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February 28, 2003

Ms. Blanca S. Bayó, Director  
Division of the Commission Clerk  
and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0870

RE: Docket No. 020010-WS

Dear Ms. Bayó:

Enclosed are an original and fifteen copies of Direct Testimony of Hugh Larkin, Jr., CPA for filing in the above-referenced docket.

Please indicate receipt of filing by date-stamping the attached copy of this letter and returning it to this office. Thank you for your assistance in this matter.

Sincerely,

Stephen C. Burgess  
Deputy Public Counsel

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Application for staff-assisted )  
rate case in Highlands County by )  
The Woodlands of Lake Placid, L.P. )  
\_\_\_\_\_ )

DOCKET NO. 020010-WS  
Filed February 28, 2003

DIRECT TESTIMONY OF  
HUGH LARKIN, JR., CPA

Respectfully submitted,  
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DIRECT TESTIMONY OF HUGH LARKIN, JR.  
ON BEHALF OF THE CITIZENS OF FLORIDA  
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION  
THE WOODLANDS OF LAKE PLACID, L.P.  
DOCKET NO. 020010-WS

INTRODUCTION

Q. WHAT IS YOUR NAME, OCCUPATION AND BUSINESS ADDRESS?

A. My name is Hugh Larkin, Jr. I am a Certified Public Accountant licensed in the States of Michigan and Florida and the senior partner in the firm Larkin & Associates, PLLC, Certified Public Accountants, with offices at 15728 Farmington Road, Livonia, Michigan 48154.

Q. PLEASE DESCRIBE THE FIRM LARKIN & ASSOCIATES, PLLC.

A. Larkin & Associates, PLLC, is a Certified Public Accounting and Regulatory Consulting Firm. The firm performs independent regulatory consulting primarily for public service/utility commission staffs and consumer interest groups (public counsels, public advocates, consumer counsels, attorneys general, etc.). Larkin & Associates, PLLC, has extensive experience in the utility regulatory field as expert witnesses in over 450 regulatory proceedings, including numerous electric, water and wastewater, gas and telephone utility cases.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION?

1 A. Yes. I have testified before the Florida Public Service Commission on numerous  
2 occasions during the past 25 years. I have also testified before Public Service/Utility  
3 Commissions in 35 state jurisdictions, the Federal Energy Regulatory Commission and  
4 the Canadian Natural Energy Board.

5

6 Q. HAVE YOU PREPARED AN EXHIBIT DESCRIBING YOUR QUALIFICATIONS  
7 AND EXPERIENCE?

8 A. Yes. I have attached Appendix I, which is a summary of my regulatory experience and  
9 qualifications.

10

11 Q. ON WHOSE BEHALF ARE YOU APPEARING?

12 A. Larkin & Associates, PLLC, was retained by the Florida Office of Public Counsel (OPC)  
13 to review the Staff-assisted rate case (SARC), along with the resulting Proposed Agency  
14 Action Order, Order No. PSC-02-1830-PAA-WS, issued December 10, 2002.  
15 Accordingly, I am appearing on behalf of the Citizens of Florida (Citizens).

16

17 Q. WHAT IS YOUR UNDERSTANDING OF THE CURRENT STATUS OF THE  
18 PROPOSED AGENCY ACTION (PAA) ORDER?

19 A. It is my understanding that on December 30, 2002, Highvest Corporation and L.P.  
20 Utilities Corporation (Petitioners) filed a petition protesting certain issues addressed in  
21 the PAA Order. Specifically, the utility, in its Petition for Formal Administrative Hearing  
22 and its Motion to Amend Petition for Formal Administrative Hearing, disputed the  
23 following issues:

24 - Whether "either Petitioner" can be responsible to make refunds in rates collected

25

- 1 by The Woodlands of Lake Placid, L.P.;
- 2 - The appropriate amount of office rent;
- 3 - What the appropriate amount of imputation of CIAC is;
- 4 - Whether underearnings in wastewater rates should have offset the overearnings
- 5 in water rates;
- 6 - The appropriate amount of rate case expense; and
- 7 - Imputation of revenue for water and wastewater service that should have been
- 8 billed to the Resort for the rental lots.

9

10 Q. DID THE UTILITY FILE TESTIMONY ADDRESSING EACH OF THE ISSUES

11 CONTAINED IN HIGHVEST CORPORATION AND L.P. UTILITIES

12 CORPORATION'S PETITION FOR FORMAL ADMINISTRATIVE HEARING AND

13 SUBSEQUENT AMENDMENT TO THE PETITION?

14 A. No testimony was filed under the name of The Woodlands of Lake Placid, L.P. On

15 January 31, 2003, L.P. Utilities Corporation and Highvest Corporation (or "Petitioners")

16 filed the Direct Testimony of John Lovelette. The brief testimony filed addresses the

17 ownership and management of the various entities involved in the ownership, present and

18 past, of the utility assets; revenues to be collected from the Resort's rental lots; office

19 rent; rate case expense; and revenues based on metered rates versus flat rates. Highvest

20 Corporation and L.P. Utilities Corporation did not address several of the issues raised

21 in their petitions.

22

23 Q. WHAT IS YOUR PROFESSIONAL OPINION REGARDING THE PROPOSED

24 AGENCY ACTION (PAA) ORDER ISSUED BY THE FLORIDA PUBLIC SERVICE

1 COMMISSION IN THIS CASE?

2 A. In my opinion, the PAA Order in this case was more than fair to the utility owner and  
3 results in fair and reasonable rates for both the utility and its customers. The Office of  
4 Public Counsel supports the PAA Order as it stands, and recommends that no changes  
5 be made to the PAA Order. In fact, I am somewhat surprised that Highvest Corporation  
6 and L.P. Utilities (“Petitioners”) protested the PAA Order.

7

8 Q. WHY IS THAT?

9 A. In my opinion, the PAA Order was generous to the current owner of the utility, who also  
10 happens to be the past owner. There are several areas within the PAA Order that could  
11 have been treated differently by the Commission that would have resulted in even lower  
12 rates and an even larger refund of past rates. Although the OPC is not contesting the  
13 PAA Order, assuming it ultimately remains as is, I will nonetheless discuss potential  
14 additional adjustments later in this testimony. First, however, I will address the issues  
15 specifically raised in Highvest Corporation and L.P. Utilities Corporation’s Petitions,  
16 along with their prefiled testimony.

17

18 Ownership - Impact on Refunds

19 Q. PLEASE DISCUSS THE ISSUE OF OWNERSHIP OF THE UTILITY ASSETS AND  
20 THE IMPACT THE OWNERSHIP MAY HAVE ON THE REFUND OF OVER-  
21 COLLECTED WATER RATES.

22 A. Highvest Corporation and L.P. Utilities Corporation indicate in their December 30, 2002  
23 Petition for Formal Administrative Hearing that Highvest acquired the utility systems  
24 from The Woodlands of Lake Placid, L.P. in a mortgage foreclosure action on

25

1 September 27, 2002. The same petition also indicates that L.P. Utilities Corporation  
2 purchased the Utility system from Highvest Corporation on October 1, 2002. This is  
3 four days after the utility assets were acquired by Highvest Corporation. However, these  
4 dates are inconsistent with Highvest Corporation's Objection Or In The Alternative  
5 Motion To Cancel Proposed Agency Action, dated October 14, 2002. This document,  
6 dated fourteen days after L.P. Utilities purported purchase of the utility assets,  
7 specifically states that "Highvest Corp. owns all of the facilities of THE WOODLANDS  
8 OF LAKE PLACID, L.P., including the utility's property which furnishes the water and  
9 wastewater services to customers, by virtue of a recent foreclosure...." Under either  
10 circumstance, the utility should be required to refund the over-collections of water rates  
11 found in the PAA Order. Assuming L.P. Utilities Corporation is the current owner of  
12 the utility assets, as indicated in the December 30, 2002 Petition, the current owner is  
13 essentially the same individual as the previous owner. Additionally, the shift of  
14 ownership through the foreclosure by Highvest Corporation is a related party transaction  
15 that was not bargained at arms-length. Consequently, the ownership transfers should  
16 have no impact on the Commission's decision in this regard. The refund identified in the  
17 PAA Order should remain intact.

18

19 Q. WHO WAS/IS THE OWNER OF THE WOODLANDS OF LAKE PLACID, LP?

20 A. According to John Lovelette's Pre-filed testimony, The Woodlands of Lake Placid, LP  
21 is a limited partnership with Camper Corral, Inc. as its general partner. Anthony Cozier  
22 is the President and sole shareholder of Camper Corral, Inc.

23

24 Q. WHAT IS ANTHONY COZIER'S RELATIONSHIP WITH HIGHVEST

25



1 CORPORATION?

2 A. Mr. Lovelette's testimony indicates that Anthony Cozier is the President of Highvest  
3 Corporation. Additionally, Highvest Corporation's 2002 Uniform Business Report  
4 indicates that Anthony Cozier is the President and the Director of Highvest Corporation.  
5 In fact, he is the only director listed on the Uniform Business Report. I researched prior  
6 reports available on the Florida Department of State, Division of Corporations online  
7 public inquiry site. According to Highvest Corporation's 1996 Corporation Annual  
8 Report, Anthony Cozier was the only director, and the President, Secretary and  
9 Treasurer of Highvest Corporation at April 1, 1996.

10

11 Additionally, a substantial portion of the debt on Highvest Corporation's books is due  
12 to Anbeth Corporation, which is also owned by Anthony Cozier along with his wife,  
13 Elizabeth Cozier. Staff's Audit Report for the Staff Assisted Rate Case, Audit Control  
14 No. 02-029-4-3, provides a breakdown of Highvest Corporation's outstanding debt as  
15 of December 31, 2000 and December 31, 2001. According to Staff's listing, Highvest's  
16 long term debt outstanding to Anbeth as of December 31, 2001 was \$5,108,982.

17

18 Q. WHAT IS YOUR UNDERSTANDING OF THE MANAGEMENT AND  
19 OWNERSHIP STRUCTURE OF L.P. UTILITIES CORPORATION?

20 A. According to Mr. Lovelette's testimony, himself, his wife (Teresa Lovelette) and  
21 Anthony Cozier are directors of L.P. Utilities Corporation. His testimony also indicates  
22 that L.P. Utilities Corporation is owned by Anbeth Corporation, which, as previously  
23 mentioned, is owned by Anthony Cozier, along with his wife, Elizabeth Cozier.

24

25

1 Thus, if the Petitioners' assertion that L.P. Utilities Corporation is the current owner of  
2 the utility asset, then the current ownership interest in the utility assets is the same  
3 individual that had ownership interest in the utility assets (under The Woodlands of Lake  
4 Placid, L.P.) during the historic test year used by Staff in its Staff Assisted Rate Case.

5

6 Q. COULD YOU PLEASE PROVIDE AN EXHIBIT DEMONSTRATING THE  
7 OWNERSHIP INTERESTS AND MANAGEMENT POSITIONS OF ANTHONY  
8 COZIER AND JOHN LOVELETTE IN THE VARIOUS LEGAL ENTITIES  
9 MENTIONED IN MR. LOVELETTE'S PREFILED TESTIMONY?

10 A. While Mr. Lovelette's testimony discusses various ownership interests and management  
11 of the various entities, an exhibit is helpful in abbreviating some of the relationship  
12 between these various entities and related parties. I have prepared Exhibit 1, attached  
13 to this testimony, that provides Anthony Cozier and John Lovelette's, along with their  
14 wives', involvements in the various entities. The information in this exhibit is taken from  
15 information provided in Mr. Lovelette's prefiled testimony, Staff's response to  
16 Petitioner's First Request for Production, POD Nos. 4 and 5, along with the information  
17 from Uniform Business Reports available on the Florida Department of State, Division  
18 of Corporation's online information.

19

20 Q. WOULD YOU PLEASE COMMENT ON THE FORECLOSURE ON THE  
21 MORTGAGE WHICH PURPORTEDLY LEAD TO THE PURCHASE OF THE  
22 UTILITY ASSETS BY HIGHVEST CORPORATION?

23 A. To say the least, the foreclosure by the related party is a highly questionable transaction  
24 and Mr. Lovelette's testimony on this issue, in my opinion, is very misleading. Staff's

25

1 response to Petitioner's First Request for Production, Request Nos. 4 and 5 provides a  
2 significant amount of information regarding the mortgage, a promissory note, the  
3 foreclosure and transfer of the assets to Highvest. Mr. Lovelette, in his testimony,  
4 indicates that The Woodlands of Lake Placid, L.P. could not pay the mortgage, which  
5 was on real estate and the utility assets, so Highvest (for which Mr. Cozier is the  
6 President and director and Mr. Lovelette is the Vice President) had no choice but to  
7 foreclose. Mr. Lovelette indicates that a foreclosure complaint was filed on July 3, 2002,  
8 with a Final Judgement entered by the circuit judge on August 7, 2002. He also indicates  
9 that the real estate and utility assets were sold to Highvest Corporation on September 4,  
10 2002.

11  
12 The documents contained in response to Staff PODs 4 and 5 include a Mortgage and a  
13 Promissory Note both entered into on June 14, 2002 between Camper Corral, Inc.  
14 (general partner of The Woodlands of Lake Placid, LP) and Highvest Corporation, both  
15 of which are signed by Anthony Cozier. According to Mr. Lovelette's prefiled  
16 testimony, the foreclosure complaint was filed on July 3, 2002, less than three weeks  
17 after a mortgage and promissory note was entered into between Camper Corral, Inc. and  
18 Highvest Corporation.

19  
20 Additionally, a July 9, 2002 article in Highlands Today entitled "Man's Company Sues  
21 His Other Companies", which was provided in response to Staff PODs 4 and 5, states  
22 the following:

23 Highvest Corp. is suing Camper Corral Inc., Camp Florida Resort, L.P.,  
24 and Woodlands L.P.  
25 Tony Cozier owns Highvest Corp. He owns Camper Corral Inc. He

1 owns Camp Florida Resort. He owns Woodlands L.P.

So what gives?

2 "People who have different corporations do that from time to time," said  
3 attorney Jim McCollum, who is gathering Cozier's companies together as part  
4 of an estate plan. "They'll set up a couple of corporations and lend money, one  
to the other."

5 The article also quotes attorney Jim McCollum as stating: "The whole purpose is to  
6 consolidate and get away from having so many entities..." Attorney Jim McCollum  
7 and/or McCollum & Rinaldo, P.A. is listed as the current Registered Agent on the 2002  
8 Uniform Business Reports for Anbeth, LTD and L.P. Utilities Corporation. He is also  
9 indicated as the Attorney for Highvest Corporation in the "Objection Or In The  
10 Alternative Motion To Cancel Proposed Agency Action" filed in this case and dated  
11 October 14, 2002. As he is the Attorney for Highvest and the Registered Agent for L.P.  
12 Utilities Corporation, one would assume he was knowledgeable of the ownership  
13 interests and situation when quoted in the newspaper article.

14  
15 In summary, it is clear that the owner of the utility assets during the historic test year  
16 used by Staff in its SARC is the same as the current owner. It is also clear that Highvest  
17 Corporation was not an independent third party and that the foreclosure and subsequent  
18 purchase of the utility assets cannot be considered an arms-length transaction. The utility  
19 should not be permitted to shirk its responsibility to refund the over-collections to its  
20 customers who were charged the excessive and unauthorized rates.

21  
22 Q. WHO DO THE PETITIONERS CLAIM IS THE CURRENT OWNER OF THE  
23 UTILITY ASSETS?

24 A. Both the Petitions themselves and the prefiled testimony of John Lovelette claim that

1 L.P. Utilities Corporation is the current owner of the utility assets. As previously  
2 mentioned, the December 30, 2002 Petition for Formal Administrative Hearing indicates  
3 that L.P. Utilities Corporation purchased the Utility system on October 1, 2002.  
4 Consequently, I am unsure upon what basis Highvest Corporation is a Petitioner and/or  
5 party in this case. They were not an owner of the utility assets in the test year and,  
6 according the to the Petition, are not the current owner. It is my understanding, as  
7 pointed out previously, the current owner of the utility system is the same individual as  
8 the owner of the utility system during the 2001 test year.

9  
10 Refund - Offset for Wastewater Rates

11 Q. HAS THE PETITIONER TAKEN ANY ADDITIONAL POSITIONS WITH  
12 REGARDS TO THE REFUND OF WATER RATES?

13 A. Yes. The December 30, 2002 Petition states that the overearnings in water rates should  
14 have been offset by the underearnings in wastewater rates. The Petition states: "The  
15 PSC policy is where the water customers and wastewater customers are substantially the  
16 same, any underearnings in one systems (sic) is used to offset any overearnings in the  
17 other. That policy should have been applied in the instant case." The issue is not  
18 addressed in the Petitioners Pre-filed Testimony, so I am unsure if they have dropped this  
19 issue, or if they had no further support than the paragraph provided in the Petition itself.

20  
21 Q. IS THE TERMINOLOGY USED BY THE PETITIONERS WITH REGARDS TO  
22 THIS ISSUE CORRECT?

23 A. No, it is not. The Petitioners make it sound as if the refund ordered by the Commission  
24 in the PAA Order is based on the level of water overearnings. This is not the case. The

1 amount of refund was calculated by the Commission based on the amount the utility  
2 collected from January 1, 1998 to December 31, 2002 based on the unauthorized  
3 increase in water rates that went into effect on January 1, 1998. The amount was  
4 calculated as the unauthorized \$6.29 per month increase in water rates during that period  
5 times the number of customers who were actually required by the utility to pay those  
6 higher rates, times the number of months in the period of unauthorized rates ( $\$6.29 \times 60$   
7 months  $\times$  183 customers = \$69,065). The Commission used this method because its  
8 Order No. PSC-02-0250-PAA-WS only held the amount of unauthorized rate increase  
9 subject to refund as opposed to the total amount of overearnings. Had the amount of  
10 refund ordered been based on the water overearnings during that five year period, the  
11 refund would have been \$190,670 ( $\$38,134 \times 5$  years) instead of the \$69,065 identified  
12 in the PAA Order. The Commission's PAA Order in the current case clearly states:  
13 "Since the amount held subject to refund is less than the amount of the utility's excess  
14 earnings, the utility shall only refund the amount held subject to refund."  
15

16 Furthermore, had the combined water and wastewater overearnings for that same period  
17 been used, the amount of refund would be \$165,795. This is calculated as the water  
18 excess earnings of \$38,134 per year less the wastewater underearnings of \$4,975 per  
19 year, or \$33,159, times the five year period the unauthorized rates were in effect.  
20 Clearly, even had the wastewater underearnings in effect during the five year period of  
21 unauthorized rates been considered, the amount of refund ordered by the Commission  
22 is still significantly less than the net overearnings amount. The Company's contention  
23 that the water overearnings should be offset by the wastewater underearnings is clearly  
24 without merit. If the Petitioners truly wish to use the actual level of water and  
25

1 wastewater over and under earnings during the period of unauthorized rates, as  
2 contended in their Petition, then the result would be a substantially larger refund.

3

4 Q. IN YOUR OPINION, WAS THE COMMISSION CORRECT IN NOT OFFSETTING  
5 THE AMOUNT OF REFUND WITH THE COMPANY'S PURPORTED  
6 "WASTEWATER UNDEREARNINGS"?

7 A. Absolutely. As previously pointed out, the amount of refund ordered by the Commission  
8 is more than generous to the utility, and could have been significantly higher absent the  
9 parameters established in Order No. PSC-02-0250-PAA-WS. Had The Woodlands of  
10 Lake Placid, LP undergone a full rate case audit at the time it began charging its RV lot  
11 owner customers the unauthorized \$10 monthly increase (or \$35 total monthly rate) in  
12 combined water and wastewater rates, it would have collected substantially less from its  
13 customers during the period January 1, 1998 to date. The actual amount of net water  
14 and wastewater overearnings for that five year period is \$165,795 based on the  
15 information contained in the PAA Order, which is substantially higher than the \$69,065  
16 refund required. Clearly the Petitioners' argument with regards to this issue is without  
17 merit and is grossly unfair to the utility system's customers.

18

19 Contributions in Aid of Construction

20 Q. THE PETITION FOR FORMAL ADMINISTRATIVE HEARING FILED BY THE  
21 PETITIONERS ON DECEMBER 30, 2001 INDICATED THAT IT DISPUTED THE  
22 IMPUTATION OF CIAC. DO YOU WISH TO COMMENT ON THIS ISSUE?

23 A. The Petition stated, at page 3, that "It is improper to impute CIAC in the amount  
24 imputed in the Order." However, the Pre-filed testimony of the Petitioners, dated

25

1 January 31, 2002, did not address this issue. Consequently, I am unsure of exactly what  
2 aspect of the CIAC imputation the Petitioners are disputing. However, I do wish to  
3 point out that this is an area within the PAA Order in which the Commission was very  
4 generous to the utility owner in calculating the revenue requirement.

5

6 Q. HOW SO?

7 A. The PAA Order points out that the utility has been required to install meters for all of its  
8 connections under its Consumptive Use Permit. The PAA Order reflected a \$27,543  
9 increase in plant in service for the cost of purchasing and installing 162 meters for the  
10 rental lots, calculated as 162 meters times \$170 per meter. The \$170 per meter consists  
11 of \$105 for parts and \$65 for labor. However, the PAA Order failed to offset the  
12 \$27,543 increase in plant in service for associated Contributions in Aid of Construction  
13 that would result.

14

15 Q. SHOULD THE COMMISSION HAVE ALSO REFLECTED AN INCREASE IN  
16 CONTRIBUTIONS IN AID OF CONSTRUCTION FOR THE 162 METERS?

17 A. As previously mentioned, the OPC is not specifically recommending any revisions to the  
18 PAA Order, assuming it stands as is. The overall result of the PAA Order is reasonable  
19 and fair to consumers if taken as a whole. This particularly issue, however, demonstrates  
20 how the PAA Order is generous to the owner of the utility, and therefore, should not  
21 have been protested.

22

23 Q. PLEASE EXPLAIN.

24 A. The issue of contributions in aid of construction for meter installation for The Woodlands

25



1 of Lake Placid, L.P. was addressed by the Commission in Order No. PSC-02-0250-PAA-  
2 WS in Docket No. 990374-WS, issued February 26, 2002. That PAA Order, at page 17,  
3 specifically addresses the issue of CIAC for meter installation as follows:

4 "The utility charges a meter installation fee of \$189 for a 5/8" x 3/4" meter and  
5 actual cost for larger meters. The proposal is reasonable and consistent with  
6 meter installation fees for other water utilities. No other service availability  
7 charges were proposed by the utility."

8 In that PAA Order, the Commission specifically approved a meter installation fees of  
9 \$189 for 5/8" x 3/4" meters and actual cost for larger meters.

10 There is ample evidence in the record of this case that the owners of the privately owned  
11 RV lots were required by The Woodlands of Lake Placid, L.P. to pay the \$189.00 meter  
12 installation fee. The owner of the rental lots for which the cost of installing meters has  
13 been included in plant in service also happens to be the ultimate owner of both The  
14 Woodlands of Lake Placid, L.P. and of L.P. Utilities Corporation. Thus, the failure of  
15 the Commission to include Contributions in Aid of Construction as an offset to rate base  
16 for the installation of meters on the owner's rental lots is very generous to the utility  
17 owner. If the owner of both the utility and the rental lots had been treated consistently  
18 with the with Order No. PSC-02-0250-PAA-WS, quoted above, and the owners of the  
19 privately owned RV lots, then the amount of CIAC included in rate base would be  
20 increased by \$30,608 ( $\$189 \times 162$ ). This would more than offset the increase in rate  
21 base for the meters.

22  
23 In the event that the Commission determines that the Petitioners are correct in any of the  
24 items disputed in their petition, which the OPC does not agree with, then the

1 Commission should also consider increasing CIAC by the above identified amount (i.e.,  
2 \$30,618). This would also reduce expenses due to the associated increase the amount  
3 of CIAC amortization.

4

5 Rent for Office

6 Q. THE PAA ORDER INCLUDES \$0 FOR RENT EXPENSE. THE PETITIONERS  
7 HAVE TAKEN THE POSITION THAT OFFICE RENT SHOULD BE INCLUDED  
8 IN RATES. WOULD YOU PLEASE COMMENT ON THIS ISSUE?

9 A. Yes. The PAA Order included \$0 in rent expense for the rental of office space,  
10 consistent with Commission Staff's recommendation. Staff's response to the Petitioner's  
11 First Set of Interrogatories, Interrogatory No. 1, gives the following reason for the  
12 exclusion of office rent expense in calculating rates:

13 The building where the utility's office is located is owned by the Camp Florida  
14 Property Owners Association. The association did not charge nor collect any  
15 rent from the utility during the test period. Therefore, since the utility is not  
paying rent for this office space, rent expenses should not be recovered through  
water and wastewater service rates.

16

17 The utility historically has not paid rent, and to the best of my knowledge, has not paid  
18 rent nor been charged rent to date. The Camp Florida Property Owners Association is  
19 composed of owners of the lots within the RV park, and these owners make up the vast  
20 majority of the utility's customers. Absolutely no evidence has been presented showing  
21 that the Camp Florida Property Owners Association, who are also the owners of the lots  
22 within the RV park, has begun to or intends to begin charging the utility rent for use of  
23 a portion of the office facility. Consequently, Staff's determination that \$0 rent expense  
24 should be included in the test year is appropriate and correct.

25

1 Q. DOES PETITIONERS WITNESS JOHN LOVELETTE ADDRESS THE RENT  
2 EXPENSE ISSUE ANY FURTHER IN HIS PRE-FILED TESTIMONY?

3 A. Yes. He indicates that a reasonable rent would be \$300.00 per month, and that the  
4 Petitioners have not paid rent for use of the office space "...since taking over the Utility  
5 on October 1<sup>st</sup> of last year because there have been insufficient funds with which to do  
6 so." In my opinion, this argument is completely irrelevant.

7  
8 As previously indicated, absolutely no support has been presented showing that the  
9 owners of the office space, who also consist of the vast majority of the utility's  
10 customers, intend to begin charging rent to the utility. Mr. Lovelette's testimony does  
11 not indicate that the utility has been billed for use of the facilities, nor does he provide  
12 any further discussion regarding why "...there have been insufficient funds" to pay rent.  
13 He does not elaborate on why the funds have been insufficient. To the best of my  
14 knowledge, the owner of more than 50% of the lots (i.e., the rental RV lots) has not paid  
15 revenues to the utility for the use of water and wastewater on those rental lots. This  
16 would presumably impact the "available funds." Mr. Lovelette also provides no  
17 information or support for how his determination that "reasonable rent is \$300.00 per  
18 month." In my opinion, Mr. Lovelette's testimony does not support the inclusion of rent  
19 expense in rates. While he indicates that rent payments have not been made since  
20 October 1, 2002, he does not, in any way, address the fact that no rent payments have  
21 ever historically been made, nor have they been required, for use of the office facility.  
22 The fact also remains that no rent was charged or paid for the facilities during the test  
23 year used by Staff in its analysis. Mr. Lovelette's testimony on this issue, in my opinion,  
24 is unsubstantiated and moot.

1        Revenue from Rental RV Lots

2    Q.    WHAT POSITION DO THE PETITIONERS TAKE WITH REGARDS TO THE  
3        REVENUE THAT WILL BE RECEIVED FROM THE RENTAL RV LOTS?

4    A.    In his Pre-Filed Testimony, Petitioners' witness John Lovelette states that "The owner  
5        of the R.V. lots has advised that it will physically disconnect those lots from the water  
6        and wastewater system. Thus, it is inappropriate to impute any revenue to the R.V.  
7        park."

8

9        In his testimony, Mr. Lovelette does not indicate who the owner of the RV lots is. As  
10       previously mentioned in this testimony, the owner of those lots is a related party, which  
11       may very well be Anthony Cozier. Assuming that this case goes to hearing, the  
12       Commission or OPC will need to call Mr. Cozier, along with the owner of Highvest  
13       Corporation and any other witnesses deemed necessary, so that the ownership of the  
14       utility and the RV rental lots, along with the transactions resulting in the shifting of  
15       ownership between legal corporate entities and the purpose of such shifting, will be  
16       completely clear to the Commission. The threatened disconnection is, at best, a clumsy  
17       attempt to dissuade the Commissioners from doing what is fair and equitable to ALL of  
18       the utility's customers (i.e., adopting the PAA Order as is).

19

20    Q.    SHOULD THE IMPUTED REVENUES INCLUDED IN THE REVENUE  
21        REQUIREMENT CALCULATION FOR THE RENTAL LOTS BE REMOVED?

22    A.    Absolutely not. The fact remains that the rental lots were connected to the water and  
23        wastewater systems during the test year used in the Staff Assisted Rate Case. They were  
24        also hooked up prior to that date. Presumably, they are still hooked up to the water and

25

1 wastewater system. The facts and circumstances existing during the 2001 test year used  
2 by Staff in its analysis should continue to be used in setting rates in this case. In fact, one  
3 could argue that the utility management was imprudent in not pursuing the collection of  
4 revenues previously from the owner of the RV rental lots.

5  
6 Q. WOULD PHYSICALLY DISCONNECTING THE RV RENTAL LOTS FROM THE  
7 WATER AND WASTEWATER SYSTEM IMPACT THE ABILITY OF THE OWNER  
8 TO CONTINUE TO RENT THOSE LOTS?

9 A. One would presume so. My understanding is that rental rates for RV lots with water and  
10 sewer hook-ups available are much higher than rental rates for lots without water and  
11 sewer hook-ups. However, in either case, it is irrelevant to the case at hand. During the  
12 test year and subsequently to date, these rental RV lots were physically connected to the  
13 water and wastewater system. Thus, the revenue for the RV rental lots should continue  
14 to be imputed in setting rates.

15  
16 Q. WOULD EXCLUDING THE IMPUTED REVENUE FOR THE RV RENTAL LOTS,  
17 AS RECOMMENDED BY THE PETITIONERS, IMPACT ANY ADDITIONAL  
18 AREAS IN THIS CASE?

19 A. Absolutely. The rental lots make up over half of the lots in the RV park. If the rental  
20 lots were physically disconnected from the wastewater and water systems, the removal  
21 of the 162 lots would significantly impact the used and usefulness of the water and  
22 wastewater systems. Consequently, if the imputed revenue for the lots are removed, then  
23 a further reduction to rate base for non-used and useful plant would be necessary. This  
24 would also result in reductions to property tax expense and depreciation expense due to

1 higher non-used and useful percentages. Additionally, operating costs at the plant would  
2 decline as less water and wastewater would need to be treated. The percentage of  
3 employee time spent on utility matters would presumably decline with significantly less  
4 lots receiving utility service. The following costs included in the PAA Order would also  
5 likely decline as a result of less water and wastewater being treated and sold: chemical  
6 costs, purchase power costs, sludge hauling expense, operator services, materials and  
7 supplies, and billing costs.

8  
9 Negative Acquisition Adjustment

10 Q. IN THE HIGHLY UNLIKELY EVENT THAT THE COMMISSION FINDS THE  
11 UTILITY ASSETS ARE NOW OWNED AND OPERATED BY A THIRD,  
12 INDEPENDENT PARTY, WOULD THIS TRIGGER ANY ADDITIONAL ISSUES  
13 WHICH WOULD REDUCE THE REVENUE REQUIREMENT OF THE UTILITY?

14 A. Yes. In his pre-filed testimony, Mr. Lovelette indicates that Highvest Corporation  
15 conveyed the utility assets to L.P. Utilities Corporation. He does not indicate the amount  
16 expended by L.P. Utilities Corporation to purchase the utility assets. In the highly  
17 unlikely event that the Commission determines the assets are now owned by an  
18 independent third party, and the refund of over-collected water rates is not required, then  
19 much more detailed analysis would be necessary to determine the actual cost of the utility  
20 assets to that third party owner. This could trigger a negative acquisition adjustment,  
21 further reducing the revenue requirement of the utility.

22  
23 Q. PLEASE EXPLAIN.

24 A. The Commission has recently addressed the issue of acquisition adjustments in Docket

1 No. 001502 - WS, Order No. PSC-02-0997-FOF-WS, issued July 23, 2002. In that  
2 Order, the Commission adopted Rule 25-30.0371, Florida Administrative Code, relating  
3 to acquisition adjustments for water and wastewater utilities. Under Rule 25-30.0371,  
4 Paragraphs (3), (3)(a), and (3)(b), a negative acquisition adjustment may be included in  
5 rate base if there is either proof of extraordinary circumstances or if the purchase price  
6 is less than 80 percent of the net book value.

7

8 Q. DO YOU RECOMMEND A NEGATIVE ACQUISITION ADJUSTMENT BE  
9 REFLECTED IN THIS CASE?

10 A. No, I do not. As discussed throughout this testimony, the OPC supports the PAA Order  
11 as it stands. However, if the Commission determines the utility is now owned by an  
12 independent third-party and does not require a refund of the over-collections, then  
13 further investigation must be made into the actual ownership interest and purchase price  
14 paid by the current owner that is specifically applicable to the utility assets. Since I  
15 believe it is impossible to reach the conclusion that the current owner is not the same  
16 person as the previous owner of the utility assets, this issue should be moot.

17

18 Additional Areas for Downward Adjustment

19 Q. ARE THERE ANY ADDITIONAL ADJUSTMENTS THAT YOU BELIEVE COULD  
20 BE JUSTIFIED THAT WOULD REDUCE RATES FURTHER?

21 A. During my examination, I discovered other areas in which a further downward  
22 adjustment could be justified. I will repeat, however, that we are not recommending any  
23 adjustments to the PAA because we believe that taken as a whole, the PAA produces a  
24 reasonable result.

25

1 Q. WHY ARE YOU NOT RECOMMENDING EVERY ADJUSTMENT THAT YOU  
2 BELIEVE COULD BE JUSTIFIED?

3 A. Frankly, one of our greatest concerns in this case is the avoidance of rate case expense,  
4 an issue which will be discussed next. In order to avoid any arguable justification for rate  
5 case expense, the Citizens have chosen to limit their response strictly to the issues already  
6 raised by the utility, rather than raise any additional issues. It seems a shame that the  
7 customers can be held hostage in this fashion, but the result is acceptable in this case  
8 because the overall effect of the PAA is reasonable.

9

10 Q. WOULDN'T THE CITIZENS BE CONSTRAINED FROM RAISING NEW ISSUES  
11 ANYWAY, SINCE THEY DID NOT FILE AN INITIAL PROTEST IDENTIFYING  
12 ALL ISSUES?

13 A. The utility sought and obtained permission to add an issue that was not included in its  
14 initial protest. I have to assume that the customers would receive the same treatment  
15 that was granted the utility, so I am confident the Commission would have entertained  
16 additional issues had we chosen to raise them. Because of the fear of rate case expense  
17 and the overall reasonableness of the PAA, we are not seeking the Commission to  
18 consider additional adjustments.

19 Rate Case Expense

20 Q. SHOULD THE COMPANY BE PERMITTED TO RECOVER RATE CASE  
21 EXPENSE FROM ITS CUSTOMERS?

22 A. No, it should not. John Lovelette indicates in his prefiled testimony that the Petitioners  
23 estimate legal rate case expense of \$60,000. In my opinion, this is an imprudent cost to  
24 incur in this specific situation. The Proposed Agency Action Order issued on December

25



1 10, 2002 was more than fair and reasonable to the utility. I have pointed out areas within  
2 this testimony in which the Commission could have adopted different adjustments that  
3 would have resulted in even lower utility rates. As also discussed throughout this  
4 testimony, the points upon which the Petitioners have disputed the PAA Order are  
5 without merit. The utility's customers should not be required to fund legal expenditures  
6 that appear to be driven by: (1) the utility owner's desire to avoid refunding the illegally  
7 over-collected rates to customers; and (2) the owner's apparent desire to not pay his fair  
8 share of revenue requirements for the RV rental lots. Clearly the Petitions were not filed  
9 in the interests of the utility customers as a whole, but rather, based entirely on the  
10 interests of one individual. That individual should be required to pay his own legal fees  
11 for the unmerited petitions, not the captive utility customers.

12

13 Q. DOES THAT CONCLUDE YOUR TESTIMONY?

14 A. Yes, it does.

15

16

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24

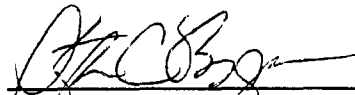
25

**CERTIFICATE OF SERVICE  
DOCKET NO. 020010-WS**

I HEREBY CERTIFY that a true and exact copy of the above and foregoing DIRECT TESTIMONY OF HUGH LARKIN, JR., CPA, has been furnished by hand delivery or U.S. Mail to the following parties of record this 28<sup>TH</sup> day of February, 2003.

Lawrence Harris, Esquire\*  
Division of Legal Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Martin S. Friedman, Esquire  
Rose, Sundstrom & Bentley, LLP  
600 S. North Lake Boulevard, Suite 160  
Altamonte Springs, FL 32701

  
\_\_\_\_\_  
Stephen C. Burgess  
Deputy Public Counsel

APPENDIX I

QUALIFICATIONS OF HUGH LARKIN, JR.

Q. WHAT IS YOUR OCCUPATION?

A. I am a certified public accountant and a partner in the firm of Larkin & Associates, PLLC, Certified Public Accountants, with offices at 15728 Farmington Road, Livonia, Michigan.

Q. PLEASE DESCRIBE YOUR EDUCATION AND EXPERIENCE.

A. I graduated from Michigan State University in 1960. During 1961 and 1962, I fulfilled my military obligations as an officer in the United States Army.

In 1963 I was employed by the certified public accounting firm of Peat, Marwick, Mitchell & Co., as a junior accountant. I became a certified public accountant in 1966.

In 1968 I was promoted to the supervisory level at Peat, Marwick, Mitchell & Co. As such, my duties included the direction and review of audits of various types of business organizations, including manufacturing, service, sales and regulated companies.

Through my education and auditing experience of manufacturing operations, I obtained an extensive background of theoretical and practical cost accounting.

I have audited companies having job cost systems and those having process cost systems, utilizing both historical and standard costs.

I have a working knowledge of cost control, budgets and reports, the accumulation of overheads and the application of same to products on the various recognized methods.

Additionally, I designed and installed a job cost system for an automotive parts manufacturer.

I gained experience in the audit of regulated companies as the supervisor in charge of all railroad audits for the Detroit office of Peat, Marwick, including audits of the Detroit, Toledo and Ironton Railroad, the Ann Arbor Railroad, and portions of the Penn Central Railroad Company. In 1967, I was the supervisory senior accountant in charge of the audit of the Michigan State Highway Department, for which Peat, Marwick was employed by the State Auditor General and the Attorney General.

In October of 1969, I left Peat, Marwick to become a partner in the public accounting firm of Tischler & Lipson of Detroit. In April of 1970, I left the latter firm to form the certified public accounting firm of Larkin, Chapski & Company. In September 1982 I re-organized the firm into Larkin & Associates, a certified public accounting firm. The firm of Larkin & Associates performs a wide variety of auditing and accounting services, but concentrates in the area of utility regulation and ratemaking. I am a member of the Michigan Association of Certified Public Accountants and the American Institute of Certified Public Accountants. I testified before the Michigan Public Service Commission and in other states in the following cases:

U-3749	Consumers Power Company - Electric Michigan Public Service Commission
U-3910	Detroit Edison Company Michigan Public Service Commission
U-4331	Consumers Power Company - Gas Michigan Public Service Commission
U-4332	Consumers Power Company - Electric Michigan Public Service Commission
U-4293	Michigan Bell Telephone Company Michigan Public Service Commission
U-4498	Michigan Consolidated Gas sale to Consumers Power Company Michigan Public Service Commission
U-4576	Consumers Power Company - Electric Michigan Public Service Commission
U-4575	Michigan Bell Telephone Company Michigan Public Service Commission
U-4331R	Consumers Power Company - Gas - Rehearing Michigan Public Service Commission
6813	Chesapeake and Potomac Telephone Company of Maryland, Public Service Commission, State of Maryland

Formal Case No. 2090	New England Telephone and Telegraph Co. State of Maine Public Utilities Commission
Dockets 574, 575, 576	Sierra Pacific Power Company, Public Service Commission, State of Nevada
U-5131	Michigan Power Company Michigan Public Service Commission
U-5125	Michigan Bell Telephone Company Michigan Public Service Commission
R-4840 & U-4621	Consumers Power Company Michigan Public Service Commission
U-4835	Hickory Telephone Company Michigan Public Service Commission
36626	Sierra Pacific Power Company v. Public Service Commission, et al, First Judicial District Court of the State of Nevada
American Arbitration Assoc.	City of Wyoming v. General Electric Cable TV
760842-TP	Southern Bell Telephone and Telegraph Company, Florida Public Service Commission
U-5331	Consumers Power Company Michigan Public Service Commission
U-5125R	Michigan Bell Telephone Company Michigan Public Service Commission
770491-TP	Winter Park Telephone Company, Florida Public Service Commission
77-554-EL-AIR	Ohio Edison Co., Public Utility Commission of Ohio
78-284-EL-AEM	Dayton Power and Light Co., Public Utility Commission of Ohio

OR78-1	Trans Alaska Pipeline, Federal Energy Regulatory Commission (FERC)
78-622-EL-FAC	Ohio Edison Co., Public Utility Commission of Ohio
U-5732	Consumers Power Company - Gas, Michigan Public Service Commission
77-1249-EL-AIR, et al	Ohio Edison Co., Public Utility Commission of Ohio
78-677-EL-AIR	Cleveland Electric Illuminating Co., Public Utility Commission of Ohio
U-5979	Consumers Power Company, Michigan Public Service Commission
790084-TP	General Telephone Company of Florida, Florida Public Service Commission
79-11-EL-AIR	Cincinnati Gas and Electric Co., Public Utilities Commission of Ohio
790316-WS	Jacksonville Suburban Utilities Corp., Florida Public Service Commission
790317-WS	Southern Utility Company, Florida Public Service Commission
U-1345	Arizona Public Service Company, Arizona Corporation Commission
79-537-EL-AIR	Cleveland Electric Illuminating Co., Public Utilities Commission of Ohio
800011-EU	Tampa Electric Company, Florida Public Service Commission
800001-EU	Gulf Power Company, Florida Public Service Commission
U-5979-R	Consumers Power Company, Michigan Public Service Commission

800119-EU	Florida Power Corporation, Florida Public Service Commission
810035-TP	Southern Bell Telephone and Telegraph Company, Florida Public Service Commission
800367-WS	General Development Utilities, Inc., Port Malabar, Florida Public Service Commission
TR-81-208**	Southwestern Bell Telephone Company, Missouri Public Service Commission
810095-TP	General Telephone Company of Florida, Florida Public Service Commission
U-6794	Michigan Consolidated Gas Company, 16 refunds Michigan Public Service Commission
U-6798	Cogeneration and Small Power Production - PURPA, Michigan Public Service Commission
0136-EU	Gulf Power Company, Florida Public Service Commission
E-002/GR-81-342	Northern State Power Company Minnesota Public Utilities Commission
820001-EU	General Investigation of Fuel Cost Recovery Clauses, Florida Public Service Commission
810210-TP	Florida Telephone Corporation, Florida Public Service Commission
810211-TP	United Telephone Co. of Florida, Florida Public Service Commission
810251-TP	Quincy Telephone Company, Florida Public Service Commission
810252-TP	Orange City Telephone Company,

	Florida Public Service Commission
8400	East Kentucky Power Cooperative, Inc., Kentucky Public Service Commission
U-6949	Detroit Edison Company - Partial and Immediate Rate Increase Michigan Public Service Commission
18328	Alabama Gas Corporation, Alabama Public Service Commission
U-6949	Detroit Edison Company - Final Rate Recommendation Michigan Public Service Commission
820007-EU	Tampa Electric Company, Florida Public Service Commission
820097-EU	Florida Power & Light Company, Florida Public Service Commission
820150-EU	Gulf Power Company, Florida Public Service Commission
18416	Alabama Power Company, Public Service Commission of Alabama
820100-EU	Florida Power Corporation, Florida Public Service Commission
U-7236	Detroit Edison-Burlington Northern Refund Michigan Public Service Commission
U-6633-R	Detroit Edison - MRCS Program, Michigan Public Service Commission
U-6797-R	Consumers Power Company - MRCS Program, Michigan Public Service Commission
82-267-EFC	Dayton Power & Light Company, Public Utility Commission of Ohio



U-5510-R	Consumers Power Company - Energy Conservation Finance Program, Michigan Public Service Commission
82-240-E	South Carolina Electric & Gas Company, South Carolina Public Service Commission
8624	Kentucky Utilities, Kentucky Public Service Commission
8648	East Kentucky Power Cooperative, Inc., Kentucky Public Service Commission
U-7065	The Detroit Edison Company (Fermi II) Michigan Public Service Commission
U-7350	Generic Working Capital Requirements, Michigan Public Service Commission
820294-TP	Southern Bell Telephone Company, Florida Public Service Commission
Order RH-1-83	Westcoast Gas Transmission Company,Ltd., Canadian National Energy Board
8738	Columbia Gas of Kentucky, Inc., Kentucky Public Service Commission
82-168-EL-EFC	Cleveland Electric Illuminating Company, Public Utility Commission of Ohio
6714	Michigan Consolidated Gas Company Phase II, Michigan Public Service Commission
82-165-EL-EFC	Toledo Edison Company, Public Utility Commission of Ohio
830012-EU	Tampa Electric Company, Florida Public Service Commission
ER-83-206**	Arkansas Power & Light Company, Missouri Public Service Commission

U-4758	The Detroit Edison Company (Refunds), Michigan Public Service Commission
8836	Kentucky American Water Company, Kentucky Public Service Commission
8839	Western Kentucky Gas Company, Kentucky Public Service Commission
83-07-15	Connecticut Light & Power Company, Department of Utility Control State of Connecticut
81-0485-WS	Palm Coast Utility Corporation, Florida Public Service Commission
U-7650	Consumers Power Company - (Partial and Immediate), Michigan Public Service Commission
83-662**	Continental Telephone Company, Nevada Public Service Commission
U-7650	Consumers Power Company - Final Michigan Public Service Commission
U-6488-R	Detroit Edison Co. (FAC & PIPAC Reconciliation), Michigan Public Service Commission
Docket No. 15684	Louisiana Power & Light Company, Public Service Commission of the State of Louisiana
U-7650 Reopened	Consumers Power Company (Reopened Hearings) Michigan Public Service Commission
38-1039**	CP National Telephone Corporation Nevada Public Service Commission
83-1226	Sierra Pacific Power Company (Re application to form holding company) Nevada Public Service Commission

U-7395 & U-7397	Campaign Ballot Proposals Michigan Public Service Commission
820013-WS	Seacoast Utilities Florida Public Service Commission
U-7660	Detroit Edison Company Michigan Public Service Commission
U-7802	Michigan Gas Utilities Company Michigan Public Service Commission
830465-EI	Florida Power & Light Company Florida Public Service Commission
U-7777	Michigan Consolidated Gas Company Michigan Public Service Commission
U-7779	Consumers Power Company Michigan Public Service Commission
U-7480-R	Michigan Consolidated Gas Company Michigan Public Service Commission
U-7488-R	Consumers Power Company - Gas Michigan Public Service Commission
U-7484-R	Michigan Gas Utilities Company Michigan Public Service Commission
U-7550-R	Detroit Edison Company Michigan Public Service Commission
U-7477-R	Indiana & Michigan Electric Company Michigan Public Service Commission
U-7512-R	Consumers Power Company - Electric Michigan Public Service Commission
18978	Continental Telephone Company of the South - Alabama, Alabama Public Service Commission
9003	Columbia Gas of Kentucky, Inc. Kentucky Public Service Commission

R-842583	Duquesne Light Company Pennsylvania Public Utility Commission
9006*	Big Rivers Electric Corporation Kentucky Public Service Commission *Company withdrew filing
U-7830	Consumers Power Company - Electric (Partial and Immediate) Michigan Public Service Commission
7675	Consumers Power Company - Customer Refunds Michigan Public Service Commission
5779	Houston Lighting & Power Company Texas Public Utility Commission
U-7830	Consumers Power Company - Electric - "Financial Stabilization" Michigan Public Service Commission
U-4620	Mississippi Power & Light Company (Interim) Mississippi Public Service Commission
U-16091	Louisiana Power & Light Company Louisiana Public Service Commission
9163	Big Rivers Electric Corporation Kentucky Public Service Commission
U-7830	Consumers Power Company - Electric - (Final) Michigan Public Service Commission
U-4620	Mississippi Power & Light Company - (Final) Mississippi Public Service Commission
76-18788AA & 76-18788AA	Detroit Edison (Refund - Appeal of U-4807) Ingham County Circuit Court Michigan Public Service Commission

U-6633-R	Detroit Edison (MRCS Program Reconciliation) Michigan Public Service Commission
19297	Continental Telephone Company of the South - Alabama, Alabama Public Service Commission
9283	Kentucky American Water Company Kentucky Public Service Commission
850050-EI	Tampa Electric Company Florida Public Service Commission
R-850021	Duquesne Light Company Pennsylvania Public Service Commission
TR-85-179**	United Telephone Company of Missouri Missouri Public Service Commission
6350	El Paso Electric Company The Public Utility Board of the City of El Paso
6350	El Paso Electric Company Public Utility Commission of Texas
85-53476AA & 85-534855AA	Detroit Edison-refund-Appeal of U-4758 Ingham County Circuit Court Michigan Public Service Commission
U-8091/ U-8239	Consumers Power Company-Gas Michigan Public Service Commission
9230	Leslie County Telephone Company, Inc. Kentucky Public Service Commission
85-212	Central Maine Power Company Maine Public Service Commission
850782-EI & 850783-EI	Florida Power & Light Company Florida Public Service Commission
ER-85646001 & ER-85647001	New England Power Company Federal Energy Regulatory Commission

Civil Action * No. 2:85-0652	Allegheny & Western Energy Corporation, Plaintiff, - against - The Columbia Gas System, Inc. Defendent
Docket No. 850031-WS	Orange Osceola Utilities, Inc. Before the Florida Public Service Commission
Docket No. 840419-SU	Florida Cities Water Company South Ft. Myers Sewer Operations Before the Florida Public Service Commission
R-860378	Duquesne Light Company Pennsylvania Public Service Commission
R-850267	Pennsylvania Power Company Pennsylvania Public Service Commission
R-860378	Duquesne Light Company - Surrebuttal Testimony - OCA Statement No. 2D Pennsylvania Public Service Commission
Docket No. 850151	Marco Island Utility Company Before the Florida Public Service Commission
Docket No. 7195 (Interim)	Gulf States Utilities Company Public Utility Commission of Texas
R-850267 Reopened	Pennsylvania Power Company Pennsylvania Public Service Commission
Docket No. 87-01-03	Connecticut Natural Gas Corporation Connecticut Department of Public Utility Control
Docket No. 5740	Hawaiian Electric Company Hawaii Public Utilities Commission
1345-85-367	Arizona Public Service Company Arizona Corporation Commission
Docket 011	Tax Reform Act of 1986 - California No. 86-11-019 California Public Utilities Commission

Case No. 29484 Long Island Lighting Company  
New York Department of Public Service

Docket No. 7460 El Paso Electric Company  
Public Utility Commission of Texas

Docket No.  
870092-WS\* Citrus Springs Utilities  
Before the Florida Public Service  
Commission

Case No. 9892 Dickerson Lumber EP Company -  
Complainant vs. Farmers Rural Electric  
Cooperative and East Kentucky Power  
Cooperative - Defendants  
Before the Kentucky Public Service  
Commission

Docket No.  
3673-U Georgia Power Company  
Commission Before the Georgia Public Service

Docket No.  
U-8747 Anchorage Water and Wastewater Utility  
Report on Management Audit

Docket No.  
861564-WS Century Utilities  
Commission Before the Florida Public Service

Docket No.  
FA86-19-001 Systems Energy Resources, Inc.  
Federal Energy Regulatory Commission

Docket No.  
870347-TI AT&T Communications of the  
Southern States, Inc.  
Florida Public Service Commission

Docket No.  
870980-WS St. Augustine Shores Utilities Inc.  
Florida Public Service Commission

Docket No.  
870654-WS\* North Naples Utilities, Inc.  
Florida Public Service Commission

Docket No.  
870853 Pennsylvania Gas & Water Company  
Pennsylvania Public Utility Commission

Civil Action\*  
No. 87-0446-R

Reynolds Metals Company, Plaintiff, v.  
The Columbia Gas System, Inc.,  
Commonwealth Gas Services, Inc.,  
Commonwealth Gas Pipeline Corporation,  
Columbia Gas Transmission Corporation,  
Columbia Gulf Transmission Company,  
Defendants - In the United States District  
Court for the Eastern District of Virginia -  
Richmond Division

Docket No.  
E-2, Sub 537

Carolina Power & Light Company  
North Carolina Utilities Commission

Case No. U-7830

Consumers Power Company - Step 2  
Reopened  
Michigan Public Service Commission

Docket No.  
880069-TL

Southern Bell Telephone & Telegraph  
Florida Public Service Commission

Case No.  
U-7830

Consumers Power Company - Step 3B  
Michigan Public Service Commission

Docket No.  
880355-EI

Florida Power & Light Company  
Florida Public Service Commission

Docket No.  
880360-EI

Gulf Power Company  
Florida Public Service Commission

Docket No.  
FA86-19-002

System Energy Resources, Inc.  
Federal Energy Regulatory Commission

Docket Nos.  
83-0537-Remand &  
84-0555-Remand

Commonwealth Edison Company  
Illinois Commerce Commission

Docket Nos.  
83-0537 Remand &  
84-0555 Remand

Commonwealth Edison Company  
Surrebuttal  
Illinois Commerce Commission

Docket No.  
880537-SU

Key Haven Utility Corporation  
Florida Public Service Commission

Docket No.  
881167-EI\*\*\*

Gulf Power Company  
Florida Public Service Commission



Docket No.  
881503-WS

Poinciana Utilities, Inc.  
Florida Public Service Commission

Cause No.  
U-89-2688-T

Puget Sound Power & Light Company  
Washington Utilities & Transportation  
Committee

Docket No.  
89-68

Central Maine Power Company  
Maine Public Utilities Commission

Docket No.  
861190-PU

Proposal to Amend Rule 25-14.003, F.A.C.  
Florida Public Service Commission

Docket No.  
89-08-11  
Utility Control

The United Illuminating Company  
State of Connecticut, Department of Public

Docket No.  
R-891364

The Philadelphia Electric Company  
Pennsylvania Public Utility Commission

Formal Case  
No. 889

Potomac Electric Power Company  
Public Service Company of the District of  
Columbia

Case No. 88/546\*

Niagara Mohawk Power Corporation, et al  
Plaintiffs, v. Gulf+Western, Inc. et al,  
defendants  
(In the Supreme Court County of Onondaga,  
State of New York)

Case No. 87-11628\*

Duquesne Light Company, et al, plaintiffs,  
against Gulf + Western, Inc. et al,  
defendants  
(In the Court of the Common Pleas of  
Allegheny County, Pennsylvania Civil  
Division)

Case No.  
89-640-G-42T\*

Mountaineer Gas Company  
West Virginia Public Service Commission

Docket No. 890319-EI

Florida Power & Light Company  
Florida Public Service Commission

Docket No.  
EM-89110888

Jersey Central Power & Light Company  
Board of Public Utilities Commissioners

Docket No. 891345-EI	Gulf Power Company Florida Public Service Commission
BPU Docket No. ER 8811 0912J	Jersey Central Power & Light Company Board of Public Utilities Commissioners
Docket No. 6531	Hawaiian Electric Company Hawaii Public Utilities Commissioners
Docket No. 890509-WU	Florida Cities Water Company, Golden Gate Division Florida Public Service Commission
Docket No. 880069-TL	Southern Bell Telephone Company Florida Public Service Commission
Docket Nos. F-3848, F-3849, and F-3850	Northwestern Bell Telephone Company South Dakota Public Utilities Commission
Docket Nos. ER89-* 678-000 & EL90-16-000	System Energy Resources, Inc. Federal Energy Regulatory Commission
Docket No. 5428	Green Mountain Power Corporation Vermont Department of Public Service
Docket No. 90-10	Artesian Water Company, Inc. Delaware Public Service Commission
Case No. 90-243-E-42T*	Wheeling Power Company West Virginia Public Service Commission
Docket No. 900329-WS	Southern States Utilities, Inc. Florida Public Service Commission
Docket Nos. ER89-* 678-000 & EL90-16-000	System Energy Resources, Inc. (Surrebuttal) Federal Energy Regulatory Commission
Application No. 90-12-018	Southern California Edison Company California Public Utilities Commission
Docket No. 90-0127	Central Illinois Lighting Company Illinois Commerce Commission
Docket No. FA-89-28-000	System Energy Resources, Inc. Federal Energy Regulatory Commission

Docket No. U-1551-90-322	Southwest Gas Corporation Before the Arizona Corporation Commission
Docket No. R-911966	Pennsylvania Gas & Water Company The Pennsylvania Public Utility Commission
Docket No. 176-717-U	United Cities Gas Company Kansas Corporation Commission
Docket No. 860001-EI-G	Florida Power Corporation Florida Public Service Commission
Docket No. 6720-TI-102	Wisconsin Bell, Inc. Wisconsin Citizens' Utility Board
(No Docket No.)	Southern Union Gas Company Before the Public Utility Regulation Board of the City of El Paso
Docket No. 6998	Hawaiian Electric Company, Inc. Before the Public Utilities Commission of the State of Hawaii
Docket No. TC91-040A	In the Matter of the Investigation into the Adoption of a Uniform Access Methodology Before the Public Utilities Commission of the State of South Dakota
Docket Nos. 911030-WS & 911067-WS	General Development Utilities, Inc. Before the Florida Public Service Commission
Docket No. 910890-EI	Florida Power Corporation Before the Florida Public Service Commission
Docket No. 910890-EI	Florida Power Corporation, Supplemental Before the Florida Public Service Commission

Case No. 3L-74159	Idaho Power Company, an Idaho corporation In the District Court of the Fourth Judicial District of the State of Idaho, In and For the County of Ada - Magistrate Division
Cause No. 39353*	Indiana Gas Company Before the Indiana Utility Regulatory Commission
Docket No. 90-0169 (Remand)	Commonwealth Edison Company Before the Illinois Commerce Commission
Docket No. 92-06-05	The United Illuminating Company State of Connecticut, Department of Public Utility Control
Cause No. 39498	PSI Energy, Inc. Before the State of Indiana - Indiana Utility Regulatory Commission
Cause No. 39498	PSI Energy, Inc. - Surrebuttal testimony Before the State of Indiana - Indiana Utility Regulatory Commission
Docket No. 7287	Public Utilities Commission - Instituting a Proceeding to Examine the Gross-up of CIAC Before the Public Utilities Commission of the State of Hawaii
Docket No. 92-227-TC	US West Communications, Inc. Before the State Corporation Commission of the State of New Mexico
Docket No. 92-47	Diamond State Telephone Company Before the Public Service Commission of the State of Delaware
Docket Nos. 920733-WS & 920734-WS	General Development Utilities, Inc. Before the Florida Public Service Commission
Docket No. 92-11-11	Connecticut Light & Power Company State of Connecticut, Department of Public Utility Control

Docket Nos. EC92-21-000  
& ER92-806-000

Entergy Corporation  
Before the Federal Energy Regulatory  
Commission

Docket No. 930405-EI

Florida Power & Light Company  
Before the Florida Public Service  
Commission

Docket No. UE-92-1262

Puget Sound Power & Light Company  
Before the Washington Utilities &  
Transportation Commission

Docket No. 93-02-04

Connecticut Natural Gas Corporation  
State of Connecticut, Department of Public  
Utility Control

Docket No. 93-02-04

Connecticut Natural Gas Corporation,  
Supplemental  
State of Connecticut, Department of Public  
Utility Control

Docket No. 93-057-01

Mountain Fuel Supply Company  
Before the Utah Public Service Commission

Cause No. 39353  
(Phase II)

Indiana Gas Company  
Before the Indiana Utility Regulatory  
Commission

PU-314-92-1060

US West Communications, Inc.  
Before the North Dakota Public Service  
Commission

Cause No. 39713

Indianapolis Water Company  
Before the Indiana Utility Regulatory  
Commission

93-UA-0301\*

Mississippi Power & Light Company  
Before the Mississippi Public Service  
Commission

Docket No. 93-08-06

SNET America, Inc.  
State of Connecticut, Department of Public  
Utility Control

Docket No. 93-057-01	Mountain Fuel Supply Company - Rehearing on Unbilled Revenues - Before the Utah Public Service Commission
Case No. 78-T119-0013-94	Guam Power Authority vs. U.S. Navy Public Works Center, Guam - Assisting the Department of Defense in the investigation of a billing dispute. Before the American Arbitration Association
Application No. 93-12-025 - Phase I	Southern California Edison Company (Before the California Public Utilities Commission)
Case No. 94-0027-E-42T	Potomac Edison Company (Before the Public Service Commission of West Virginia)
Case No. 94-0035-E-42T	Monongahela Power Company (Before the Public Service Commission of West Virginia)
Docket No. 930204-WS**	Jacksonville Suburban Utilities Corporation (Before the Florida Public Service Commission)
Docket No. 5258-U	Southern Bell Telephone and Telegraph Company (Before the Georgia Public Service Commission)
Case No. 95-0011-G-42T*	Mountaineer Gas Company (Before the West Virginia Public Service Commission)
Case No. 95-0003-G-42T*	Hope Gas, Inc. (Before the West Virginia Public Service Commission)
Docket No. 95-02-07	Connecticut Natural Gas Corporation State of Connecticut, Department of Public Utility Control
Docket No. 95-057-02*	Mountain Fuel Supply Before the Utah Public Service Commission

Docket No. 95-03-01	Southern New England Telephone Company State of Connecticut, Department of Public Utility Control
BRC Docket No. EX93060255 OAL Docket PUC96734-94	Generic Proceeding Regarding Recovery of Capacity Costs Associated with Electric Utility Power Purchases from Cogenerators and Small Power Producers Before the New Jersey Board of Public Utilities
Docket No. U-1933-95-317	Tucson Electric Power Before the Arizona Corporation Commission
Docket No. 950495-WS	Southern States Utilities Before the Florida Public Service Commission
Docket No. 960409-EI	Prudence Review to Determine Regulatory Treatment of Tampa Electric Company's Polk Unit 1
Docket No. 960451-WS	United Water Florida Before the Florida Public Service Commission
Docket No. 94-10-05	Southern New England Telephone Company State of Connecticut Department of Public Utility Control
Docket No. 96-UA-389	Generic Docket to Consider Competition in the Provision of Retail Electric Service Before the Public Service Commission of the State of Mississippi
Docket No. 970171-EU	Determination of appropriate cost allocation and regulatory treatment of total revenues associated with wholesale sales to Florida Municipal Power Agency and City of Lakeland by Tampa Electric Company Before the Florida Public Service Commission

Case No. PUE960296 *	Virginia Electric and Power Company Before the Commonwealth of Virginia State Corporation Commission
Docket No. 97-035-01	PacifiCorp, dba Utah Power & Light Company Before the Public Service Commission of Utah
Docket No. G-03493A-98-0705*	Black Mountain Gas Division of Northern States Power Company, Page Operations Before the Arizona Corporation Commission
Docket No. 98-10-07	United Illuminating Company State of Connecticut Department of Public Utility Control
Docket No. 98-10-07	Connecticut Light & Power Company State of Connecticut Department of Public Utility Control
Docket NO. 99-02-05	Connecticut Light & Power Company State of Connecticut Department of Public Utility Control
Docket No. 99-03-36	Connecticut Light & Power Company State of Connecticut Department of Public Utility Control
Docket No. 99-03-35	United Illuminating Company State of Connecticut Department of Public Utility Control
Docket No. 99-03-04	United Illuminating Company State of Connecticut Department of Public Utility Control
Docket No. 99-08-02	Yankee Energy System, Inc. State of Connecticut Department of Public Utility Control
Docket No. 99-08-09	CTG Resources, Inc. State of Connecticut Department of Public Utility Control



Docket No. 99-07-20	Connecticut Energy Corporation / Energy East State of Connecticut Department of Public Utility Control
Docket No. 99-09-03 Phase II	Connecticut Natural Gas State of Connecticut Department of Public Utility Control
Docket No. 99-09-03 Phase III	Connecticut Natural Gas State of Connecticut Department of Public Utility Control
Docket No. 99-04-18 Phase II	Southern Connecticut Gas Company State of Connecticut Department of Public Utility Control
Docket No. 99-057-20*	Questar Gas Company Public Service Commission of Utah
Docket No. 99-035-10	PacifiCorp dba Utah Power & Light Company Public Service Commission of Utah
Docket No. T-1051B-99-105	U.S. West Communications, Inc. Arizona Corporation Commission
Docket No. 01-035-10*	PacifiCorp dba Utah Power & Light Company Public Service Commission of Utha
Docket No. 991437-WU	Wedgefield Utilities, Inc. Before the Florida Public Service Commission
Docket No. 991643-SU	Seven Springs Before the Florida Public Service Commission
Docket No. 98P55045	General Telephone and Electronics of California California Public Utilities Commission

Docket No. 00-01-11	Consolidated Edison, Inc. and Northeast Utilities Merger State of Connecticut Before the Department of Public Utility Control
Docket No. 00-12-01	Connecticut Light & Power Company State of Connecticut Before the Department of Public Utility Control
Docket No. 000737-WS	Aloha Utilities/Seven Springs Utilities Before the Florida Public Service Commission
Consolidated Docket Nos. EL00-66-000 ER00-2854-000 EL95-33-000	Entergy Services, Inc. Before the Federal Energy Regulatory Commission
Docket No. 950379-EI	Tampa Electric Company Before the Florida Public Service Commission
Docket No. 010503-WU	Aloha Utilities, Inc. – Seven Springs Water Division Before the Florida Public Service Commission
Docket No. 01-07-06*	The Towns of Durham and Middlefield State of Connecticut Before the Department of Public Utility Control
Docket No. 99-09-12-RE-02	Connecticut Light & Power/Millstone State of Connecticut Before the Department of Public Utility Control
Civil Action No. C2-99-1181	The United States et al v. Ohio Edison et al U.S. District Court, S.D. Ohio
Docket No. 001148-ET****	Florida Power & Light Company Before the Florida Public Service Commission

Civil Action No. 99-833-Per

The United States et al v. Illinois Power  
Company  
U.S. District Court, S.D. Illinois

Civil Action No. IP99-1692-C-M/s

The United States et al v. Southern Indiana  
Gas and Electric Company  
U.S. District Court, S.D. Indiana

Civil Action No. 1:00 CV 1262

The United States et al v. Duke Power  
Company  
U.S. District Court, M.D. North Carolina

Docket No. 02-057-02\*

Questar Gas Company  
Public Service Commission of Utah

\*Case Settled

\*\*Issues Stipulated

\*\*\*Testimony Withdrawn

\*\*\*\*Case Settled, Testimony Not Filed

EXHIBIT 1

Docket No. 020010-WS  
Witness: Hugh Larkin, Jr.  
Exhibit 1

**Woodlands of Lake Placid, LP**  
General Partner - (owned by) Camper Coral

*R. Anthony Cozier - Manager*

John Lovelette - General Manager  
Teresa Lovelette - secretary/bookkeeper

**Camper Coral, Inc.**

*R. Anthony Cozier - Sole Shareholder*  
*R. Anthony Cozier - President*

**Highest Corporation**

*R. Anthony Cozier - Director*  
*R. Anthony Cozier - President*

John Lovelette - Vice-President  
Teresa Lovelette - Secretary

**LP Utilities Corp**

Owned by Anbeth Corp

*R. Anthony Cozier - Director*

John Lovelette - Director  
Teresa Lovelette - Director

**Anbeth Corporation**

*R. Anthony Cozier - Owner*  
*R. Anthony Cozier - Director*

Elizabeth Cozier - Owner  
Elizabeth Cozier - Director