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August 11, 2000

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 110
Tallahassee, Florida 32399-0850

HAND DELIVERY

Re: Docket No. ~~000295-WG~~: Application of Placid Lakes Utilities, Inc. for
Increased Water Rates in Highlands County

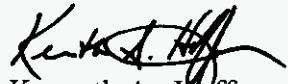
Dear Ms. Bayo:

Enclosed herewith for filing in the above-referenced docket on behalf of Placid Lakes Utilities, Inc. ("Placid Lakes") are an original and nineteen copies of a supplement to Schedule B-12 of Placid Lakes' Revised Minimum Filing Requirements, reflecting the allocation methodology for the allocation of parent company expenses and the derivation of the total amount of the management fee paid by Placid Lakes to its parent company. This document is filed in response to the staff's August 4, 2000 deficiency letter.

Please acknowledge receipt of these documents by date stamping the enclosed copy of this letter and returning it to the undersigned.

Thank you for your assistance with this filing.

Sincerely,


Kenneth A. Hoffman

APP _____
CAF _____
CMP _____
COM 5
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ECR 1
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PAI _____
RGO 2
SEC _____
SER _____
OTH gtr

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Enclosures

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DOCUMENT NUMBER-DATE

09747 AUG 11 8

FPSC-RECORDS/REPORTING

Ms. Blanca S. Bayo, Director

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June 9, 2000

cc: Ms. Pam Brewer, with enclosure

Mr. John Guastella, with enclosure

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Calculation of Management Fee (Allocation Methodology):

Work Paper
Schedule: B-12 (Supplement)

1) Administrative Salaries - Based on time devoted to Utility.					
			Normal Allocation		
			LPH	PLU	
1999 Total Salary & Benefits	\$37,618		\$18,809	\$18,809	
Rate case allocation			75.0%	\$28,213	
Rate case wages				\$9,404	
Avg rate case wages (4 Yr Interval)				\$2,351	USE
Average Admin. Salaries				<u>\$21,160</u>	<u>\$21,160</u>
2) Supplementary Field Wages - Based on 10% of LPH employees.					
			10% Allocation		
			LPH	PLU	
1999 - J. Benitez (annualized)	\$18,538		\$16,684	\$1,854	
1999 - N. Brewer	\$27,210		\$24,489	\$2,721	USE
Average Wages				<u>\$4,575</u>	<u>\$5,000</u>
3) Accounting / Tax Returns - Based on time devoted of 30-40%.					
			Allocation		
			LPH	PLU	USE
1999 Annual Cost	\$12,100		\$7,865	\$4,235	<u>\$4,250</u>
			65%	35%	
4) Office Supplies & Equipment - Based on estimate of use.					
			Allocation		
	Actual	Est.	LPH	PLU	USE
1999 Annual Cost	\$3,475	\$3,400	\$2,380	\$1,020	<u>\$1,000</u>
			70%	30%	
5) Phone & Alarm System - Based on estimate of use.					
			Allocation		
	Actual	Est.	LPH	PLU	USE
1999 Annual Cost	\$811	\$700	\$490	\$210	<u>\$200</u>
			70%	30%	
6) Trash Removal / Dump Fees - Based on estimate of use.					
			Allocation		
	Actual	Est.	LPH	PLU	USE
1999 Annual Cost	\$297	\$300	\$60	\$240	<u>\$250</u>
			20%	80%	
7) Machinery & Equipment Use - Based on estimate of use.					
			Allocation		
	Actual	Est.	LPH	PLU	USE
1999 Annual Cost	\$4,085	\$4,000	\$3,000	\$1,000	<u>\$1,000</u>
			75%	25%	
8) Property Taxes fro Wells 2 and 3 - Based on approx 2.5 of 30 acres.					
			Allocation		
	Actual	Est.	LPH	PLU	USE
1999 Annual Cost	\$6,681	\$6,000	\$5,500	\$500	<u>\$500</u>
9) Water and Sewer Bills - Based on estimate of use.					
			Allocation		
	Actual	Est.	LPH	PLU	USE
1999 Annual Cost	\$610	\$800	\$400	\$400	<u>\$400</u>