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REPLY TO ALTAMONTE SPRINGS

RECEIVED-TPSC
CENTRAL FLORIDA OFFICE
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COMMISSION
CLERK

MARTIN S. FRIEDMAN, P.A.
VALERIE L. LORD

August 8, 2005

HAND DELIVERY

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

Re: Docket No.: 050281-SU; Application of Plantation Bay Utility Company for Increase
in Water and Wastewater Rates in Volusia County, Florida
Our File No.: 36062.06

Dear Ms. Bayo:

Enclosed are the following for filing in the above-referenced docket:

CMP _____
COM 5
CTR _____
ECR +
GCL 1
OPC 1
RCA _____
SCR _____
SGA _____
SEC 1
OTH Cover letter

- Sixteen (16) copies of the Application for Increase in Rates
- Sixteen (16) copies of the Affidavit required by Rule 25-22.0407, Florida Administrative Code (Exhibit "1").
- Sixteen (16) copies of the Minimum Filing Requirements (Exhibit "2").
- Two (2) copies of the Billing Analysis Schedules (Exhibit "3").
- Original and three (3) copies of the proposed Interim Rates Tariff Sheets (Exhibit "4").
- Original and Three (3) copies of the proposed Final Rates Tariff Sheets (Exhibit "5").

Check received with filing and forwarded
to Fiscal for deposit. Fiscal to forward
deposit information to Records.

Initials of person who forwarded check:

W.S.

DOCUMENT NUMBER-DATE

07647 AUG-8 05

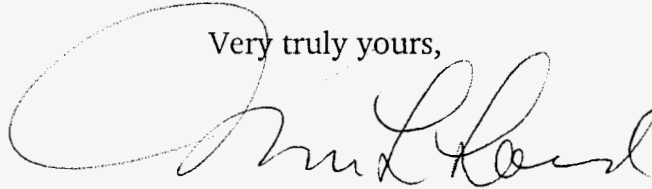
FPSC-COMMISSION CLERK

Ms. Blanca Bayo, Commission Clerk
August 8, 2005
Page 2

- One (1) copy of a detailed map (Exhibit "6")
- Two (2) copies of the Additional Engineering Information (Exhibit "7").
- This firm's check in the amount of \$4,000 representing the appropriate filing fee.

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

Very truly yours,

A handwritten signature in dark ink, appearing to read "Valerie L. Lord". The signature is fluid and cursive, with a large initial "V" and "L".

VALERIE L. LORD
For the Firm

MSF/mp
Enclosures

cc: Mr. Douglas Ross, Jr. (w/enclosures)
Mr. Frank Seidman (w/enclosures)

M:\1 ALTAMONTE\PLANTATION BAY\(.06) 2005 RATE CASE\PSC Clerk 01 (filing App).ltr.wpd

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of
PLANTATION BAY UTILITY COMPANY,
for an increase in water and wastewater
rates in Volusia County, Florida

DOCKET NO. 050281-SU

APPLICATION FOR INCREASE IN RATES

Applicant, PLANTATION BAY UTILITY COMPANY (the "Utility"), by and through its undersigned attorneys and pursuant to Section 367.081 and 367.082, Florida Statutes, and Chapter 25-30, Florida Administrative Code, files this Application for an increase in water and wastewater rates in Volusia County, Florida.

I. General Information - Rule 25-30.436

The following general information is provided pursuant to Rule 25-30.436, Florida Administrative Code:

- (a) (1) The name of the Utility and its principal place of business is:

Plantation Bay Utility Company.
2379 Beville Road
Daytona Beach, Florida 32119-8720

- (2) The name and address of the person authorized to receive notices and communications in respect to this application is:

Martin S. Friedman, Esquire
Valerie L. Lord, Esquire
Rose, Sundstrom & Bentley, LLP
600 S. North Lake Boulevard, Suite 160
Altamonte Springs, Florida 32701
PHONE: (407) 830-6331
FAX: (407) 830-8522
E-MAIL: mfriedman@rsbattorneys.com
E-MAIL: vlord@rsbattorneys.com

DOCUMENT NUMBER-DATE

07647 AUG-88

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(b) The Utility is a Florida corporation which was incorporated on March 27, 1985. The names and addresses of the persons owning more than 5% of the Utility's stock are:

Morteza Hosseini-Kargar	2359 Beville Road Daytona Beach, FL 32119	77.5%
Paul Piguet	2 Rue Jargonnant 1211 Geneva 6 SW Switzerland	7.3%
Stephen Irwin	505 Park Avenue New York, NY	5.4%
Naramco Capital Corp.	C/o Plantation Bay Utility Company 2379 Beville Road Daytona Beach, FL 32119	5.0%

(c) The Utility's last general rate review was an overearnings investigation which concluded with Order No. PSC-02-1449-PAA-WS, issued on October 21, 2002, based on a test year ending December 31, 2001.

(d) The address within the service area where the Application is available for customer inspection during the time the rate application is pending is:

Plantation Bay Utility Company.
2379 Beville Road
Daytona Beach, Florida 32119-8720

(e) Not applicable.

(f) The affidavit of Douglas R. Ross, Jr., Vice President, stating that the Utility will comply with Rule 25-22.0407, Florida Administrative Code, is attached to this application as **Exhibit "1"**.

(g) The Utility requests that this case be processed utilizing the Proposed Agency Action procedure outlined in Section 367.081(8), Florida Statutes.

II. Justification for Rate Increase

2. The Utility is requesting rates which would allow it to recover all expenses that the Utility will incur on a going-forward basis, and generate a fair rate of return on its investment. In addition, the Utility has made substantial capital investments since its last rate review, and is seeking rate relief in order to allow it to recover its expenses and earn a fair rate of return on its investment all property used and useful in the public service.

3. The Utility is also seeking interim rates based upon the historic test year ended December 31, 2004. The Utility has demonstrated through the supporting schedules within the attached **Exhibit "2"** that it is earning outside its range of reasonable returns, calculated in accordance with Section 367.082(5), Florida Statutes. Submitted as part of **Exhibit "2"** are schedules of rate base (Schedule A-2), cost of capital (Schedule D-1) and net operating income (Schedule B-2), as applicable, pursuant to Commission Rule 25-30.437(5), F.A.C.

III. Minimum Filing Requirements and

Additional Engineering Information - Rule 25-30.437

1. Sixteen copies of the Utility's Financial, Rate and Engineering Minimum Filing Requirements (Form PSC/WAW 20) are provided herewith as **Exhibit "2"**.

2. Two copies of the Billing Analysis Schedules as required by Rule 25-30.437(4) are provided herewith as **Exhibit "3"**.

IV. Additional Rate Information - Rule 25.30.4385

1. The original and three copies of the Revised Tariff Sheets reflecting the

proposed interim rates are attached hereto as Composite **Exhibit "4"**.

2. The original and three copies of the Revised Tariff Sheets reflecting the proposed final rates are attached hereto as Composite **Exhibit "5"**.

V. Additional Engineering Information - Rule 25-30.440

1. One copy of a detailed system map as required by Section 25-30.440(1)(a) and (b) are provided herewith as **Exhibit "6"**.

2. Two copies of the Additional Engineering Information required by Rule 25-30.440(2)-(10), F.A.C. are provided herewith as **Exhibit "7"**.

VI. Request for Rate Increase

1. The Utility requests that the Commission grant interim rates pursuant to Section 367.082, F.S. in accordance with the schedules contained in **Exhibit "2"** and the tariffs contained in **Exhibit "6"**.

2. The Utility is not requesting any changes in its service availability policy or charges in this proceeding.

VII. Filing Fee - Rule 25.30.020(e)

The filing fee required by Rule 25-30.020(1)(e), Florida Administrative Code, is \$4,000 (\$2,000 for water and \$2,000 for wastewater), because the Utility has the existing capacity to serve between 501 and 2,000 water ERCs and between 501 and 2,000 wastewater ERCs. A check in that amount is included with this filing.

WHEREFORE, the Utility requests that the Florida Public Service Commission do the following:

1. Accept jurisdiction of this Application to grant an increase in water and

wastewater rates utilizing the Proposed Agency Action procedure outlined in Section 367.081(8), F.S.

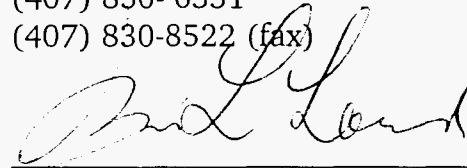
2. Grant the interim rates as requested herein and contained in the tariffs included as **Exhibit "4"**.

3. Grant final rates as requested herein and contained in the tariffs included in **Exhibit "5"**.

4. Provide such other and further relief as is fair, just and equitable.

Respectfully submitted this
5th day of August, 2005, by:

ROSE, SUNDSTROM & BENTLEY, LLP
600 S. North Lake Boulevard, Suite 160
Altamonte Springs, Florida 32701
(407) 830- 6331
(407) 830-8522 (fax)



MARTIN S. FRIEDMAN
VALERIE L. LORD
For the Firm

NOTE:

IN ACCORDANCE WITH PUBLIC SERVICE COMMISSION RULE 25-22.0407(2), THE MFRs, WHEN ACCEPTED BY THE COMMISSION, CAN BE OBTAINED FROM THE UTILITY UPON REQUEST.