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Public Service Commission

September 3, 2004

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

Re: Docket No. 020010-WS - Application for a Staff Assisted Rate Case - Release of Funds in Escrow Account

Dear Mr. Friedman:

We are in receipt of L.P. Utilities Inc.'s letter dated August 24, 2004, requesting release of funds in escrow Account No. [REDACTED] required by Order No. PSC-03-1051-FOF-WS. As Troy Rendell indicated to Mr. John Lovelette and you during two telephone conversations on August 31, 2004, security is normally not released until staff has verified that all refunds have been completed, pursuant to past Commission practice. Mr. Rendell further indicated to both Mr. Lovelette and you that this request will need to proceed to an agenda conference for a decision by the Commissioners.

As you are aware, pursuant to Order PSC-03-1051-FOF-WS, the Commission determined that as of August, 2003, the amount of refunds due was \$78,268, excluding interest. Further, since the utility did not reduce its water rates until November, 2003, staff calculated the refunds as of November, 2003, to be \$89,645, including interest. This information has previously been submitted to the utility by Mr. Rendell. Pursuant to the utility's refund report dated August 17, 2004, the utility indicates that total refunds of \$39,405 were made as of July, 2004. This leaves a refund balance of approximately \$50,166. These refunds are required to be completed no later than September 22, 2004.

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In order to address the utility's request to release the escrowed funds in its recommendation, staff requests the following information:

1. What is the total amount of refunds completed as of August 31, 2004?
2. How will the balance of the refund totaling \$89,645 be completed by the utility by the September 22, 2004 deadline?
3. What is the total amount of refunds that the utility intends to issue by check, as opposed to credits on bills?

DOCUMENT NUMBER - DATE

09706 SEP-3 2004

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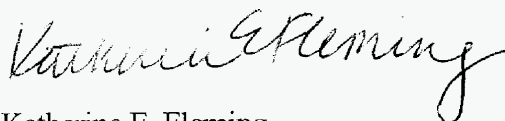
Mr. Martin Friedman
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4. Please provide a breakdown, by customer name, of the total refund received to date for each current water customer.
5. Provide a breakdown, by customer name, of the total refund received to date for each previous water customer.
6. Provide a breakdown, by customer name, of the total refund to be received for each current water customer.
7. Provide a breakdown, by customer name, of the total refund to be received for each previous water customer.
8. If the release of the escrowed funds is approved, what date will the utility issue the required checks?

In order to address the utility's request in the most expeditious manner, please submit the requested information no later than September 20, 2004. Please be advised that due to the timing of the utility's request, and the need for additional information, staff will not be able to present a recommendation at an agenda prior to the refund deadline required by Commission Order. If the utility would like to request an extension, you may consider filing a motion to relieve the utility of the Commission imposed refund deadline. If you should chose to file a motion for such relief, you should indicate what date the utility proposes to have all the required refunds completed.

Please be advised that the opinions contained in this letter are those of the Commission staff and are in no way binding upon the Commission. Finally, the utility is still required to continue filing the monthly refund reports, as well as the final refund report, pursuant to Rule 25-30.360(7), Florida Administrative Code.

Sincerely,



Katherine E. Fleming
Attorney

cc: John Lovelette, L.P. Utilities, Inc.
Division of Commission Clerk and Administrative Services (Dkt. 020010-WS & 990374-WS)
Division of Economic Regulation (Willis, Rendell, Daniels)
Office of Public Counsel