

HOPPING GREEN SAMS & SMITH
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS

SCANNED

JAMES S. ALVES
BRIAN H. BIBEAU
RICHARD S. BRIGHTMAN
KEVIN B. COVINGTON
PETER C. CUNNINGHAM
RALPH A. DEMEO
RANDOLPH M. GIDDINGS
WILLIAM H. GREEN
KIMBERLY A. GRIPPA
WADE L. HOPPING
GARY K. HUNTER, JR
JONATHAN T. JOHNSON
ROBERT A. MANNING
FRANK E. MATTHEWS
RICHARD D. MELSON
ANGELA R. MORRISON

123 SOUTH CALHOUN STREET
POST OFFICE BOX 6528
TALLAHASSEE, FLORIDA 32314

(850) 222-7500
FAX (850) 224-8551
FAX (850) 425-3415

GABRIEL E. NIETO
GARY V. PERKO
MICHAEL P. PETROVICH
DAVID L. POWELL
WILLIAM D. PRESTON
CAROLYN S. RAEPPE
DOUGLAS S. ROBERTS
GARY P. SAMS
TIMOTHY G. SCHOENWALDER
ROBERT P. SMITH
CHERYL G. STUART
W. STEVE SYKES
T. KENT WETHERELL, II
OF COUNSEL
ELIZABETH C. BOWMAN

Writer's Direct Dial No.
(850) 425-2313

February 15, 1999

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

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

Dear Ms. Bayo:

Enclosed for filing on behalf of Lake Utility Services, Inc. are the original and fifteen copies of its Prehearing Statement.

By copy of this letter, this document is being furnished to the parties on the attached service list.

Very truly yours,

Richard D. Melson

Richard D. Melson

ACK _____
AFA 1
APP _____
CAF _____
CMU RDM/kcg
 Enclosures
CTR cc: Parties of Record
EAG _____
LEC 1
LIT 3
OPC _____
RON _____
SEC 1/25/99
 WAS Willis
OTH _____

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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: February 15, 1999
Services, Inc.)
_____)

LAKE UTILITY SERVICES INC.'S PREHEARING STATEMENT

Lake Utility Services, Inc. (LUSI) hereby files its prehearing statement in accordance with the requirements of the Order Revising Order Establishing Procedure, PSC-98-1622-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 Revising Order Establishing Procedure, as extended.

<u>Witness</u>	<u>Testimony</u>	<u>Issues</u>
Carl Wenz	Direct	All
Donald Rasmussen	Direct	--

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 Revising Order Establishing Procedure, as extended. LUSI also reserves the right to use additional exhibits for purposes of cross-examination.

<u>Witness</u>	<u>Exhibit</u>	<u>Description</u>
Wenz	--	Accounting MFRs (7/9/96)

	--	Billing Analysis (7/9/96)
	--	Cost Allocation Schedules (6/3/96)
	CW-1	Schedule of Water Rate Base
	CW-2	Adjustments to Rate Base
	CW-3	Statement of Water Operations
	CW-4	Adjustments to Operating Statements
	CW-5	Rate Schedules
Donald Rasmussen	--	Engineering Information in MFRs (4 volumes plus maps)

C. Basic Position. LUSI is entitled to permanent rates that would produce operating revenues of \$336,767 based on test year operations and billing determinants. 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 that remain for resolution in this docket as determined by Order No. PSC-98-1582-PCO-WU are as follows:

Issue 1. 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 \$1,875,536.

Issue 2. 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 \$1,022,766.

Issue 3. What is the appropriate cost of equity?

LUSI: The appropriate cost of equity is 11.61%, plus or minus 1%.

Issue 4. What is the appropriate amount of accumulated depreciation?

LUSI: The appropriate amount of accumulated depreciation is \$197,040.

Issue 5. What is the appropriate revenue requirement?

LUSI: The appropriate 1995 test year revenue requirement is \$336,767.

Issue 6. What are the appropriate rates?

LUSI: The appropriate rates are those shown on Exhibit CW-5.

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.

H. Pending Motions. LUSI has no pending motions at this time. The OPC has a pending motion to dismiss.

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 February, 1999.

HOPPING GREEN SAMS & SMITH, P.A.

By: Richard D. Melson
Richard D. Melson
Post Office Box 6526
123 South Calhoun Street
Tallahassee, FL 32314
904/222-7500

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 February, 1999.

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

Harold McLean
Jack Shreve
Office of Public Counsel
111 West Madison Street
Tallahassee, FL 32399

Tim D. [unclear]

Attorney