



ORIGINAL
Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

RECORDS AND REPORTING

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RECEIVED -FPSC

DATE: May 5, 2000

TO: Director, Division of Records and Reporting (Rayo)

FROM: Division of Water and Wastewater (Merchant, Quijano)
Division of Legal Services (Cibula)

EMQ
of

RE: Docket No. 981258-WS - Investigation of Water and Wastewater of Lake Haven Utility Associates, Ltd. d/b/a Lake Wales Utility Company for Possible Overearnings

Based on a desk audit of the 1999 annual report of Lake Haven Utility Associates, Ltd. d/b/a Lake Wales Utility Company, staff has verified that the 1999 underearnings will fully offset all of the deferred excess earnings of \$10,202 from 1998 overearnings. Attached is a copy of staff's analysis of the Annual Report for the years ended 1997, 1998, and 1999.

Staff believes that there are no pending issues that need to be addressed by the Commission regarding this docket and that no refund is required.

Accordingly, pursuant to Order No. PSC-99-1742 PAA-WS, issued on September 7, 1999, please take the appropriate action to administratively close this docket.

OK
SM
5/8/00

Attachments

cc: Division of Water and Wastewater (Hoppe, Willis, Merchant, Quijano)
Division of Legal Services (Cibula)

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- MAS _____
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- RRR _____
- SEC I
- WAW _____
- OTH _____

DOCUMENT NUMBER-DATE
05701 MAY-88
FPSC-RECORDS/REPORTING

WATER SYSTEM RATE BASE	Annual Report			% Increase or Decrease	% Increase or Decrease
	1997	1998	1999	1997-98	1998-99
Plant In Service	444,446	470,771	473,054	5.92%	0.48%
Plant Held for Future Use	0	0	0	0.00%	0.00%
Accum Depreciation	(352,483)	(365,985)	(381,832)	3.83%	4.33%
Acquisition Adjustment	0	0	0	0.00%	0.00%
Amort of Acquisition Adj	0	0	0	0.00%	0.00%
C I A C	(218,000)	(218,832)	(221,354)	0.38%	1.15%
Amort of CIAC	155,740	162,149	168,630	4.12%	4.00%
Advances for Construction	0	0	0	0.00%	0.00%
Working Capital	10,905	11,698	14,342	7.28%	22.60%
RATE BASE	40,608	59,801	52,840	47.27%	-11.64%
<u>NET OPERATING INCOME</u>					
Operating Revenues	140,740	127,512	127,445	-9.40%	-0.05%
Operating Expenses:					
Operating Expense	87,236	93,584	114,738	7.28%	22.60%
Depreciation Expense	12,152	7,093	9,366	-41.63%	32.05%
Amortization Expense	0	0	0	0.00%	0.00%
Taxes Other Than Income	8,232	10,215	10,585	24.09%	3.62%
Other	0	0	0	0.00%	0.00%
Income Taxes	0	0	0	0.00%	0.00%
Total Expenses	107,620	110,892	134,689	3.04%	21.46%
Net Operating Income(Loss)	33,120	16,620	(7,244)	-49.82%	-143.59%
RATE OF RETURN	81.56%	27.79%	-13.71%	-65.92%	-149.33%

WASTEWATER SYSTEM RATE BASE	Annual Report			% Increase or Decrease	% Increase or Decrease
	1997	1998	1999	1997-98	1998-99
Plant In Service	689,088	689,088	692,512	0.00%	0.50%
Plant Held for Future Use	0	0	0	0.00%	0.00%
Accum Depreciation	(412,985)	(442,046)	(471,220)	7.04%	6.60%
Acquisition Adjustment	0	0	0	0.00%	0.00%
Amort of Acquisition Adj	0	0	0	0.00%	0.00%
C I A C	(157,439)	(158,856)	(163,150)	0.90%	2.70%
Amort of CIAC	139,316	145,425	151,695	4.38%	4.31%
Advances for Construction	0	0	0	0.00%	0.00%
Working Capital	13,818	17,290	22,494	25.12%	30.10%
RATE BASE	271,798	250,901	232,331	-7.69%	-7.40%
<u>NET OPERATING INCOME</u>					
Operating Revenues	214,793	199,349	198,989	-7.19%	-0.18%
Operating Expenses:					
Operating Expense	110,546	138,318	179,952	25.12%	30.10%
Depreciation Expense	14,326	22,952	22,904	60.21%	-0.21%
Amortization Expense	0	0	0	0.00%	0.00%
Taxes Other Than Income	13,014	15,319	16,230	17.71%	5.95%
Other	0	0	0	0.00%	0.00%
Income Taxes	0	0	0	0.00%	0.00%
Total Expenses	137,886	176,589	219,086	28.07%	24.07%
Net Operating Income(Loss)	76,907	22,760	(20,097)	-70.41%	-188.30%
RATE OF RETURN	28.30%	9.07%	-8.65%	-67.94%	-195.36%

COMBINED WATER/SEWER RATE BASE	Annual Report			% Increase or Decrease	% Increase or Decrease
	1997	1998	1999	1997-98	1998-99
Plant In Service	1,133,534	1,159,859	1,165,566	2.32%	0.49%
Plant Held for Future Use	0	0	0	0.00%	0.00%
Accum Depreciation	(765,468)	(808,031)	(853,052)	5.56%	5.57%
Acquisition Adjustment	0	0	0	0.00%	0.00%
Amort of Acquisition Adj	0	0	0	0.00%	0.00%
CIAC	(375,439)	(377,688)	(384,504)	0.60%	1.80%
Amort of CIAC	295,056	307,574	320,325	4.24%	4.15%
Advances for Construction	0	0	0	0.00%	0.00%
Working Capital	24,723	28,988	36,836	17.25%	27.08%
RATE BASE	312,406	310,702	285,171	-0.55%	-8.22%
<u>NET OPERATING INCOME</u>					
Operating Revenues	355,533	326,861	326,434	-8.06%	-0.13%
Operating Expenses:					
Operating Expense	197,782	231,902	294,690	17.25%	27.08%
Depreciation Expense	26,478	30,045	32,270	13.47%	7.41%
Amortization Expense	0	0	0	0.00%	0.00%
Taxes Other Than Income	21,246	25,534	26,815	20.18%	5.02%
Other	0	0	0	0.00%	0.00%
Income Taxes	0	0	0	0.00%	0.00%
Total Expenses	245,506	287,481	353,775	17.10%	23.06%
Net Operating Income(Loss)	110,027	39,380	(27,341)	-64.21%	-169.43%
RATE OF RETURN	35.22%	12.67%	-9.59%	-64.01%	-175.64%