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RECORDS AND
REPORTING

August 10, 1998

Ms. Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0870

RE: Application for transfer of Certificates Nos. 592-W and 509-S from Cypress Lakes Associates, Ltd. to Cypress Lakes Utilities, Inc. in Polk County; Docket No. 971220-WS

Dear Ms. Bayó:

Enclosed are an original and fifteen copies of a Petition §120.57(1) Hearing and Protest of Proposed Agency Action for filing in the above-referenced docket.

Please indicate receipt of filing by date-stamping the attached copy of this letter and returning it to this office. Thank you for your assistance in this matter.

Sincerely,

Harold McLean
Associate Public Counsel

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FPSC-BUREAU OF RECORDS

- ACK _____
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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for transfer of)
Certificates Nos. 592-W and 509-S)
From Cypress Lakes Associates,)
Ltd.. To Cypress Lakes Utilities,)
Inc. In Polk County, Florida)

Docket No. 971220-WS

Filed: August 10, 1998

PETITION FOR §120.57(1) HEARING AND
PROTEST OF PROPOSED AGENCY ACTION

The Citizens of the State of Florida, (Citizens) by and through JACK SHREVE, Public Counsel, file this protest of proposed agency action and petition for a §120.57(1) hearing, and in support thereof say:

1. Section 350.0611 Florida Statutes (1997) authorizes the Public Counsel to appear, in the name of the state or its citizens, in any proceeding or action before the Commission and to urge therein any position which he deems to be in the public interest;
2. Order No. PSC-98-0993-FOF-WS issued July 20, 1998, would affect the substantial interests of the Citizens by granting Cypress Lakes Utilities, Inc (Cypress Lakes Utilities) a rate base far in excess of the amount paid by Cypress Lakes for the utility's assets upon which rates will inevitably be based, thus providing a return on, and return of, investments never made by Cypress Lakes Utilities;
3. The Citizens identify the following issues of fact, law, and policy for resolution by the Commission in a hearing held pursuant to §120.57(1):
 - a. Did the former owners properly maintain the utility assets;
 - b. What was the condition of the assets sold to Cypress Lakes Utilities;
 - c. Should be burden of showing its actual investment be borne by Cypress Lakes Utilities;

DOCUMENT NUMBER-DATE

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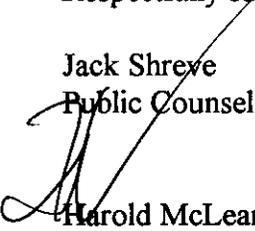
FPSC-RECORDS/REPORTING

- d. Should the Commission recognize a negative acquisition adjustment in the rate base of Cypress Lakes Utilities, and if so, how much;
 - e. What is the initial rate base of Cypress Lakes Utilities.
4. The Citizens do not contest the remaining portions of the referenced order.

WHEREFORE, the Citizens of the State of Florida file this their protest of Order No. PSC-98-0993-FOF-WS issued July 20, 1998 and demand a evidentiary hearing on the contested issues thereof pursuant to Section 120.57(1), and for such other relief as to the Commission may appear appropriate in the premissis.

Respectfully submitted,

Jack Shreve
Public Counsel


Harold McLean
Associate Public Counsel

Office of the Public Counsel
c/o The Florida Legislature
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(850) 488-9330

Attorneys for the Citizens
of the State of Florida

**CERTIFICATE OF SERVICE
DOCKET NO. 971220-WS**

I HEREBY CERTIFY that a true and correct copy of the foregoing PETITION FOR §120.57(1) HEARING AND PROTEST OF PROPOSED AGENCY ACTION has been furnished by U.S. Mail or *hand delivery to the following parties, this 10th day of August, 1998.

Noreen Davis, Esquire*
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Cypress Lakes Utilities, Inc.
200 Weathersfield Avenue
Altamonte Springs, Florida 32714

Michael L. Resnick, Esquire
1342 E. Vine Street, Suite 236
Kissimmee, Florida 34744



Harold McLean
Associate Public Counsel