

Commissioners:
SUSAN F. CLARK, CHAIRMAN
J. TERRY DEASON
JULIA L. JOHNSON
DIANE K. KIESLING
JOE GARCIA



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

Public Service Commission

October 15, 1996

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

Re: Docket No. 960444-WU - Application for Increased Water Rates and Increase in Service Availability Charges By Lake Utility Services, Inc. in Lake County

Dear Mr. Melson:

This is to advise you that additional data regarding rate case expenses is needed to complete staff's analysis for Docket No. 960444-WU. For all requested rate case expense, please provide supporting information in the following format:

1. Current Rate Case Expense. Please submit all supporting documentation for rate case expense incurred since August 16, 1996 to date. For any capitalized time or time specifically charged to LUSI rate case expense by employees of Utilities Inc., please include employee time sheets or other supporting documentation. Please also provide the estimated cost to complete this case through PAA. For each firm or vendor, please provide its name, type of services rendered, a detailed description of all remaining tasks to be performed, the hourly rate per person, and total charges.
2. Rate Equalization/Limited Proceeding with PSC. For the amount of rate case expense requested by the utility, but unapproved by the Commission in prior orders, please provide a breakdown for all the expenses incurred to date. Invoice or other supporting documentation for these expenses are needed if they were not furnished to PSC auditors during their field audit.

ACK _____
 AFA _____
 APP _____
 CAF _____
 CMU _____
 CTR _____
 EAG _____
 LEG _____
 LPH _____
 OJD _____
 RCH _____
 SEC 1 _____
 WAS _____

DOCUMENT NUMBER-DATE

11090 OCT 17 96

Mr. Richard Melson

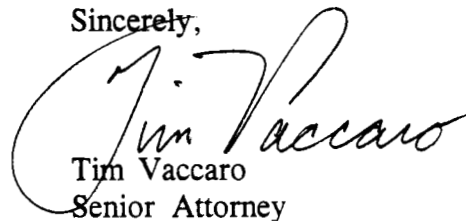
Page 2

October 15, 1996

3. Corporate Formation. Please provide an explanation as to what these costs relate and why these expenses should be treated as rate case expense and recovered through the instant rate case. If the required amount was approved by the Commission in the prior rate case/proceedings, please provide the order and docket numbers by which these amounts were approved. Invoice or other supporting documentation for these expenses are needed if they were not furnished to PSC auditors during their field audit.

To allow a reasonable amount of time for staff to review and analyze all information in this case, please submit the requested information on rate case expense by November 1, 1996. If you have any questions, please call me at (904) 413-6181.

Sincerely,



Tim Vaccaro
Senior Attorney

TV

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