

BEFORE THE
PUBLIC SERVICE COMMISSION

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In re: Application for
Extension of Wastewater Service Area
by Highlands Utilities Corporation

Docket No. 001660-SU

FLORIDA
PUBLIC SERVICE COMMISSION
DIV. OF ADMINISTRATION
DATE RECEIVED

**OBJECTION AND PETITION
TO INITIATE FORMAL PROCEEDINGS
BY TOWN OF LAKE PLACID**

The Town of Lake Placid (the "Town"), by and through its undersigned attorneys and under sections 120.57 and 367.045 of the Florida Statutes and rules 25-30.031 and 25-22.036 of the Florida Administrative Code, submits this Objection and Petition to Initiate Formal Proceedings. In support thereof, the Town states:

1. The Town of Lake Placid is a municipality located in Highlands County, Florida. The Town's business address is 50 Park Drive, Lake Placid, Florida 33852. For purposes of these proceedings, all notices, pleadings, and papers should be sent to Kenneth Oertel and Jeffrey Brown, 301 S. Bronough Street, Suite 500, Tallahassee, Florida, mailing address: P.O. Box 1110, Tallahassee, Florida 32302-1110.

2. Applicant Highlands Utilities Corporation ("HUC") is a corporation operating as a wastewater utility in Highlands County as authorized by the Florida Public Service Commission (FPSC) under certificate number 361-S. HUC's address, for the purpose of this application, is c/o Martin S. Friedman, Rose, Sunstrom & Bentley, LLP, 2548 Blairstone Pines Drive, Tallahassee, Florida 32301.

3. The substantial interests of the Town will be affected by these proceedings by virtue of the following:

- APP _____
- CAF _____
- CMP _____
- COM _____
- CTR _____
- ECR _____
- LEG _____
- OPC _____
- PAI _____
- RGO _____
- SEC _____
- SER _____
- OTH _____

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Date 7/27/01

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FPSC-COMMISSION CLERK

a. the Town is currently constructing a wastewater facility that will be capable of serving territory claimed by HUC. The Town is expending substantial sums for the construction of that facility. The Town will have the technical ability and financial capacity and resources to provide high quality, safe, sufficient and efficient wastewater services to the area sought to be certificated by HUC.

b. HUC has reached its available capacity for the certificate at issue and is unable to serve areas within its current certificated territory. As a result, the Town is unable to assure that Town residents are provided with basic services for proposed development in accordance with the Town's comprehensive plan.

c. If HUC's request is granted, residents within the disputed territory may be precluded from obtaining wastewater at better quality and less cost.

d. HUC is not financially or technically able to provide adequate service. Accordingly, areas within its proposed certificated disputed territory will be left without a service provider.

4. The following disputed issues of material fact, known to the Town at the present time, are as follows:

a. Whether HUC has the technical ability to serve the area proposed to be included in its certificated territory;

b. Whether HUC has the financial ability to serve the area proposed to be included in its certificated territory;

c. Whether HUC has existing capacity to serve the area proposed to be included in its certificated territory;

d. Whether HUC's operation under its proposed territory will be in competition with, or a duplication of, another wastewater system;

- e. Whether HUC has disclosed all of its existing territories in its application to the FPSC;
 - f. Whether HUC is in compliance with the rules and statutes of, and within the jurisdiction of, the FPSC; and
 - g. Whether it is in the public interest for HUC to serve the area proposed to be included in its certificated territory.
5. The following ultimate facts are alleged:
- a. HUC does not possess the financial or technical ability to serve all of the area proposed to be included in its certificated territory;
 - b. HUC does not have adequate capacity to serve all of the area proposed to be included in its certificated territory;
 - c. HUC's certificated territory will be in competition with, and a duplication of, HUC's services;
 - d. HUC's application and current operation fails to comply with, and will lead to violations of, FPSC rules, including rules 25-30.225, 25-30.520, and 25-30.530 of the Florida Administrative Code;
 - e. HUC's application and current operation fails to comply with, and will lead to violations of, section 367.111 of the Florida Statutes; and
 - f. HUC's application is not in the public interest.
6. The Town is entitled to relief under, among other laws, 376.111 of the Florida Statutes, rule 25- 30.031 of the Florida Administrative Code, FPSC decisions, statutes, rules, and orders, in addition to Florida case law pertinent to the disposition of wastewater service territory allocation.

WHEREFORE, the Town of Lake Placid requests that the Florida Public Service Commission do the following:

- A. Hold an administrative hearing on HUC's application;
- B. Authorize the issuance of subpoenas and grant adequate time prior to the administrative hearing for the purposes of conducting adequate discovery;
- C. Deny HUC's application, or in the alternative, amend its proposed certificate to reduce its certificated territory; and
- D. Such other and further relief deemed appropriate, lawful, and protective of the public interest by the Florida Public Service Commission.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing was furnished on July 26, 2001, as

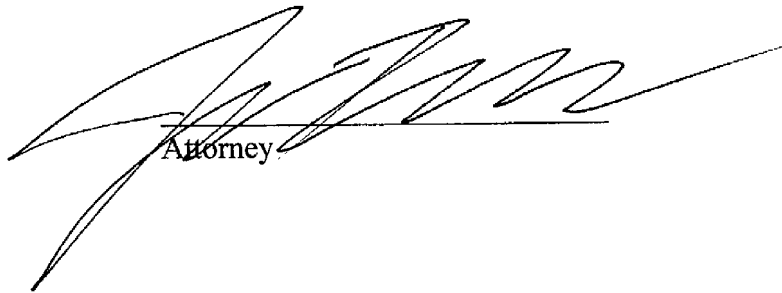
follows:

(original and 15 copies by hand delivery)

Blanca Bayo, Director
Division of Records and Reporting
Public Service Commission
Capital City Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

(By telecopy and U.S. Mail) to:

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2548 Blirstone Pines Drive
Tallahassee, Florida 32301.



Attorney