

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 020010-WS

FILED: APRIL 21, 2003

STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-03-0110-PCO-WS, filed January 17, 2003, the Staff of the Florida Public Service Commission files its Prehearing Statement.

A. All Known Witnesses

William Troy Rendell
Kathy L. Welch

Additionally, Staff may call Anthony R. Cozier, John H. Lovelette, and Teresa A. Lovelette to testify. Depositions are scheduled for April 29, 2003. Staff will indicate by the May 5, 2003, Prehearing Conference, whether they intend to call those individuals as adverse witnesses.

B. All Known Exhibits

Kathy L. Welch KLW-1 Staff Audit Report

Staff reserves the right to use other exhibits for the purpose of cross-examination.

C. Staff's Statement of Basic Position

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

DOCUMENT NUMBER DATE

03628 APR 21 8

FPSC-COMMISSION CLERK

D. Staff's Position on the Issues

ISSUE 1: What are the appropriate CIAC balances for the test year ended December 31, 2001?

POSITION: Adopt OPC's position.

ISSUE 2: What is the appropriate amount to be included in rate base for working capital?

POSITION: The final amounts are subject to the resolution of other issues.

ISSUE 3: What are the appropriate rate base amounts?

POSITION: The final amounts are subject to the resolution of other issues.

NET OPERATING INCOME

ISSUE 4: What is the appropriate amount of imputed revenue, for the cost of the water and wastewater service, that should have been billed to the Resort for its rental lots?

POSITION: The appropriate amount of imputed revenue for the Resort's rental lots is \$42,768 for water and \$25,272 for wastewater. (Rendell)

ISSUE 5: What is the appropriate amount of office rent to be included in O&M expenses?

POSITION: The appropriate amount of rent is \$0. (Rendell)

ISSUE 6: What is the appropriate amount of rate case expense?

POSITION: No position pending further development of the record.

ISSUE 7: What is the appropriate test year operating income amount before any revenue increase?

POSITION: The final amount is subject to the resolution of other issues.

REVENUE REQUIREMENT

ISSUE 8: What are the appropriate revenue requirements?

POSITION: The final amounts are subject to the resolution of other issues.

RATES AND RATE STRUCTURE

ISSUE 9: What are the appropriate water and wastewater rates for Woodlands?

POSITION: The final amounts are subject to the resolution of other issues.

ISSUE 10: What are the appropriate amounts by which rates should be reduced four years after the established effective date to reflect the removal of the amortized rate case expense as required by Section 367.0816, Florida Statutes?

POSITION: The final amounts are subject to the resolution of other issues.

OTHER ISSUES

ISSUE 11: Should the utility be allowed to offset the underearnings from its wastewater system with the excess earnings from its water system.

POSITION: No position pending the further development of the record.

ISSUE 12: Should the utility be ordered to refund the revenues collected from its unauthorized rate increase?

POSITION: Yes. (Rendell)

E. Pending Motions

Staff has no pending motions.

STAFF'S PREHEARING STATEMENT
DOCKET NO. 020010-WS
PAGE 4

F. Pending Confidentiality Claims or Requests

There are no pending confidentiality claims or requests.

G. Compliance with Order No. PSC-03-0110-PCO-WS

Staff has complied with all requirements of the Order Establishing Procedure entered in this docket.

Respectfully submitted this 21st day of April, 2003.



LAWRENCE D. HARRIS, SENIOR ATTORNEY
FLORIDA PUBLIC SERVICE COMMISSION
2540 Shumard Oak Boulevard
Gerald L. Gunter Building
Tallahassee, Florida 32399-0850
Telephone No. (850) 413-6076
Facsimile No. (850) 413-6077

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 020010-WS

FILED: APRIL 21, 2003

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that one true and correct copy of STAFF'S
PREHEARING STATEMENT has been furnished by U. S. Mail this 21st day
of April, 2003, to the following:

Martin S. Friedman, Esquire
Rose Law Firm
600 S. North Lake Blvd,
Suite 600
Altamonte Springs, FL 32701

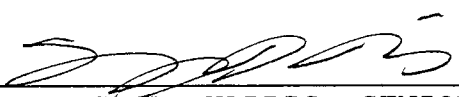
Highlands Utilities Corp.
720 U. S. Highway 27 South
Lake Placid, FL 33852-9515

L. P. Utilities Corporation
129 South Commerce Avenue
Sebring, FL 33870

The Woodlands of Lake Placid
100 Shoreline Drive
Lake Placid, FL 33852-5022

Stephen C. Burgess, Esquire
Office of Public Counsel
c/o The Florida Legislature
111 W. Madison St., Room 812
Tallahassee, FL 32399-1400

Highvest Corporation
100 Shoreline Drive
Lake Placid, FL 33852-5022


LAWRENCE D. HARRIS, SENIOR ATTORNEY
FLORIDA PUBLIC SERVICE COMMISSION
2540 Shumard Oak Boulevard
Gerald L. Gunter Building
Tallahassee, Florida 32399-0850
Telephone No. (850) 413-6076
Facsimile No. (850) 413-6077