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TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

March 11, 2002

Martin P. McDonnell
Rutledge, Ecenia, Purnell & Hoffman, P.A.
P.O. Box 551
Tallahassee, Florida 32302

Re: Docket No. 011621-WU - Petition for limited proceeding to implement an increase in water rates in Highlands County, by Placid Lakes Utilities, Inc.

Dear Mr. McDonnell:

After review of Placid Lakes Utilities, Inc.'s (utility) petition for limited proceeding, staff has identified a need for additional information vital to proceeding with this case. Staff therefore requests that the utility supply the following information:

GENERATOR

1. Has the generator been purchased? If so, when was it purchased and for how much? If not, please explain why not, and identify when the utility plans to purchase the generator.
2. What is the book cost of the old generator?

METERS

3. Please explain why it is prudent to replace all meters at the same time.
4. The information submitted in this docket indicates that there are three classes of meters being replaced, for a total of 1,500 meters. Please explain the significance of these classes as it relates to the utility's meter replacement decision.
5. Please identify how many of the 1,500 meters have thus far been replaced. Please identify how many will be replaced in the next three months. Please identify how many meters have been replaced by the utility in the last five years.
6. Is it the utility's contention that each of the 1,500 meters to be replaced have reached the end

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of their useful life? In the event that a meter has not reached the end of its useful life and is not otherwise malfunctioning, please explain whether the utility still intends to replace that meter.

7. Please identify the dollar amount of the retired meters.

LINE LOOP

8. Has construction of the line loop extension been completed? If the construction is still in progress, please identify the costs incurred to date and state when construction will be completed.
9. Please provide an explanation of any other benefits, other than increased pressure, associated with the line loop additions.
10. Does the utility expect any new customers or development along the area of the line loop extension? If so, please provide an expected date of interconnection. If unable to provide a specific date, please provide an explanation as to why the utility believes new customers or development will occur.
11. The estimates for the line loop expired on December 31, 2001. Are these estimated costs expected to remain the same? If not, please provide the new estimated costs.

OTHER

12. Does the utility plan to sell its water system? If so, please identify the purchaser, if known, and the date at which the sale is expected to close.

As time is of the essence in order to permit staff sufficient time to analyze the data requested, please provide responses to the above questions by April 8, 2002. If you have any questions, please do not hesitate to contact me at (850) 413-7011, or Jennifer Brubaker at (850) 413-6228.

Sincerely,



Denise-Mounie' Greene, Accountant

DG

cc: Division of the Commission Clerk and Administrative Services
Office of the General Counsel (Brubaker)
Division of Economic Regulation (Merchant, Munroe)