

ORIGINAL

Records
Sheryl Johnson

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04 JUL 29 AM 8:59

Check received and being sent forwarded to Fiscal for deposit. Fiscal to forward deposit information to Records.

Initials of person who forwarded check
[Signature]

CK# 1202
CK# 375.00
7-29-04
RT

DEPOSIT DATE

483 JUL 30 2004

Receivers for the
LAZY S UTILITY
2031 EAST EDGEWOOD DR, SUITE 5
LAKELAND, FL 33803
July 26, 2004

Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

Attn: Richard Redemann

Re: Lazy S Utilities Docket No. 031087-WU

Dear Mr. Redemann:

We have the following information for you regarding the Commission's June 23 letter.

Deficiencies

- 1) The balance of the filing fee of \$375 is enclosed.
- 2) Affidavits that the notice of application establishing the service area and the rates were sent to municipalities and customer are enclosed.

Other Information

- 1) There are no resources available to the Receivers to meet the needs of the facility other than the user charges.
- 2) While one lot in the service area is in the name of the utility the title remains with the Lazy S Corporation. The utility does not propose to have any water facilities on the lot.
- 3) The water system is in compliance with the Polk County Health Department (PCHD), the regulatory agency overseeing this type of facility. All monthly tests are being performed and reported to the PCHD. The notice regarding the health of the system was included with the June user charges.
- 4) In the event a resident leaves their resident for three or more months and does not use water for that time a 50% reduction in the monthly charge is in effect. So far there are three customers who fit that category.
- 5) Prior the accepting this receivership David Blount and Charles Freed reviewed the financial status and were of the opinion that repairing the leaks

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Public Service Commission
Lazy S Utility
July 20, 2004
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would reduce the City of Lakeland's invoices to approximately \$2,000 per month. This left sufficient funds to pay for minor leaks, the required PCHD testing and administration costs. So far this has not been the situation. The inverted rate was to encourage the conservation of water. The 8,000 gallons per month was an arbitrarily high figure. Should meters ever be installed this **probably will be reduced.**

- 6) The replacement of meters will occur when sufficient funds are available. At the outset the customers were informed that since no funds were available the customers would have to pay for the meters over and above the monthly user charges. To date no funds have been collected to install meters.
- 7) We propose the \$20 reconnect fee.
- 8) The \$300 connection charge was established to cover the cost of installing the meter, the deposit (one month user charge) and establishing the account. We anticipate no more than two new accounts in a year. The area has yet to see the growth that the balance of the county has experienced.
- 9) A revised Sheet 24.0 is enclosed.
- 10) Copies of the Lakeland water bills for the past six months are enclosed.
- 11) The balance to Lakeland is noted on each bill. It is \$26,587.81. The current months bill is \$3,083.05
- 12) Invoices for the requested months of operation are enclosed.
- 13) Since meters are not read we cannot put the meter readings on the bills. **The bills will be revised when meters are read on a regular basis.**
- 14) So noted.
- 15) The line item numbers of the National Association of Regulatory Utility Commissioners is being used. However some tweaking may be necessary.

We believe this satisfies the items in your correspondence.

Very truly yours,



Charles Freed and David Blount as the Receivers for the Lazy S Utility Company.