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May 18, 1998

Tim Vaccaro, Esq.
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 980483-WU, Lake Utility Services, Inc.
Allowance for Funds Prudently Invested (AFPI)
May 19 Agenda Conference, Item #20A

Dear Mr. Vaccaro:

At the May 12 Agenda Conference there was discussion about who the recipients of AFPI charges might be, if a refund were required.

Attached is a list provided by Mr. Mark Kramer of Utilities, Inc. showing that, as of May 8, 1998, AFPI had been collected for 394 ERCs, which is 288 in addition to the 106 ERCs mentioned in the Crescent Bay tariff. Of that 288 collections, 228 (79%) were from developers and 60 (21%) were from individuals. Just 3 of the 33 developers account for 150 (52%) of the 288 collections.

In addition to the reasons stated at the Agenda Conference why a refund is not appropriate, a refund would cause significant harm to the utility without creating any significant benefit to utility customers. The developers would get a free ride. They would not have to pay the carrying costs of the plant that made the developments possible, and the revenue to the utility would be lost.

Sincerely yours,



Ben E. Girtman

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

ee: Commissioner Julia L. Johnson
Commissioner Joe A. Garcia
Commissioner J. Terry Deason
Commissioner Susan F. Clark
Commissioner E. Leon Jacobs
Mr. Charles Hill
Ms. Shannon J. Austin
Mr. Mark Kramer
Mr. Frank Seidman

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

Lake Utility Services, Inc.
 AFPI Collections over 106 ERCs
 Calculated as of 5/8/98

	<u>No. of Connections</u>	<u>Percentage of Total</u>
Developers:		
Banyan Construction	96	
Baybrook Homes	27	
Vallery Custom Homes	27	
Domigan Homes	12	
XL Homes	7	
Great American Homes	5	
S Lake Prestige Homes	5	
AM Built Homes	4	
BG Harmon	4	
Dura Craft Homes	4	
Bill Thomas Const	3	
Akers Custom Homes	2	
B Keller Homes	2	
Brent Keller Homes	2	
Godfrey Custom Homes	2	
Herb Smith Const	2	
Highland Real Estate	2	
K Golby Construction	2	
Kelly Homes	2	
KMR Development	2	
Martin Built Homes	2	
Richard Pinder	2	
Russel Lawson	2	
Edgewater Land & Dev	1	
Jaymark Builders	1	
Perkins Builders	1	
Kerkins Construction	1	
Lawson Estate Homes	1	
PEI Homes	1	
Ruona Construction	1	
Shuman Constr Co	1	
Strosnider Constr	1	
Wilmak Construction	1	
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Total Developers	228	79%
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Total Individuals	60	21%
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AFPI Collections over 106 ERCs	288	100%