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Public Service Commission

June 7, 2006

Mr. Martin Friedman
Rose, Sunstrom & Bentley, LLP
Sanlando Center
2180 W. State Road 434, Suite 2118
Longwood, FL 32779

Re: Docket No. 060260-WS - Application for increase in water and wastewater rates in Highlands County by Lake Placid Utilities, Inc.

Dear Mr. Friedman:

We have reviewed the minimum filing requirements (MFRs) submitted on May 11, 2006, on behalf of Lake Placid Utilities, Inc. (Lake Placid or utility). After reviewing this information, we find the MFRs to be deficient. The specific deficiencies are identified below:

Rule 25-30.437, Florida Administrative Code (F.A.C.), requires that each utility applying for a rate increase shall provide the information required by Commission Form PSC/ECR 19 (11/93), entitled "Class B Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum Filing Requirements." Further, Rule 25.30-110(2), F.A.C., requires that a utility shall furnish the Commission with any information concerning the utility's facilities or operation that the Commission may request and require for determining rates or judging the practices of the utility. All such data, unless otherwise specified, shall be consistent with and reconcilable with the utility's annual report to the Commission. The following schedules are deficient pursuant to these rules.

- MP _____
- OM _____
- TR _____
- ECR _____
- SCL _____
- JPC _____
- RCA _____
- SCR _____
- SGA _____
- SEC 1
- OTH _____

1. Schedule A-1, Schedule of Water Rate Base

Utility Plant in Service Balance Per Books for 2005 does not match the balance recorded in the 2005 Annual Report. Pursuant to Rule 25-30.110, F.A.C., please provide the reconciliation of the balances in the 2005 Annual Report and MFR Schedule A-1.

Accumulated Amortization Of Acquisition Adjustment does not match the 2005 Annual Report. Pursuant to Rule 25-30.110, F.A.C., please provide the reconciliation of the balances in the 2005 Annual Report and MFR Schedule A-1.

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2. Schedule A-4, Annual Additions and Balances

The beginning balance does not match the test year ending 12/31/95 balance per Order No. PSC-96-0910-FOR-WS. Please provide a reconciliation from the 12/31/95 balance reflected in Order No. PSC-96-0910-FOR-WS to the 1995 balance reflected in MFR Schedule A-4.

3. Schedule A-5, Schedule of Water Plant in Service by Primary Account

The 12/31/04 total in this schedule does not match the total recorded in the 2005 Annual Report. Pursuant to Rule 25-30.110, F.A.C., please provide the reconciliation of the balances in the 2005 Annual Report and MFR Schedule A-5.

4. Schedule A-9, Water Accumulated Depreciation by Primary Account

The utility's 12/31/04 total does not match the total for 2004 recorded in the 2005 Annual Report. Pursuant to Rule 25-30.110, F.A.C., please provide the reconciliation of the balances in the 2005 Annual Report and MFR Schedule A-1.

5. Schedule B-1, Net Operating Statement – Water

Amortization Expense does not match the 2005 Annual Report. Pursuant to Rule 25-30.110, F.A.C., please provide the reconciliation of the balances in the 2005 Annual Report and MFR Schedule B-1.

6. Schedule B-2, Net Operating Statement – Wastewater

The Amortization Expense does not match the 2005 Annual Report. Pursuant to Rule 25-30.110, F.A.C., please provide the reconciliation of the balances in the 2005 Annual Report and MFR Schedule B-2.

7. Schedule E-1, Rate Schedule

The utility is required to provide a schedule of present and proposed rates. The utility only provided rates for those meters sizes for which they have customers

Rule 25-30.433(3), F.A.C., requires that used and useful debit deferred taxes shall be offset against used and useful credit deferred taxes, with any resulting net credit deferred balance included in the capital structure calculation and any resulting net debit balance included as a separate line item in the rate base calculation. The following schedules are deficient pursuant to this rule:

8. Schedule D-1, Requested Cost of Capital

9. Schedule D-2, Reconciliation of Capital Structure to Requested Rate Base

Mr. Martin Friedman

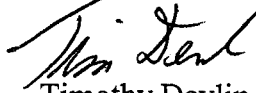
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10. Rule 25-30.440(2), FAC, requires the utility to provide a list of chemicals used for water and wastewater treatment, by type, showing the dollar amount and quantity purchased, the unit prices paid and the dosage rates utilized. The utility failed to provide an estimate of its chemical dosage rates as required by this rule.

If any above corrections require a corresponding change to any MFR schedules, those corrected schedules must also be submitted. Your petition will not be deemed filed until the deficiencies identified in this letter have been corrected. These corrections should be submitted no later than July 7, 2006.

Sincerely,



Timothy Devlin
Director

TD:tj

cc: ~~Division of Commission Clerk and Administrative Services~~
Office of the General Counsel (Fleming)
Division of Economic Regulation (Willis, Rendell, Joyce, Rieger)