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GENERAL COUNSEL
S. CURTIS KISER
(850) 413-6199

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Public Service Commission

July 16, 2010

Christian W. Marcelli, Esquire
Rose, Sundstrom & Bentley, LLP
2180 West State Road 434
Sanlando Center Suite 2118
Longwood, FL 32779

STAFF'S EIGHTH DATA REQUEST

Re: Docket No. 090349-WS - Application for limited proceeding rate increase in Polk County by Cypress Lakes Utilities, Inc.

Dear Mr. Marcelli:

Please provide staff with the following information to facilitate our review of the application filed by Cypress Lakes Utilities, Inc.

1. In your response to Item 1 of staff's seventh data request, only three invoices for sludge hauling from 2008 were provided. Please provide all of the sludge hauling invoices from 2008.
2. In your response to Item 7 of staff's seventh data request, you state that the \$1,049,052 shown on Schedule No. 6 of the filing cannot be reconciled to the 2009 annual report because it "reflects project additions to be completed (at the time of filing) and the amounts on the annual report reflect actual plant balances at the year-end dates." However, all of the invoices from Ken's Bush Hog Service appear to indicate that the project was completed in 2009, and Schedule No. 9 of the filing shows a completed/estimated completion date of June 1, 2009, for these projects. Please reconcile the amount reflected in Account No. 380 on Schedule S-4(a) of the 2009 Annual Report with the \$1,049,052 plant increase shown for Account No. 380 on Schedule No. 6 of the Utility's filing.
3. On page 6 of 8 of the Settlement Agreement approved by the Commission in Docket No. 060257-WS, Cypress Lakes Associates, Ltd. was required to pay Cypress Lakes Utilities, Inc. service availability charges of \$235,365, or \$1,105 per lot, for the 93 lots in the existing service territory and 120 lots in Phase 12. Please explain how this money was collected, and reconcile with the CIAC balances of the Utility's annual reports from 2006 through 2008.

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Christian W. Marcelli, Esquire

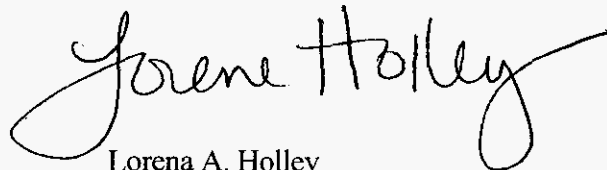
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4. In your letter dated June 23, 2010, you discuss the meeting held between the Utility and the Cypress Lakes Home Owners' Association that took place on June 22, 2010. In that letter, you state that the addition of a chlorine booster "would not be applicable to resolving the problems that are water quality related." Please explain why the addition of chlorine boosters would not be applicable to the water quality issues in the service area.
5. Also, in your letter dated June 23, 2010, you state that a lawn watering program would be a poor solution with added financial costs to the customers and with less likelihood of success compared to the use of automatic flushing valves, as a means of addressing the water quality issues in the service area. Please explain how additional costs would be created by such a program, and why the Utility believes that it will not succeed.

Please submit the requested information to the Office of Commission Clerk by July 30, 2010. If you have any questions, please contact Curt Mouring by phone at (850) 413-6427 or by email at cmouring@psc.state.fl.us.

Sincerely,



Lorena A. Holley
Senior Attorney
Office of the General Counsel

LAH/sh

cc: Division of Economic Regulation (Bulecza-Banks, Daniel, Fletcher, Rieger, Mouring)
Office of Commission Clerk (Docket 090349-WS)
Office of Public Counsel (Rehwinkel)