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April 15, 1999

VIA FEDERAL EXPRESS

Blanca Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: In re: Emergency Petition by D.R. Horton Custom Homes, Inc., to Eliminate Authority of Southlake Utilities, Inc., to Collect Service Availability Charges and AFPI Charges in Lake County
Docket No. 981609-WS

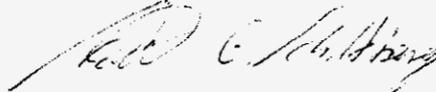
Dear Ms. Bayo:

In connection with the above-referenced matter, please find enclosed for filing an original and seven copies of Southlake Utilities, Inc.'s Answer and Response to D.R. Horton Custom Homes, Inc.'s Emergency Petition to Eliminate All Service Availability and AFPI Charges by Southlake Utilities, Inc. ("Answer and Response"). Also enclosed is a WordPerfect 6.1 formatted, high double density diskette which contains a copy of the Answer and Response.

Please file the original and distribute the copies in accordance with your usual procedures.

If you have any questions or comments regarding this matter, please do not hesitate to call.

Sincerely yours,



Scott G. Schildberg

AFA 1
APP _____
CAF _____
CML _____
CTR _____
EAG _____
LEG 1
MAS _____
OPC _____
RRR _____
SEC _____
WAW Hatcher
OTH _____

cc: Mr. Robert L. Chapman
Samantha McRae, Esquire
F. Marshall Deterding, Esquire

APR 16 1999

DOCUMENT NUMBER-DATE

04863 APR 16 99

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of D.R. Horton)
Custom Homes, Inc., for) DOCKET NO. 981609-WS
Elimination of Service)
Availability Charges and)
AFPI Charges for Southlake) DATE SUBMITTED FOR FILING:
Utilities, Inc., in Lake County) April 15, 1999
_____)

SOUTHLAKE UTILITIES, INC.'S ANSWER AND RESPONSE
TO D.R. HORTON CUSTOM HOMES, INC.'S
EMERGENCY PETITION TO ELIMINATE ALL SERVICE
AVAILABILITY AND AFPI CHARGES BY SOUTHLAKE UTILITIES, INC.

Pursuant to Rule 28-106.203, Florida Administrative Code ("FAC"), Southlake Utilities, Inc. ("Southlake"), by and through the undersigned attorneys, hereby files this Answer and Response to D.R. Horton Custom Homes, Inc.'s ("Horton") Emergency Petition to Eliminate All Service Availability and AFPI Charges ("Petition") and states as follows:

1. Southlake admits the allegations of Paragraph 1. Southlake further states that the Florida Public Service Commission ("Commission") has opened Docket No. 981609-WS for this matter.
2. Southlake admits the allegations of paragraph 2.
3. Southlake admits the allegations of paragraph 3.
4. Southlake is without knowledge as to the allegations of paragraph 4.
5. Southlake is without knowledge as to the allegations of paragraph 5, except that Southlake admits that Horton owns properties within the certificated service area of Southlake.

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FPSC-RECORDS/REPORTING

6. Southlake is without knowledge as to the allegations of paragraph 6, but Southlake states that there are disputed issues of material fact in this case at this time.

7. Southlake denies the allegations of paragraph 7, except that Southlake admits that Section 367.121(1), Florida Statutes (1997), provides as follows:

(1) The commission shall set just and reasonable charges and conditions for service availability. The commission by rule may set standards for and levels of service-availability charges and service-availability conditions. Such charges and conditions shall be just and reasonable. The commission shall, upon request or upon its own motion, investigate agreements or proposals for charges and conditions for service availability.

Southlake notes that the Petition apparently erroneously refers to Section 367.121, Florida Statutes.

8. Southlake admits the allegations of paragraph 8.

9. Southlake admits the allegations of paragraph 9.

10. Southlake admits the allegations of paragraph 10.

11. Southlake admits the allegations of paragraph 11.

12. Southlake denies the allegations of paragraph 12.

Southlake notes that some of its Contribution-In-Aid-of-Construction ("CIAC") is prepaid CIAC.

13. Southlake denies the allegations of paragraph 13.

14. Southlake admits the allegations of paragraph 14.

Southlake notes that the references to Schedules F-1 and F-2 are probably typographical errors.

15. Southlake denies the allegations of paragraph 15. Southlake notes that some of its CIAC is prepaid CIAC.

16. Southlake denies the allegations of paragraph 16. Southlake notes that Rule 25-30.580, FAC, only establishes guidelines and that Rule 25-30.580(2), FAC, provides for exemptions from the guidelines.

17. Southlake denies the allegations of paragraph 17, except Southlake admits that Sheet W-6 of Southlake's annual report for the year ended December 31, 1997, states that (i) present ERCs now being served determined by the formula on Sheet W-6 is 754 ERCs and (ii) maximum ERCs that the system can efficiently serve determined by the formula on Sheet W-6 is 1,714 ERCs.

18. Southlake denies the allegations of paragraph 18, except Southlake admits that Sheet S-6 of Southlake's annual report for the year ended December 31, 1997, states that (i) present ERCs now being served determined by the formula on Sheet S-6 is 302 ERCs and (ii) maximum ERCs that the system can efficiently serve determined by the formula on Sheet S-6 is 1,964 ERCs.

19. Southlake denies the allegations of paragraph 19.

20. Southlake denies the allegations of paragraph 20.

21. Southlake is without knowledge as to the allegations of paragraph 21.

22. Southlake denies the allegations of the request for relief paragraph.

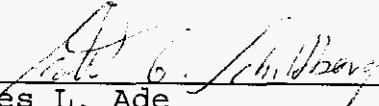
23. As a further response to the Petition, Southlake states that the Commission has opened an investigation into Southlake's

Service Availability and Allowance for Funds Prudently Invested ("AFPI") charges and that the Commission acknowledged in Order No. PSC-99-0648-PCO-WS that the Petition will be addressed after the Commission investigation is complete.

DATED this 15th day of April, 1999.

Respectfully submitted,

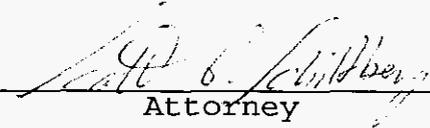
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MICKLER, P.A.

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Attorneys for Southlake
Utilities, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original and seven copies of the foregoing Southlake Utilities, Inc.'s Answer and Response to D.R. Horton Custom Homes, Inc.'s Emergency Petition to Eliminate All Service Availability and AFPI Charges by Soutlake Utilities, Inc., have been furnished to Ms. Blanca Bayo, Director, Department of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by Federal Express, this 15th day of April, 1999, and that copies of the foregoing have been furnished to Samantha McRae, Attorney, Florida Public Service Commission, Legal Division, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, and F. Marshall Deterding, Rose, Sundstrom & Bentley, LLP, 2548 Blairstone Pines Drive, Tallahassee, Florida 32301, by United States Mail this 15th day of April, 1999.


Attorney