

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

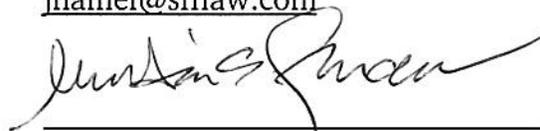
DOCKET NO. 130212-WS

NOTICE OF FILING

Applicant, CYPRESS LAKES UTILITIES INC., by and through its undersigned counsel, hereby gives notice of filing in the above-referenced docket, the Affidavit of Mailing, evidencing that the Initial Customer Notice has been mailed to the customers of CYPRESS LAKES UTILITIES INC. affected by this proceeding.

Respectfully submitted this 25th day of
November, 2013, by:

Sundstrom, Friedman & Fumero, LLP
766 North Sun Drive, Suite 4030
Lake Mary, FL 32746
Phone: (407) 830-6331
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MARTIN S. FRIEDMAN
Florida Bar No.: 0199060
For the Firm

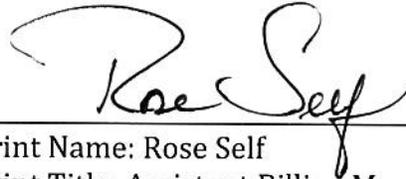
AFFIDAVIT OF MAILING

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

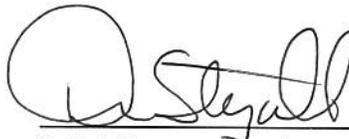
Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared Rose Self, who, after being duly sworn on oath, did depose on oath and say that she is the Assistant Billing Manager of Utilities, Inc., the sole shareholder of Cypress Lakes Utilities Inc. ("Utility"), and that on November 19, 2013, she did send by regular U.S. Mail, a copy of the Initial Customer Notice, attached hereto, to all customers of the Utility.

FURTHER AFFIANT SAYETH NAUGHT.



Print Name: Rose Self
Print Title: Assistant Billing Manager

Sworn to and subscribed before me this 20 day of November, 2013, by Rose Self, who is personally known to me or has produced _____ as identification.



Print Name: Donna Stegall
NOTARY PUBLIC
My Commission Expires: 01/08/2014

BEFORE THE PUBLIC SERVICE COMMISSION

INITIAL CUSTOMER NOTICE

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

RE: DOCKET NO. 130212-WS

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

November 18, 2013

BACKGROUND

Cypress Lakes Utilities, Inc. (the "Utility") is a water and wastewater utility whose offices are located at 200 Weathersfield Avenue, Altamonte Springs, Florida. The Utility's water and wastewater facilities are located in Polk County, Florida.

On September 30, 2013, the Utility filed an application with the Florida Public Service Commission (the "Commission") for an increase in its water and wastewater rates to its customers in Polk County based on an historical test year ending December 31, 2012. Final rates and interim water rates are based upon the same test year. The application is assigned Docket No. 130212-WS and September 30, 2013, was established as the official date of filing.

The Utility is requesting a rate increase because the existing rates do not provide sufficient revenues to cover the required expenses of operations on a going-forward basis and a fair return on the Utility's investment in used and useful property for the public use. The rate of return on equity requested in this proceeding is 10.22%. The overall return requested (the weighted cost of debt and equity) is 8.27%. According to the Utility's books, Cypress Lakes Utilities, Inc. states that its current overall rate of return without a rate increase is negative for the water system and 10.75% for the wastewater system., The Utility's last full file and suspend rate proceeding and review of rate base was in Docket No. 060257-WS, utilizing a test year ending December 31, 2005, which culminated in Order No. PSC-07-0199-PAA-WS, issued March 5, 2007, as modified as to service availability charges in Order No. PSC-07-0912-ASA-WS issued November 9, 2007. The Utility had a subsequent limited proceeding in Docket No. 090349-WS which culminated in Order No. PSC-10-0682-PAA-WS issued November 15, 2010.

The Utility has incurred substantial additional operating costs and capital investment. Copies of the MFRs, the Rate Case Synopsis, and the Utility's application will be available for inspection at the following locations:

Lakeland Public Library 100 Lake Morton Road Lakeland, Florida 33801	Hours: Mon - Thurs: 9am - 9pm Friday: 9am - 5pm Saturday: 9am - 5pm Sunday: 1:30pm - 5pm
Cypress Lakes Utilities, Inc. 200 Weathersfield Avenue Altamonte Springs, FL 32714	Office Hours: Monday through Friday 8:00 a.m. to 4:30 p.m.

The test period for setting rates is the historical average thirteen-month period ended December 31, 2012.

The following tentative schedule was established by the Commission for the remaining major events in the Utility's rate case:

<u>Schedule Item</u>	<u>Due Date</u>
Agenda Conference on Interim Rates	December 3, 2013
Customer Meeting	December 19, 2013
Order on Interim Rates	December 23, 2013
Staff's Proposed Agency Action ("PAA") Recommendation	February 27, 2014
Agenda Conference on PAA Rates	March 11, 2014

NOTICE OF PROPOSED RATES

The current rates, the Utility's requested interim rates, and the Utility's requested final rates are set forth below. The final rates are subject to change based on information gathered at the customer meeting, further Staff review, and the final decision by the Commissioners.

WATER SERVICE

<u>Residential and General Service</u>	<u>Rates Prior to Filing</u>	<u>Utility's Requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>
<u>Base Facility Charge:</u>			
<u>Meter Size</u>			
5/8" x 3/4"	\$5.99	\$7.68	\$7.98
1"	\$14.97	\$19.20	\$19.95
1 1/2"	\$29.96	\$38.43	\$39.94
2"	\$47.92	\$61.47	\$63.88
3"	\$95.83	\$122.92	\$127.74
4"	\$149.75	\$192.09	\$199.61
6"	\$299.48	\$384.15	\$399.20
<u>Consumption Charge (per 1,000 gallons)</u>			
<u>Residential</u>			
0-6,000 gallons	\$4.12	\$5.28	\$5.49
6,001-12,000 gallons	\$6.18	\$7.93	\$8.24
Over 12,000	\$8.24	\$10.57	\$10.98
<u>General Service</u>	\$4.37	\$5.61	\$5.83

WASTEWATER SERVICE

<u>Residential</u>	<u>Rates Prior to Filing</u>	<u>Utility's Requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>
<u>Base Facility Charge:</u>			
<u>Meter Size</u>			
All meter sizes	\$21.46	N/A	\$22.32
Consumption Charge (per 1,000 gallons) (Maximum 6,000 gallons)	\$7.24	N/A	\$7.53
<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>Base Facility Charge:</u>			
<u>Meter Size</u>			
5/8" x 3/4"	\$21.46	N/A	\$22.32
1"	\$53.67	N/A	\$55.81
1 1/2"	\$107.32	N/A	\$111.60
2"	\$171.71	N/A	\$178.55
3"	\$343.43	N/A	\$357.12
4"	\$536.61	N/A	\$558.00
6"	\$1,073.23	N/A	\$1,116.01
Consumption Charge (per 1,000 gallons)	\$8.68	N/A	\$9.03

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.

HOW TO CONTACT THE COMMISSION

Any person who wishes to comment or provide information to Commission 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:

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

A courtesy copy of written comments and complaints may be mailed to the following:

Martin S. Friedman, Esquire
Sundstrom, Friedman & Fumero, LLP
766 North Sun Drive, Suite 4030
Lake Mary, Florida 32746

All correspondence should refer to "Docket No. 130212-WS, Cypress Lakes Utilities, Inc." Your letter will be placed in the correspondence file of this docket. You may also submit comments through the Florida 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 Florida Public Service Commission regarding complaints about service, you may call the Commission's Division of Regulatory and Consumer Assistance at the following toll-free number 1-800-342-3552.

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

If you have any questions, please call the Utility's office at (800) 272- 1919.

Cypress Lakes Utilities, Inc.