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DIVISION OF LEGAL SERVICES
NOREEN S. DAVIS
DIRECTOR
(904) 413-6199

Public Service Commission

September 20, 1996

Mr. Richard D. Melson, Esq.
Hopping Green Sams & Smith, P.A.
P. O. Box 6526
Tallahassee, FL 32314

Re: Docket No. ~~96000000~~ WU - Application for Increased Water Rates and Increase in Service Availability Charges by Lake Utility Services, Inc. in Lake County

Dear Mr. Melson:

Staff's review of the E Schedules in the utility's MFRs revealed that certain adjustments were made without providing the appropriate support for those adjustments. Therefore, Staff requests the following additional information.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC 1 _____
- WAS _____
- OTH _____

Please refer to MFR Schedules E-1 and E-2

1. As shown on Schedule E-2, the utility has proposed a lump sum consumption adjustment of 96,900,000 gallons; however, no support was provided for that figure. Therefore, for each service area in which the utility provides service (that is, each service area listed in Schedule E-1), please provide the amount of the projected consumption reduction, if any, that the utility believes will occur in that service area. This information should be provided by customer class and meter size in the format indicated on Attachment A of this letter. Please note that: a) the totals from the Projected Consumption Reductions column (7) on Attachment A for each service area should sum to the utility's total proposed consumption adjustment of 96,900,000 gallons; and b) the totals for actual consumption provided in column (3) of Attachment A for each service area should tie to the totals in column (3) of Schedule F-1 for that respective service area. In the event these totals do not match, please explain the reasons for the discrepancies in the totals.

2. Please provide the documentation that supports each consumption reduction figure provided in column (7) on Attachment A from above. This request includes but is not limited to all workpapers, studies or analysis used to derive the utility's projected consumption reduction figures for each service area.

DOCUMENT NO. 2.
10/17/96
9/23/96

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3. To the extent the utility lacks the documents requested in question (2) above, please explain the basis for selecting a targeted average consumption per customer of 12,000 gallons per month as mentioned in footnote (b) on Schedule E-2.

General Information

4. Please provide the gallons sold, by service area (per Schedule E-1), customer class and meter size, in a format consistent with Attachment B of this letter. Please ensure that the total gallons sold in each service area match the corresponding figures provided in response to question (1) above.
5. In order to accomplish a thorough analysis of the utility's proposed repression adjustment, a measure of customer wealth should also be considered. Therefore, for each of the utility's service areas, please provide the percentage of residential customers whose property values fall within the following ranges: a) below \$48,000; b) \$48,000 - \$71,000; and c) over \$71,000. In the event the utility is unable to obtain this information, please provide the average residential property value in each service area.

In order to allow sufficient time for Staff to analyze the data requested, please provide these responses by October 18, 1996. We request that the responses be provided on a piecemeal basis, to the extent possible. If you have any questions, please do not hesitate to contact Ms. Jennie Lingo at (904) 413-6964.

Sincerely,



Tim Vaccaro
Senior Attorney

TV:FJL/mw

Attachment A: requested format of response to question (1)
Attachment B: requested format of response to question (4)

cc: Division of Water and Wastewater (Hill, Willis, Merchant,
Crouch, Rendell, Chase, Austin, Lingo, Munroe, Zhang)
Division of Records and Reporting ✓

COMPANY: LAKE UTILITY SERVICES, INC.

ATTACHMENT A

DOCKET NO.: 960444-WU

SCHEDULE YEAR ENDED: 12/31/95

WATER WASTEWATER

NAME OF SERVICE AREA:

(1)	(2)	(3)	(4)	(5) = [(2) x (4)] + [(3) x (4)]	(6)	(7)	(8) = [(2) x (6)] + [(3) - (7)] x (6)
<u>CUSTOMER CLASS/METER SIZE</u>	<u>NO. OF BILLS</u>	<u>ACTUAL CONSUMPTION IN MGALS</u>	<u>TEST YEAR RATES</u>	<u>REVENUES @ TY RATES</u>	<u>PROPOSED RATES</u>	<u>PROJECTED CONSUMPTION REDUCTION</u>	<u>REVENUES @ PROPOSED RATES</u>

COMPANY: LAKE UTILITY SERVICES, INC.
DOCKET NO.: 960444-WU
SCHEDULE YEAR ENDED: 12/31/95
WATER WASTEWATER

ATTACHMENT B

NAME OF SERVICE AREA:

<u>CUSTOMER CLASS/METER SIZE</u>	<u>CONSUMPTION BLOCKS IN MGALS</u>	<u>NUMBER OF BILLS</u>	<u>ACTUAL CONSUMPTION IN MGALS</u>	<u>CUMULATIVE CONSUMPTION IN MGALS</u>
	0 - 1.0			
	1.1 - 2.0			
	2.1 - 3.0			
	etc.			