

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application of)
LAKE PLACID UTILITIES, INC.)
For an increase in wastewater)
rates in Highland County, Florida)

DOCKET NO. 060260-WS

RECEIVED 4:50
MAY -4 PM 4:33
COMMISSION
CLERK

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT is made and entered into this 4th day of May, 2007, by and between Lake Placid Utilities, Inc. ("Lake Placid" or "Utility"), and the Office of Public Counsel, on behalf of the customers of Lake Placid ("Citizens").

WITNESSETH

WHEREAS, the Florida Public Service Commission ("Commission") issued Proposed Agency Action Order No. PSC-07-0287-PAA-WA in this docket on April 3, 2007, ("PAA Order"); and

WHEREAS, on April 24,, 2007, Citizens filed a timely protest to the PAA Order; and

WHEREAS, in order to avoid the time, expense and uncertainty associated with adversarial litigation, and in keeping with the Commission's long-standing policy and practice of encouraging parties in protested proceedings to settle issues whenever possible, the Citizens and Lake Placid hereby enter into this Agreement to settle this case in accordance with the terms and conditions contained herein.

NOW, THEREFORE, for and in consideration of the mutual covenants set forth below, the Citizens and Lake Placid agree as follows:

- CMP _____
- COM _____
- CTR _____
- ECR** _____
- GCL 2 _____
- OPC _____
- RCA _____
- SCR _____
- SGA _____
- SEC _____
- OTH _____

RECEIVED & FILED

R.V.N.

RECALL OF REC

DOCUMENT NUMBER-DATE

03793 MAY-4 08

FPSC-COMMISSION CLERK

1. The PAA Order shall be amended to eliminate the language relating to the determination of the used and usefulness of Lake Placid's water treatment plant. It is the intent of Lake Placid and Citizens that the PAA shall have no precedential value as to determining the used and usefulness of the water plant. Notwithstanding this amendment to the PAA Order, the parties stipulate to the revenue requirement as set forth in the PAA Order. Further, approval by Lake Placid and the Citizens of the above stipulated revenue requirements shall in no way limit or estop either party from espousing whatever positions either deems appropriate for each and every issue that might be in controversy in any subsequent proceeding.

2. The submission of this Settlement Agreement by the Parties is in the nature of an offer to settle. Consequently, if this Settlement Agreement is not accepted and approved without modification by Commission Order, then this Settlement Agreement is rejected and shall be considered null and void and neither Party may use the attempted agreement in this or any other proceeding.

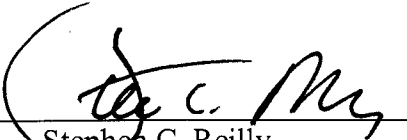
3. Lake Placid and the Citizens expressly agree that all activity relating to this docket should be suspended until the Commission disposes of the Joint Motion Requesting Commission Approval of Settlement Agreement.

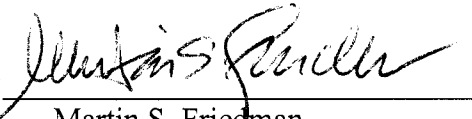
4. This Settlement Agreement will become effective on the date the Commission enters a final order approving the agreement in total. Upon the Commission issuing a final order approving this Settlement, the Citizens Petition on Proposed Agency Action shall be deemed resolved, in accordance with the terms of this Settlement Agreement.

5. The Parties have evidenced their acceptance and agreement with the provisions of this Settlement Agreement by their signatures, and personally represent that they have authority to execute this Settlement Agreement on behalf of their respective Parties.

OFFICE OF PUBLIC COUNSEL

LAKE PLACID UTILITIES, INC.

By: 
Stephen C. Reilly
Associate Public Counsel
On behalf of the Customers
of Lake Placid Utilities, Inc.

By: 
Martin S. Friedman
Attorney for Utilities, Inc. of
Pennbrooke