

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for rate	)	
increase and for increase in	)	Docket No. 960444-WU
service availability charges in	)	
Lake County by Lake Utility	)	Filed: September 17, 1997
Services, Inc.	)	
_____	)	

LAKE UTILITY SERVICES, INC.'S  
OFFER OF SETTLEMENT

Lake Utility Services, Inc. (LUSI) hereby makes the following Offer of Settlement:

WHEREAS, on May 9, 1997, the Commission issued its Notice of Proposed Agency Action Order No. PSC-97-0531-FOF-WU (PAA Order) proposing to set rates and charges for LUSI; and

WHEREAS, on May 30, 1997, LUSI protested certain portions of the PAA Order; and

WHEREAS, based on the Commission staff's review of additional supporting information supplied by LUSI through the hearing preparation and discovery process, staff has filed testimony which would support rates and charges that are higher than those proposed in the PAA Order, but lower than those requested by LUSI; and

WHEREAS, in order to avoid the time and expense of further litigation, LUSI is willing to compromise its position and to accept rates and charges supported by the staff's testimony as the basis for a settlement of this rate proceeding.

NOW, THEREFORE, LUSI makes the following Offer of Settlement:

ACK \_\_\_\_\_  
 AFA 1 \_\_\_\_\_  
 AMP \_\_\_\_\_  
 CAP \_\_\_\_\_  
 CMB \_\_\_\_\_  
 CTD \_\_\_\_\_  
 EAD \_\_\_\_\_  
 LGS 1 \_\_\_\_\_  
 LPP 3 \_\_\_\_\_  
 OFP \_\_\_\_\_  
 PCH \_\_\_\_\_  
 SEC \_\_\_\_\_  
 WAS \_\_\_\_\_  
 OTH \_\_\_\_\_

*Willis*

RECEIVED  
 BUREAU OF RECORDS

1. LUSI agrees to accept the individual account balances of Plant-in-Service as calculated by staff. These balances are contained on Exhibit PWM-1 to the prefiled direct testimony of Patricia W. Merchant. A copy of this exhibit is attached to this Offer of Settlement.

2. LUSI agrees to accept the depreciation rates and methodology of calculating individual account balances of Accumulated Depreciation as prescribed in the PAA Order. Based on this methodology, LUSI agrees to accept the individual account balances of Accumulated Depreciation as calculated by staff. These balances are contained on Exhibit PWM-2 to the prefiled direct testimony of Patricia W. Merchant. A copy of this exhibit is attached to this Offer of Settlement.

3. LUSI agrees to accept the amount of Contributions In Aid of Construction (CIAC) as calculated by staff. The amount of CIAC is contained on Schedule No. 1-A attached to this Offer of Settlement.

4. LUSI agrees to accept the amortization rates and methodology of calculating Accumulated Amortization of Contributions in Aid of Construction (CIAC) as prescribed in the PAA Order. Based on this methodology, LUSI agrees to accept the amount of Accumulated Amortization of CIAC as calculated by staff. The amount of Accumulated Amortization of CIAC is contained on Schedule No. 1-A attached to this Offer of Settlement.

5. LUSI agrees to accept rate case expense in the amount contained in the PAA Order.

6. LUSI agrees to accept a revenue requirement of \$336,767, which represents an annual increase in revenue of \$78,323 (30.31 percent). In agreeing to accept this revenue requirement for purposes of compromise and settlement, LUSI does not accept the staff's position regarding used and useful methodology or calculations or staff's position on any other issue not specifically addressed in this Offer of Settlement. Based on this revised revenue requirement, and consistent with the methodology in the PAA Order, no refund is due with respect to interim rates.

7. LUSI agrees to accept a return on equity of 11.61%, plus or minus 1%. LUSI agrees to accept an overall rate of return of 10.10%, which is the mid-point of a range of 9.68% to 10.53%.

8. LUSI agrees to accept the revised water service rates as shown in the column entitled "Staff Recommended Rates" on Schedules Nos. 4A - 4D attached to this Offer of Settlement.

9. LUSI agrees to reduce final rates following the four year amortization period pursuant to Section 367.0816, Florida Statutes, as shown on Schedule No. 5 attached to this Offer of Settlement.

10. LUSI agrees to accept the service availability charges shown in the column entitled "Staff Recommended Rates" on Schedule Nos. 6A - 6B attached to this Offer of Settlement.

11. This Offer of Settlement is made to avoid the time and expense of further litigation. In the event this Offer of Settlement is not accepted by the Commission in its entirety, and

without amendment: (a) this Offer of Settlement shall become null and void, (b) this Offer of Settlement shall not be admissible for any purpose in this or any other proceeding, and (c) LUSI does not waive its right to take any position available to it in this or any other proceeding.

12. In the event this Offer of Settlement is accepted by the Commission, this Offer of Settlement shall be attached to and become a part of the Commission's final order in this proceeding.

13. LUSI has communicated the substance of this Offer of Settlement to the Office of Public Counsel, which has intervened in this case on behalf of the Citizens of Florida. As of this date, the Office of Public Counsel has not indicated whether it is willing to accept this Offer of Settlement.

14. LUSI respectfully requests that this Offer of Settlement be presented to the Commission at the next scheduled agenda conference at which it can be considered on a non-emergency basis.

RESPECTFULLY SUBMITTED this 17th day of September, 1997.

HOPPING GREEN SAMS & SMITH, P.A.

By: 

Richard D. Melson  
P.O. Box 6526  
Tallahassee, FL 32314  
(904) 425-2313

Attorneys for Lake Utility  
Services, Inc.

LAKE UTILITY SERVICES, INC.  
 ADJUSTED BALANCES OF UTILITY PLANT IN SERVICE  
 TEST YEAR ENDED DECEMBER 31, 1995

DOCKET NO. 960444-WU  
 EXHIBIT PWM-1  
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TOTAL COMPANY

ccount No.	DESCRIPTION	BALANCE @12/31/94	ADD	RETIRE	BALANCE @12/31/95	SIMPLE AVERAGE
301	ORGANIZATION	\$14,991	\$1,567	\$0	\$16,558	\$15,775
304	STRUCTURES & IMPROVEMENT	42,380	2,633	0	45,014	43,697
307	WELLS & SPRINGS	182,775	26,721	(4,500)	204,995	193,885
311	PUMPING EQUIPMENT	96,862	21,656	(4,262)	114,257	105,559
320	WATER TREATMENT EQUIPMEN	98,164	5,236	(2,140)	101,260	99,712
330	DISTRIBUTION RESERVOIRS	77,104	9,055	(3,429)	82,731	79,918
331	TRANSMISSION & DISTRIB. MAIN	1,147,519	15,073	0	1,162,592	1,155,056
333	SERVICES	86,538	19,427	0	105,964	96,251
334	METERS & INSTALLATION	18,654	7,314	(2,696)	23,273	20,963
335	HYDRANTS	31,861	1,072	0	32,933	32,397
343	TOOLS, SHOP & GARAGE	5,405	1,333	0	6,737	6,071
	<b>TOTAL</b>	<b>\$1,802,254</b>	<b>\$111,088</b>	<b>(\$17,027)</b>	<b>\$1,896,315</b>	<b>\$1,849,285</b>
344	LABORATORY EQUIPMENT	0	261	0	261	131
346	COMMUNICATION EQUIPMENT	2,000	0	0	2,000	2,000
347	COMPUTER EQUIPMENT	4,188	0	0	4,188	4,188
348	WSC RATE BASE	17,752	4,362	0	22,114	19,933
	<b>TOTAL LUSI PLANT</b>	<b>\$1,826,194</b>	<b>\$115,711</b>	<b>(\$17,027)</b>	<b>\$1,924,879</b>	<b>\$1,875,536</b>

LAKE UTILITY SERVICES, INC.  
 ADJUSTED BALANCES OF UTILITY PLANT IN SERVICE  
 TEST YEAR ENDED DECEMBER 31, 1995

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CLERMONT I & II, AMBER HILL, LAKE RIDGE CLUB, CLERMONT COST CENTER, LUSI PARENT COSTS

ccount No.	DESCRIPTION	BALANCE @12/31/94	ADD	RETIRE	BALANCE @12/31/95	SIMPLE AVERAGE
301	ORGANIZATION	\$3,314	\$1,567	\$0	\$4,880	\$4,097
304	STRUCTURES & IMPROVEMENT	14,364	105	0	14,469	14,416
307	WELLS & SPRINGS	57,781	0	0	57,781	57,781
311	PUMPING EQUIPMENT	34,879	2,048	(280)	36,647	35,763
320	WATER TREATMENT EQUIPMEN	25,104	742	(190)	25,655	25,380
330	DISTRIBUTION RESERVOIRS	21,968	0	0	21,968	21,968
331	TRANSMISSION & DISTRIB. MAIN	138,479	5,904	0	144,383	141,431
333	SERVICES	23,488	6,818	0	30,306	26,897
334	METERS & INSTALLATION	14,262	5,903	(2,696)	17,469	15,865
335	HYDRANTS	3,780	0	0	3,780	3,780
343	TOOLS, SHOP & GARAGE	5,405	1,333	0	6,737	6,071
	<b>TOTAL</b>	<b>\$342,823</b>	<b>\$24,420</b>	<b>(\$3,166)</b>	<b>\$364,077</b>	<b>\$353,450</b>

LAKE UTILITY SERVICES, INC.  
 ADJUSTED BALANCES OF UTILITY PLANT IN SERVICE  
 TEST YEAR ENDED DECEMBER 31, 1995

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HIGHLAND PT, CRESENT BAY, CRESENT W., LK CRESENT HILLS, PRESTON, COVE, S. CLERMONT

ccount No.	DESCRIPTION	BALANCE @12/31/94	ADD	RETIRE	BALANCE @12/31/95	SIMPLE AVERAGE
301	ORGANIZATION	\$4,796	\$0	\$0	\$4,796	\$4,796
304	STRUCTURES & IMPROVEMENT	26,161	2,413	0	28,575	27,368
307	WELLS & SPRINGS	55,512	26,623	(4,500)	82,135	68,824
311	PUMPING EQUIPMENT	29,942	11,925	(2,626)	41,866	35,904
320	WATER TREATMENT EQUIPMEN	66,736	3,478	(1,393)	70,214	68,475
330	DISTRIBUTION RESERVOIRS	35,754	995	(309)	36,749	36,252
331	TRANSMISSION & DISTRIB. MAIN	837,668	7,595	0	845,263	841,465
333	SERVICES	50,501	12,119	0	62,620	56,560
334	METERS & INSTALLATION	3,252	1,412	0	4,664	3,958
335	HYDRANTS	28,081	1,072	0	29,153	28,617
343	TOOLS, SHOP & GARAGE	0	0	0	0	0
	<b>TOTAL</b>	<b>\$1,138,404</b>	<b>\$67,631</b>	<b>(\$8,828)</b>	<b>\$1,206,035</b>	<b>\$1,172,219</b>

LAKE UTILITY SERVICES, INC.  
 ADJUSTED BALANCES OF UTILITY PLANT IN SERVICE  
 TEST YEAR ENDED DECEMBER 31, 1995

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ORANGES, VISTAS I & II

ccount No.	DESCRIPTION	BALANCE @12/31/94	ADD	RETIRE	BALANCE @12/31/95	SIMPLE AVERAGE
301	ORGANIZATION	\$0	\$0	\$0	\$0	\$0
304	STRUCTURES & IMPROVEMENT	1,484	114	0	1,599	1,542
307	WELLS & SPRINGS	24,186	98	0	24,284	24,235
311	PUMPING EQUIPMENT	12,734	5,692	(572)	17,855	15,295
320	WATER TREATMENT EQUIPMEN	1,518	1,017	(557)	1,978	1,748
330	DISTRIBUTION RESERVOIRS	5,398	8,060	(3,120)	10,338	7,868
331	TRANSMISSION & DISTRIB. MAIN	121,524	1,287	0	122,811	122,168
333	SERVICES	4,974	196	0	5,170	5,072
334	METERS & INSTALLATION	0	0	0	0	0
335	HYDRANTS	0	0	0	0	0
343	TOOLS, SHOP & GARAGE	0	0	0	0	0
	<b>TOTAL</b>	<b>\$171,820</b>	<b>\$16,464</b>	<b>(\$4,249)</b>	<b>\$184,035</b>	<b>\$177,927</b>



LAKE UTILITY SERVICES, INC.  
 ADJUSTED BALANCES OF UTILITY PLANT IN SERVICE  
 TEST YEAR ENDED DECEMBER 31, 1995

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FOUR LAKES

Account No.	DESCRIPTION	BALANCE @12/31/94	ADD	RETIRE	BALANCE @12/31/95	SIMPLE AVERAGE
301	ORGANIZATION	\$6,882	\$0	\$0	\$6,882	\$6,882
304	STRUCTURES & IMPROVEMENT	223	0	0	223	223
307	WELLS & SPRINGS	11,068	0	0	11,068	11,068
311	PUMPING EQUIPMENT	8,984	1,991	(784)	10,191	9,587
320	WATER TREATMENT EQUIPMEN	4,232	0	0	4,232	4,232
330	DISTRIBUTION RESERVOIRS	2,214	0	0	2,214	2,214
331	TRANSMISSION & DISTRIB. MAIN	26,923	288	0	27,211	27,067
333	SERVICES	3,330	196	0	3,526	3,428
334	METERS & INSTALLATION	1,140	0	0	1,140	1,140
335	HYDRANTS	0	0	0	0	0
343	TOOLS, SHOP & GARAGE	0	0	0	0	0
	<b>TOTAL</b>	<b>\$64,994</b>	<b>\$2,475</b>	<b>(\$784)</b>	<b>\$66,684</b>	<b>\$65,839</b>

LAKE UTILITY SERVICES, INC.  
 ADJUSTED BALANCES OF UTILITY PLANT IN SERVICE  
 TEST YEAR ENDED DECEMBER 31, 1995

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LAKE SAUNDERS ACRES

ccount No.	DESCRIPTION	BALANCE @12/31/94	ADD	RETIRE	BALANCE @12/31/95	SIMPLE AVERAGE
301	ORGANIZATION	\$0	\$0	\$0	\$0	\$0
304	STRUCTURES & IMPROVEMENT	149	0	0	149	149
307	WELLS & SPRINGS	34,228	0	0	34,228	34,228
311	PUMPING EQUIPMENT	10,324	0	0	10,324	10,324
320	WATER TREATMENT EQUIPMEN	574	0	0	574	574
330	DISTRIBUTION RESERVOIRS	11,770	0	0	11,770	11,770
331	TRANSMISSION & DISTRIB. MAIN	22,924	0	0	22,924	22,924
333	SERVICES	4,244	98	0	4,342	4,293
334	METERS & INSTALLATION	0	0	0	0	0
335	HYDRANTS	0	0	0	0	0
343	TOOLS, SHOP & GARAGE	0	0	0	0	0
	<b>TOTAL</b>	<b>\$84,214</b>	<b>\$98</b>	<b>\$0</b>	<b>\$84,312</b>	<b>\$84,263</b>

LAKE UTILITY SERVICES, INC.  
 ADJUSTED BALANCES OF ACCUMULATED DEPRECIATION  
 AND DEPRECIATION EXPENSE  
 TEST YEAR ENDED DECEMBER 31, 1995

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TOTAL COMPANY

Acct. No.	DESCRIPTION	ACCUM. DEPR. @12/31/94	ACCUM. DEPR. @12/31/95	SIMPLE AVG. ACCUM. DEPR.	1995 DEPR. EXPENSE
301	ORGANIZATION	\$1,805	\$2,200	\$2,003	\$394
304	STRUCTURES & IMPROVEMENT	6,604	7,928	7,266	1,324
307	WELLS & SPRINGS	31,116	35,328	33,222	6,531
311	PUMPING EQUIPMENT	7,033	9,784	8,408	5,385
320	WATER TREATMENT EQUIPMEN	11,879	14,576	13,228	4,586
330	DISTRIBUTION RESERVOIRS	14,244	15,546	14,895	2,204
331	TRANSMISSION & DISTRIB. MAIN	79,451	106,312	92,881	26,913
333	SERVICES	13,399	15,805	14,602	2,406
334	METERS & INSTALLATION	1,825	2,870	2,347	1,116
335	HYDRANTS	6,182	6,902	6,542	719
343	TOOLS, SHOP & GARAGE	194	370	282	379
	<b>TOTAL</b>	<b>\$173,732</b>	<b>\$217,622</b>	<b>\$195,677</b>	<b>\$51,957</b>
344	LABORATORY EQUIPMENT	0	9	4	9
346	COMMUNICATION EQUIPMENT	275	475	375	50
347	COMPUTER EQUIPMENT	70	349	209	105
348	WSC RATE BASE	222	1,328	775	662
	<b>TOTAL LUSI DEPRECIATION</b>	<b>\$174,298</b>	<b>\$219,782</b>	<b>\$197,040</b>	<b>\$52,782</b>

LAKE UTILITY SERVICES, INC.  
 ADJUSTED BALANCES OF ACCUMULATED DEPRECIATION  
 AND DEPRECIATION EXPENSE  
 TEST YEAR ENDED DECEMBER 31, 1995

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CLERMONT I & II, AMBER HILL, LAKE RIDGE CLUB, CLERMONT COST CENTER, LUSI PARENT COSTS

Acct. No.	DESCRIPTION	ACCUM. DEPR. @12/31/94	ACCUM. DEPR. @12/31/95	SIMPLE AVG. ACCUM. DEPR.	1995 DEPR. EXPENSE
301	ORGANIZATION	\$279	\$382	\$330	\$102
304	STRUCTURES & IMPROVEMENT	2,009	2,445	2,227	437
307	WELLS & SPRINGS	9,840	11,766	10,803	1,924
311	PUMPING EQUIPMENT	1,373	2,881	2,127	1,795
320	WATER TREATMENT EQUIPMEN	2,269	3,233	2,751	1,159
330	DISTRIBUTION RESERVOIRS	3,713	4,307	4,010	593
331	TRANSMISSION & DISTRIB. MAIN	20,833	24,122	22,478	3,295
333	SERVICES	4,354	5,026	4,690	672
334	METERS & INSTALLATION	875	1,664	1,270	861
335	HYDRANTS	989	1,073	1,031	84
343	TOOLS, SHOP & GARAGE	194	370	282	379
	<b>TOTAL</b>	<b>\$46,728</b>	<b>\$57,270</b>	<b>\$51,999</b>	<b>\$11,303</b>

LAKE UTILITY SERVICES, INC.  
 ADJUSTED BALANCES OF ACCUMULATED DEPRECIATION  
 AND DEPRECIATION EXPENSE  
 TEST YEAR ENDED DECEMBER 31, 1995

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HIGHLAND PT, CRESENT BAY, CRESENT W., LK CRESENT HILLS, PRESTON, COVE, S. CLERMONT

Acct. No.	DESCRIPTION	ACCUM. DEPR. @12/31/94	ACCUM. DEPR. @12/31/95	SIMPLE AVG. ACCUM. DEPR.	1995 DEPR. EXPENSE
301	ORGANIZATION	\$752	\$872	\$812	\$120
304	STRUCTURES & IMPROVEMENT	4,401	5,230	4,816	829
307	WELLS & SPRINGS	7,059	7,027	7,043	2,292
311	PUMPING EQUIPMENT	1,660	2,064	1,862	1,795
320	WATER TREATMENT EQUIPMEN	7,464	9,152	8,308	3,116
330	DISTRIBUTION RESERVOIRS	6,326	6,992	6,659	979
331	TRANSMISSION & DISTRIB. MAIN	35,671	55,240	45,456	19,606
333	SERVICES	6,767	8,181	7,474	1,414
334	METERS & INSTALLATION	558	756	657	198
335	HYDRANTS	5,193	5,829	5,511	635
343	TOOLS, SHOP & GARAGE	0	0	0	0
	<b>TOTAL</b>	<b>\$75,852</b>	<b>\$101,344</b>	<b>\$88,598</b>	<b>\$30,984</b>

LAKE UTILITY SERVICES, INC.  
 ADJUSTED BALANCES OF ACCUMULATED DEPRECIATION  
 AND DEPRECIATION EXPENSE  
 TEST YEAR ENDED DECEMBER 31, 1995

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ORANGES, VISTAS I & II

Acct. No.	DESCRIPTION	ACCUM. DEPR. @12/31/94	ACCUM. DEPR. @12/31/95	SIMPLE AVG. ACCUM. DEPR.	1995 DEPR. EXPENSE
301	ORGANIZATION	\$0	\$0	\$0	\$0
304	STRUCTURES & IMPROVEMENT	162	208	185	47
307	WELLS & SPRINGS	3,005	3,813	3,409	807
311	PUMPING EQUIPMENT	1,185	1,726	1,455	779
320	WATER TREATMENT EQUIPMEN	173	0	87	92
330	DISTRIBUTION RESERVOIRS	386	51	218	255
331	TRANSMISSION & DISTRIB. MAIN	6,964	9,805	8,385	2,847
333	SERVICES	341	468	405	127
334	METERS & INSTALLATION	0	0	0	0
335	HYDRANTS	0	0	0	0
343	TOOLS, SHOP & GARAGE	0	0	0	0
	<b>TOTAL</b>	<b>\$12,216</b>	<b>\$16,070</b>	<b>\$14,143</b>	<b>\$4,953</b>

LAKE UTILITY SERVICES, INC.  
 ADJUSTED BALANCES OF ACCUMULATED DEPRECIATION  
 AND DEPRECIATION EXPENSE  
 TEST YEAR ENDED DECEMBER 31, 1995

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FOUR LAKES

Acct. No.	DESCRIPTION	ACCUM. DEPR. @12/31/94	ACCUM. DEPR. @12/31/95	SIMPLE AVG. ACCUM. DEPR.	1995 DEPR. EXPENSE
301	ORGANIZATION	\$774	\$946	\$860	\$172
304	STRUCTURES & IMPROVEMENT	25	32	28	7
307	WELLS & SPRINGS	3,435	3,804	3,620	369
311	PUMPING EQUIPMENT	216	0	108	499
320	WATER TREATMENT EQUIPMEN	1,957	2,150	2,053	193
330	DISTRIBUTION RESERVOIRS	1,024	1,084	1,054	60
331	TRANSMISSION & DISTRIB. MAIN	10,114	10,744	10,429	631
333	SERVICES	912	997	955	86
334	METERS & INSTALLATION	392	449	421	57
335	HYDRANTS	0	0	0	0
343	TOOLS, SHOP & GARAGE	0	0	0	0
	<b>TOTAL</b>	<b>\$18,850</b>	<b>\$20,206</b>	<b>\$19,528</b>	<b>\$2,072</b>

LAKE UTILITY SERVICES, INC.  
 ADJUSTED BALANCES OF ACCUMULATED DEPRECIATION  
 AND DEPRECIATION EXPENSE  
 TEST YEAR ENDED DECEMBER 31, 1995

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LAKE SAUNDERS ACRES

Acct. No.	DESCRIPTION	ACCUM. DEPR. @12/31/94	ACCUM. DEPR. @12/31/95	SIMPLE AVG. ACCUM. DEPR.	1995 DEPR. EXPENSE
301	ORGANIZATION	\$0	\$0	\$0	\$0
304	STRUCTURES & IMPROVEMENT	7	12	10	5
307	WELLS & SPRINGS	7,776	8,917	8,347	1,140
311	PUMPING EQUIPMENT	2,598	3,114	2,856	516
320	WATER TREATMENT EQUIPMEN	15	41	28	26
330	DISTRIBUTION RESERVOIRS	2,795	3,113	2,954	318
331	TRANSMISSION & DISTRIB. MAIN	5,868	6,401	6,135	534
333	SERVICES	1,025	1,132	1,079	107
334	METERS & INSTALLATION	0	0	0	0
335	HYDRANTS	0	0	0	0
343	TOOLS, SHOP & GARAGE	0	0	0	0
	<b>TOTAL</b>	<b>\$20,085</b>	<b>\$22,731</b>	<b>\$21,408</b>	<b>\$2,646</b>



LAKE UTILITY SERVICES, INC.  
 SCHEDULE OF WATER RATE BASE  
 TEST YEAR ENDED 12/31/95

SCHEDULE NO. 1-A  
 DOCKET NO. 960444-WU

COMPONENT	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	STAFF ADJUSTMENTS	STAFF ADJUSTED TEST YEAR
1 UTILITY PLANT IN SERVICE	\$ 1,946,058	0 \$	1,946,058	(70,522)	1,875,536
2 LAND	3,730	0	3,730	357	4,087
3 NON-USED & USEFUL COMPONENTS	(49,361)	0	(49,361)	(214,750)	(264,111)
4 ACCUMULATED DEPRECIATION	(131,754)	0	(131,754)	(65,286)	(197,040)
5 CIAC	(881,203)	0	(881,203)	(141,563)	(1,022,766)
6 AMORTIZATION OF CIAC	109,430	0	109,430	3,517	112,947
7 ACQUISITION ADJUSTMENT	(70,169)	0	(70,169)	70,169	0
8 ACCUM. AMORT. OF ACQ. ADJUS.	7,095	0	7,095	(7,095)	0
9 ADVANCES FOR CONSTRUCTION	0	0	0	(376,255)	(376,255)
10 DEBIT ACCU. DEF. INCOME TAXES	116,542	0	116,542	127,927	244,469
11 WORKING CAPITAL ALLOWANCE	27,828	0	27,828	(1,253)	26,575
12 OTHER	0	0	0	0	0
<b>RATE BASE</b>	<b>\$ 1,078,196</b>	<b>0 \$</b>	<b>1,078,196</b>	<b>(674,754)</b>	<b>403,442</b>

LAKE UTILITY SERVICES, INC.  
 ADJUSTMENTS TO RATE BASE  
 TEST YEAR ENDED 12/31/95

SCHEDULE NO. 1-B  
 DOCKET NO. 960444-WU

EXPLANATION	WATER
<b>UTILITY PLANT IN SERVICE</b>	
• To adjust utility plant in service	\$ <u>(70,522)</u>
<b>LAND</b>	
To reflect unrecorded land cost	\$ <u>357</u>
<b>NON-USED AND USEFUL PLANT</b>	
• To reflect net non-used & useful adjustment	\$ <u>(214,750)</u>
<b>ACCUMULATED DEPRECIATION</b>	
• To remove acc. depre. related to UPIS adjustments	\$ <u>(65,286)</u>
<b>CIAC</b>	
@ a) To reflect adjustment per Audit Exception No. 12	\$ (119,986)
• b) To impute CIAC on Vistas's water system	\$ 0
• c) To impute CIAC to offset margin reserve	\$ (21,577)
	<u>(141,563)</u>
<b>ACCUMULATED AMORTIZATION OF CIAC</b>	
@ a) To reflect adjustment per Audit Exception No. 12	\$ 3,226
• b) To reflect the effect of imputation of CIAC on Vistas's water plant	\$ 0
• c) To reflect the effect of imputation of CIAC on margin reserve	\$ 291
	<u>3,517</u>
<b>ACQUISITION ADJUSTMENT AMORTIZATION</b>	
To remove incorrectly recorded acquisition adjustment	\$ <u>70,169</u>
<b>ACCUMULATED AMORT. OF ACQUISITION ADJUSTMENT</b>	
To reflect the effect of removal of acquisition adjustment	\$ <u>(7,095)</u>
<b>DEFERRED INCOME TAXES</b>	
To reflect income tax on advance for construction	\$ <u>127,927</u>
<b>ADVANCE FOR CONSTRUCTION</b>	
To reflect adjustment per Audit Exception No. 12	\$ <u>(376,255)</u>
<b>WORKING CAPITAL</b>	
To reflect adjustments on operating expenses	\$ <u>(1,253)</u>

LAKE UTILITY SERVICES, INC

SCHEDULE NO. 4-A

COUNTY: LAKE

DOCKET NO. 960444-WU

RATE SCHEDULE - MONTHLY WATER RATES (BI-MONTHLY BILLING CYCLE)

TEST YEAR ENDING: DECEMBER 31, 1995

CRESCENT BAY, PRESTON COVE, SOUTH CLERMONT REGION AND ALL FUTURE AREAS SERVED

Residential	Rates Prior to Filing	Rates Approved In Settlement	Commission Approved Interim	Utility Requested Final	Staff Recommended Rates
<b>Base Facility Charge:</b>					
<u>Meter Size:</u>					
5/8 x 3/4"	\$16.52	\$6.80	\$8.64	\$8.71	\$8.39
3/4"	--	--	\$0.00	\$13.07	\$12.59
1"	--	\$17.00	\$21.61	\$21.78	\$20.98
1 1/2"	--	\$34.00	\$43.21	\$43.55	\$41.97
2"	--	\$54.40	\$69.14	\$69.68	\$67.15
3"	--	--	\$0.00	\$139.36	\$134.30
4"	--	--	\$0.00	\$217.75	\$209.84
6"	--	--	\$0.00	\$435.50	\$419.69
Gallage Charge per 1,000 Gallons	\$1.86	\$0.84	\$1.07	\$1.600	\$1.25
<b>General Service</b>					
<b>Base Facility Charge:</b>					
<u>Meter Size:</u>					
5/8 x 3/4"	\$16.52	\$6.80	\$8.64	\$8.71	\$8.39
3/4"	\$24.74	--	\$0.00	\$13.07	\$12.59
1"	\$41.24	\$17.00	\$21.61	\$21.78	\$20.98
1 1/2"	\$82.49	\$34.00	\$43.21	\$43.55	\$41.97
2"	\$131.97	\$54.40	\$69.14	\$69.68	\$67.15
3"	\$263.94	--	\$0.00	\$139.36	\$134.30
4"	\$412.41	--	\$0.00	\$217.75	\$209.84
6"	--	--	\$0.00	\$435.50	\$419.69
Gallage Charge per 1,000 Gallons	\$1.86	\$0.84	\$1.07	\$1.600	\$1.25
<b>5/8" x 3/4" meter</b>					
<b>Typical Residential Bill</b>					
3,000 Gallons	\$22.10	\$9.32	\$11.85	\$13.51	\$12.14
5,000 Gallons	\$25.82	\$11.00	\$13.98	\$16.71	\$14.64
10,000 Gallons	\$35.12	\$15.20	\$19.32	\$24.71	\$20.89

LAKE UTILITY SERVICES, INC

SCHEDULE NO. 4-B

COUNTY: LAKE

DOCKET NO. 960444-WU

RATE SCHEDULE - MONTHLY WATER RATES (BI-MONTHLY BILLING CYCLE)

TEST YEAR ENDING: DECEMBER 31, 1995

CLERMONT I & II, AMBER HILL, HIGHLAND POINT, THE ORANGES, LAKE RIDGE CLUB,  
CRESCENT WEST, LAKE CRESCENT HILLS, THE VISTAS I & II

Residential and General Service	Rates Prior to Filing	Rates Approved In Settlement	Commission Approved Interim	Utility Requested Final	Staff Recommended Rates
Base Facility Charge:					
Meter Size:					
5/8 x 3/4"	\$7.035	\$6.80	\$8.64	\$8.71	\$8.39
3/4"	--		\$0.00	\$13.07	\$12.59
1"	--	\$17.00	\$21.61	\$21.78	\$20.98
1 1/2"	--	\$34.00	\$43.21	\$43.55	\$41.97
2"	--	\$54.40	\$69.14	\$69.68	\$67.15
3"	--	--	\$0.00	\$139.36	\$134.30
4"	--	--	\$0.00	\$217.75	\$209.84
6"	--	--	\$0.00	\$435.50	\$419.69
Gallonge Charge per 1,000 Gallons	\$0.69	\$0.84	\$1.07	\$1.600	\$1.25

5/8" x 3/4" meter

Typical Residential Bill

3,000 Gallons	\$7.04	\$9.32	\$11.85	\$13.51	\$12.14
5,000 Gallons	\$7.04	\$11.00	\$13.98	\$16.71	\$14.64
10,000 Gallons	\$10.49	\$15.20	\$19.32	\$24.71	\$20.89

(A) Includes 5,000 gallons per month

LAKE UTILITY SERVICES, INC

SCHEDULE NO. 4-C

COUNTY: LAKE

DOCKET NO. 960444-WU

RATE SCHEDULE - MONTHLY WATER RATES (BI-MONTHLY BILLING CYCLE)

TEST YEAR ENDING: DECEMBER 31, 1995

*HARBOR OAKS AND FOUR LAKES SUBDIVISIONS*

Residential and General Service	Rates Prior to Filing	Commission Approved Interim	Utility Requested Final	Staff Recommended Rates
Base Facility Charge:				
Meter Size:				
5/8 x 3/4"	\$5.54 (A)	\$7.04	\$8.71	\$8.39
3/4"	--	\$0.00	\$13.07	\$12.59
1"	--	\$0.00	\$21.78	\$20.98
1 1/2"	--	\$0.00	\$43.55	\$41.97
2"	--	\$0.00	\$69.68	\$67.15
3"	--	\$0.00	\$139.36	\$134.30
4"	--	\$0.00	\$217.75	\$209.84
6"	--	\$0.00	\$435.50	\$419.69
Gallonage Charge per 1,000 Gallons	\$0.81	\$1.03	\$1.600	\$1.25

**5/8" x 3/4" meter**

**Typical Residential Bill**

3,000 Gallons	\$5.54	\$10.13	\$13.51	\$12.14
5,000 Gallons	\$7.16	\$12.19	\$16.71	\$14.64
10,000 Gallons	\$11.21	\$17.34	\$24.71	\$20.89

(A) Includes 3,000 gallons per month

LAKE UTILITY SERVICES, INC

SCHEDULE NO. 4-D

COUNTY: LAKE

DOCKET NO. 960444-WU

RATE SCHEDULE - MONTHLY WATER RATES (BI-MONTHLY BILLING CYCLE)

TEST YEAR ENDING: DECEMBER 31, 1995

LAKE SAUNDERS ACRES

Residential and General Service	Rates Prior to Filing	Commission Approved Interim	Utility Requested Final	Staff Recommended Rates
Base Facility Charge:				
Meter Size:				
5/8 x 3/4"	\$16.52	\$21.00	\$8.71	\$8.39
3/4"	--	\$0.00	\$13.07	\$12.59
1"	--	\$0.00	\$21.78	\$20.98
1 1/2"	--	\$0.00	\$43.55	\$41.97
2"	--	\$0.00	\$69.68	\$67.15
3"	--	\$0.00	\$139.36	\$134.30
4"	--	\$0.00	\$217.75	\$209.84
6"	--	\$0.00	\$435.50	\$419.69
Gallonge Charge per 1,000 Gallons	\$1.86	\$2.36	\$1.600	\$1.25

5/8" x 3/4" meter

Typical Residential Bill

3,000 Gallons	\$22.10	\$28.09	\$13.51	\$12.14
5,000 Gallons	\$25.82	\$32.82	\$16.71	\$14.64
10,000 Gallons	\$35.12	\$44.64	\$24.71	\$20.89

LAKE UTILITY SERVICES, INC

SCHEDULE NO. 5

COUNTY: LAKE

DOCKET NO. 960444-WU

RATE SCHEDULE - WATER FOUR YEAR RATE REDUCTION

TEST YEAR ENDING: DECEMBER 31, 1995

FOR ALL AREAS SERVED

**SCHEDULE OF RATE DECREASE AFTER EXPIRATION OF  
AMORTIZATION PERIOD FOR RATE CASE EXPENSE**

	<b>STAFF RECOMMENDED RATES</b>	<b>RATE DECREASE</b>
<b>Residential</b>		
Base Facility Charge:		
<u>Meter Size:</u>		
5/8 x 3/4"	\$8.39	\$0.38
3/4"	\$12.59	\$0.57
1"	\$20.98	\$0.95
1 1/2"	\$41.97	\$1.90
2"	\$67.15	\$3.05
3"	\$134.30	\$6.09
4"	\$209.84	\$9.52
6"	\$419.69	\$19.03
Gallage Charge per 1,000 Gallons	\$1.25	\$0.06
<b>General Service</b>		
Base Facility Charge:		
<u>Meter Size:</u>		
5/8 x 3/4"	\$8.39	\$0.38
3/4"	\$12.59	\$0.57
1"	\$20.98	\$0.95
1 1/2"	\$41.97	\$1.90
2"	\$67.15	\$3.05
3"	\$134.30	\$6.09
4"	\$209.84	\$9.52
6"	\$419.69	\$19.03
Gallage Charge per 1,000 Gallons	\$1.25	\$0.06

**LAKE UTILITY SERVICES, INC. (LUSI)**  
**DOCKET NO.: 960444-WU**  
**TEST YEAR ENDED: DECEMBER 31, 1995**  
**RATE SCHEDULE - SERVICE AVAILABILITY CHARGES**

Schedule 6-A

*Crescent Bay, Preston Cove, Lake Saunders Acres, South Clermont Region, and all future areas served*

<b>SERVICE AVAILABILITY CHARGES</b>	<b><u>PRESENT CHARGES</u></b>	<b><u>UTILITY'S ORIGINAL PROPOSAL</u></b>	<b><u>STAFF RECOMMENDED</u></b>
<b>PLANT CAPACITY CHARGE:</b>			
Residential - per ERC (350 gpd)	\$569.00	\$600.00	
Residential - per ERC (2100 gpd)			\$600.00
<b>MAIN EXTENSION CHARGE:</b>			
Residential - per ERC (350 gpd)	\$506.00	\$600.00	
Residential - per ERC (2100 gpd)			\$600.00
<b>METER INSTALLATION CHARGE:</b>			
5/8" x 3/4"	\$100.00	\$150.00	\$150.00
1"	\$143.00	\$250.00	\$250.00
1-1/2"	\$290.00	\$450.00	\$450.00
2"	\$400.00	\$650.00	\$650.00
All Others	Actual Cost	Actual Cost	Actual Cost
<b>GUARANTEED REVENUE CHARGE:</b>			
With prepayment of Serv. Avail Charges			
Residential-per ERC	\$14.28	\$0.00	\$0.00
<b>ALLOWANCE FOR FUNDS PRUDENTLY INVESTED:</b> (If lines constructed by the utility)	\$608.09	\$608.09	Pursuant to PAA Order
<b>ALLOWANCE FOR FUNDS PRUDENTLY INVESTED:</b> (If lines contributed to utility)	\$299.97	\$299.97	\$0.00



CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished to the following by hand delivery this 17th day of September, 1997.

Tim Vaccaro  
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\_\_\_\_\_  
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