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September 15, 1997

BY HAND DELIVERY

Ms. Blanca S. Bayó  
Director, Records & Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Lake Utility Services, Inc.  
Docket No. 960444-WU

Dear Ms. Bayó:

Enclosed for filing on behalf of Lake Utility Services, Inc. in the above referenced docket are the original and 15 copies of LUSI's prehearing statement, together with a WordPerfect 5.1 diskette.

- ACK 1
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG 1
- LIN 3
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC 1
- WAS Willis
- OTH \_\_\_\_\_

Copies have been provided to the parties on the attached service list.

Very truly yours,

Richard D. Melson

RDM/cc  
Enclosures

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE  
09389 SEP 15 97  
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

SEP 15 1997

In re: Application for rate increase and for increase in service availability charges in Lake County by Lake Utility Services, Inc. )  
 ) Docket No. 960444-WU  
 ) Filed: September 15, 1997  
 )  
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LAKE UTILITY SERVICES INC.'S PREHEARING STATEMENT

Lake Utility Services, Inc. (LUSI) hereby files its prehearing statement in accordance with the requirements of Order No. PSC-97-0710-PCO-WU.

A. Known Witnesses. LUSI has prefiled the direct testimony of the following witnesses. LUSI reserves the right to file rebuttal testimony by the deadline set in the Order on Procedure.

<u>Witness</u>	<u>Testimony</u>	<u>Issues</u>
Mark Kramer	Direct	2-7
Donald Rasmussen	Direct	1, 2, 3
Frank Seidman	Direct	3, 7

B. Known Exhibits. LUSI has prefiled the following direct exhibits. LUSI reserves the right to file rebuttal exhibits by the deadline set in the Order on Procedure. LUSI also reserves the right to use additional exhibits for purposes of cross-examination.

<u>Witness</u>	<u>Exhibit</u>	<u>Description</u>
Kramer	--	Accounting MFRs (7/9/96)
	--	Billing Analysis (7/9/96)

	--	Cost Allocation Schedules (6/3/96)
	MFK-1	Schedule of Rate Base
	MFK-2	Adjustments to Rate Base
	MFK-3	Schedule of Water Plant in Service
	MFK-4	Schedule of Used and Useful
	MFK-5	Schedule of Used and Useful - Distribution Mains
	MFK-6	Schedule of Operations
	MFK-7	Adjustments to Schedule of Operations
	MFK-8	Schedule of Rate Case Expense
	MFK-9	Schedule of Depreciation
	MFK-10	Capital Structure
	MFK-11	Schedule of Rates
	MFK-12	Service Availability Charge Calculation
	MFK-13	Calculation of CIAC for SAC
	MFK-14	Rate Schedule - SAC
	MFK-15	Invoice for water system
	MFK-16	Invoice for water system for Vistas Subdivision
	MFK-17	(Late-Filed) Updated Schedule of Rate Case Expense
Donald Rasmussen	--	Engineering Information in MFRs (4 volumes plus maps)
	DR-1	DEP Inspection Report (11/5/96)

	DR-2	DEP Inspection Report (6/23/97)
	DR-3	Analysis of Interconnected Mains
	DR-4	Excerpts from AWWA Water Distribution Manual
	DR-5	Distribution System(s) for LUSI
Frank Seidman	FS-1	List of Physically Independent Systems
	FS-2	Hydropneumatic Storage Facilities by System
	FS-3	Firm Reliable Capacity by System
	FS-4	Instantaneous Demands per ERC
	FS-5	Calculation of Instantaneous Demand, Margin Reserve Demand and Used and Useful Percentages for Supply, Treatment and Pumping Facilities
	FS-6	ERCs in Margin Reserve Period
	FS-7	Calculation of Service Availability Charge Analysis Parameters

C. Basic Position. LUSI is entitled to permanent rates that would produce operating revenues of \$400,856 based on test year operations. The Commission should approve the utility's requested service availability charges of \$1,200 per ERC, consisting of a \$600 plant capacity charge and a \$600 main extension charge.

D-F. Issues. LUSI's position on the issues were identified in its protest of PAA Order No. PSC-96-1187-FOF-WU are as follows:

Issue 1. Is LUSI's quality of service satisfactory?

LUSI: Yes. LUSI's quality of service is good. It meets or exceeds all applicable regulatory requirements.

Issue 2. What is the appropriate amount of utility plant in service?

LUSI: The appropriate amount of utility plant in service (excluding land of \$4,087) is \$1,874,797.

Issue 3. What is the appropriate amount of non-used and useful plant?

LUSI: The appropriate amount of non-used and useful plant is \$17,265.

Issue 4. What is the appropriate amount of CIAC to be deducted from rate base?

LUSI: The appropriate amount of CIAC to be deducted from rate base is \$996,746.

Issue 5. What is the appropriate amount of rate case expense?

LUSI: The appropriate amount of rate case expense is \$115,763. This amount includes \$17,706 in expenses related to a prior rate restructuring docket which was settled, and an estimated \$98,057 expected to be incurred in the current docket.

Issue 6. What are the appropriate margin reserve, depreciation, accumulated depreciation, amortization, accumulated amortization, revenue requirement and monthly rates?

LUSI: The appropriate amounts for these items is a fall-out from the determination of the previous issues, together with the portions of the PAA Order which were not protested. These amounts are shown on the various schedules to Mr. Kramer's direct testimony.

Issue 7. What are the appropriate service availability charges?

LUSI: The appropriate service availability charges are \$1,200 per ERC, consisting of a \$600 plant capacity charge and a \$600 main extension charge.

G. Stipulations. There are no stipulations between LUSI and the other parties at this time, although LUSI is optimistic that it will be able to settle this case prior to the prehearing conference.

H. Pending Motions. LUSI has no pending motions at this time.

I. Requirements of Order on Procedure. LUSI believes that this prehearing statement complies with all the requirements of the Order on Procedure.

RESPECTFULLY SUBMITTED this 15th day of September, 1997.

HOPPING GREEN SAMS & SMITH, P.A.

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Attorneys for Lake Utility  
Services, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished to the following by hand delivery this 15th day of September, 1997.

Tim Vaccaro  
Division of Legal Services, Room 370  
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2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

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Office of Public Counsel  
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*Tim O. Mc*

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Attorney