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Public Service Commission

December 14, 2009

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COMMISSION
CLERK

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

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

Dear Mr. Marcelli:

In Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility) last rate case, by Order No. PSC-07-0199-PAA-WS, in Docket No. 060257-WS, the Utility was ordered to complete an evaluation of its distribution system to address the low chlorine residual. This evaluation was also to examine possible alternatives for the water treatment plant to address the hydrogen sulfide problems at Well No. 2. This examination was to include all related costs for the water treatment plant, chlorine booster pump, engineering and permitting. Also, all viable options, and the costs of each option, was to be included in the evaluation. The Utility was to submit this evaluation to the Commission, the Office of Public Counsel (OPC), and the Cypress Lakes Homeowners Association.

On July 21, 2008, the Utility provided a two-page internal memorandum from Tom Wierzbicki, Utilities, Inc.'s Project Manager to Patrick Flynn, Regional Director, regarding the water quality improvements. Specifically, upon the recommendation of TBE Group, a Tampa engineering firm, the Utility reconfigured the piping to Wells Nos. 1 and 2, and relocated the chlorine injection points. The Utility stated that these improvements were completed in April of 2008 and asserted that these improvements would address the water quality issues experienced in their distribution system.

As required by Order No. PSC-07-0199-PAA-WS, please explain why this evaluation did not address any possible alternatives, and their associated costs to address the hydrogen sulfide problems at Well No. 2.

As required by Order No. PSC-07-0199-PAA-WS, please explain why this evaluation was not provided to the Cypress Lakes Homeowners Association and OPC when it was originally filed with the Commission.

If you have any questions, please contact me by phone at (850) 413-6228 or by email at jbrubaker@psc.state.fl.us.

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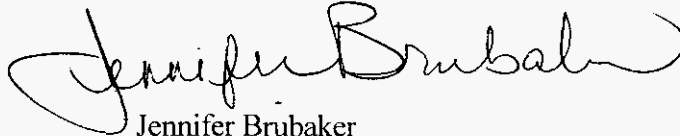
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Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer Brubaker". The signature is fluid and cursive, with a large initial "J" and "B".

Jennifer Brubaker
Attorney Supervisor

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