## State of Florida



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COMMISSION CLERK

-M-E-M-O-R-A-N-D-U-M-

DATE:

December 2, 2009

TO:

Ann Cole, Commission Clerk - PSC, Office of Commission Clerk

JB5

FROM:

Stephen B. Fletcher, Public Utilities Supervisor, Division of Economic Regulation

RE:

Docket No. 090349-WS, Application for limited proceeding rate case in Polk

County by Cypress Lakes Utilities, Inc.

Attached is a document for inclusion in the docket file for Docket No. 090349-WS, Application for limited proceeding rate case in Polk County by Cypress Lakes Utilities, Inc.

The document is a one page letter dated November 19, 2009 to Bart Fletcher from Dr. Robert Halleen concerning requests for additional information from the PSC by the Cypress Lakes Homeowners Association.

## November 19, 2009

To:

Bart Fletcher, Supervisor

Division of Economic Regulation Public Service Commission

From: Dr. Robert M. Halleen, Vice President

Board of Directors

Cypress Lakes Homeowners Association

Subject: Requests for Additional Information from PSC

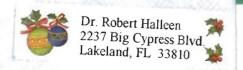
This letter is to formally document our second request to the Public Service Commission for additional information needed to develop the response of the Cypress Lakes Homeowners Association to the Limited Proceedings filing by the Cypress Lakes Utility.

The initial issue that we would like the Public Service Commission staff to address is the legality of the contract between the Cypress Lakes Utility (CLU) and the Cypress Lakes Associates (CLA) on the modifications of the wastewater treatment plant to accommodate the Phase 12 expansion of the community. That contract clearly states that the developer, CLA, is responsible for ½ of the final cost of the project; however, the CLU lawyer stated at our meeting on October 22, 2009 that they considered the agreement overridden by the settlement agreement issued by the Public Service Commission in 2007 which established "service fees" for new connections to the Utility. Our position is that the settlement agreement does not override the legal agreement between CLU and CLA and that the developer is responsible for ½ of the final project cost of \$ 1.040,000 as presented in the filing. This would require an adjustment to the incremental CIAC in the filing from \$ 125,000 to \$ 520,000, which would substantially lower the requested increase in wastewater revenue. Therefore, our initial question on this matter is when can we expect an answer from the PSC staff as to their position on the matter.

We are preparing several additional questions for PSC staff consideration as we review the material that will be supplied by the Utility in response to our first request that you have forwarded to the Utility. Further, as we review the Utility's report on the Quality issue and the Phoenix Project allocation, we anticipate requesting your interpretation of their comments or actions.

Robert M. Nallein

DOCUMENT NUMBER-DATE 1 1 7 0 3 DEC -2 8





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RETURN RECEIPT REQUESTED

PUBLIC SERVICE COMMISSION
CAPITAL CIRCLE OFFICE CENTER
2540 SHUMARD OAK BOULEVARD
TALLA HASSEE, PL 32859-0865
32399

ATTENTION:

BART FLETCHER, SUPERNISOR DIVISION OF GEONOMIC REGULATION

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