			
5/8" x 3/4"	\$14.36	\$17.13	\$16.12
1"	\$35.92	\$42.85	\$40.31
1 1/2"	\$71.86	\$85.72	\$80.60
2"	\$114.97	\$137.15	\$128.97
3"	\$229.93	\$274.27	\$257.93
4"	\$359.26	\$428.55	\$403.02
6"	\$718.52	\$857.09	\$806.03
Gallonge Charge (per 1,000 gallons)			
	\$3.50	\$4.17	\$6.52

Service Availability Charges. These do not apply to existing customers.

Water: \$1,500 per ERC
Wastewater: \$1,500 per ERC

Water and Wastewater Miscellaneous Service Charges

	<u>Current Charges</u>		<u>Commission Approved</u>	
	<u>Normal Hrs</u>	<u>After Hrs</u>	<u>Normal Hrs</u>	<u>After Hrs</u>
Initial Connection	\$15	\$15	\$21	\$42
Normal Reconnection	\$15	\$15	\$21	\$42
Violation Reconnection	\$25	\$25	Actual Cost	Actual Cost
Premises Visit	\$15	\$15	\$21	\$42