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March 21, 2002

Ms. Denise-Mounie' Greene
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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 Ms. Greene:

Enclosed herewith are the responses of Placid Lakes Utilities, Inc. ("Placid Lakes") to the information requested by you in your letter dated March 11, 2002:

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.

Response:

The generator has not been purchased. Placid Lakes is awaiting a ruling from the Commission in this limited proceeding so that it can determine whether the money to be advanced by Lake Placid Holding Company for the purchase of the generator will be considered a stock purchase by the Commission. Placid Lakes was aware of its need to replace the generator at the time it filed its last rate case with the Commission, but was advised to withdraw its request for the generator in the rate case and to apply for the funds in a limited proceeding. Placid Lakes is following staff's advice in that regard as Lake Placid Holding Company is hesitant to add any more money to the current increasing outstanding debt that continues to date to be unpaid. Placid Lakes has submitted an estimate of the cost for the new generator as Exhibit "A" to its Petition for a Limited Proceeding to Implement Increase in Water Rates.

AUS _____
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CMP _____
COM _____
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ECR _____
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2. What is the book cost of the old generator?

Response:

The old generator was purchased in 1972, and unfortunately Placid Lakes' records only go back to 1974. Due the age of the generator, one could assume that it has been completely depreciated.

3. Please explain why it is prudent to replace all meters at the same time.

Response:

Ms. Denise-Mounie' Greene advised on March 11, 2002, that this question was adequately answered in Placid Lakes' previous discovery response.

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.

Response:

Attached hereto as Exhibit "A" is a copy of the cost estimate indicating the three different meter classes. Class 1 is the replacement of a meter only; Class 2 requires not only a meter replacement but adjustment and support; and Class 3 is for meter replacement and replacement of the entire meter box. Exhibit "A" lists costs for each class and the attendant labor.

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.

Response:

As previously reported, Placid Lakes has been installing meters that can be modified to wand read since 1999. Attached hereto as Exhibit B is a copy of a report previously provided to the Commission showing the ages of the meters and the years installed. Since 1999, Placid Lakes has installed approximately 113 meters that can have the wand read pad installed. Placid Lakes felt that it was prudent to install some of the meters prior to petitioning the Commission for this limited proceeding in order to adequately assess its costs to replace all the meters. Placid Lakes selected the route that has the oldest meters and has replaced approximately 118 meters that were at least 20 years old. Placid Lakes could replace all remaining meters with the wand read within one year of

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the Commission's order in this limited proceeding. The schedule attached hereto as Exhibit "B" reflects that Placid Lakes has only replaced meters when needed. If a meter had recently been installed or

did not need to be replaced, Placid Lakes did not replace the meter, and the corresponding space in Exhibit "B" is left blank. In addition to the above, Placid Lakes has replaced approximately 15 other meters that had stopped working. Therefore, Placid Lakes has replaced a total of approximately 133 meters 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 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.

Response:

Placid Lakes contends that meters older than fifteen years old have questionable accuracy. Placid Lakes does not intend to replace any meter that is working properly. However, it is essential that Placid Lakes avoid the possibility of charging customers for water billed incorrectly due to old inaccurate meters.

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

Response:

Older meters were put on the book at \$175 per meter or \$23,275.00.

8. Has construction of the line loop extension been completed? If the construction is still in progress, please identify the cost incurred to date and state when construction will be completed.

Response:

Placid Lakes has not completed construction of the line loop extension. Placid Lakes is awaiting a ruling from the Commission in this limited proceeding so that it can determine whether the money to be advanced by Lake Placid Holding Company for the line loop extension will be considered a stock purchase by the Commission.

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9. Please provide an explanation of any other benefits, other than increased pressure, associated with the line loop additions.

Response:

There is no benefit other than increased pressure, which is needed to ensure compliance with Florida law and Department of Environmental Protection regulations.

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.

Response:

Placid Lakes has no reason to believe that any new customers will connect to the line loop extension. As previously explained to Commission staff, the line is merely a transmission line. The only potential new customers are not currently in Placid Lakes' service availability area, and there are no intentions of expanding the area to include additional customers.

11. The estimates for the line loop expired on December 31, 2001. Are the estimated costs expected to remain the same? If not, please provide the new estimated costs.

Response:

The costs are expected to remain the same.

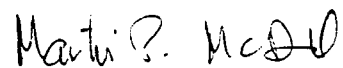
12. Does the utility plan to sell its water system? If so, please identify the purchaser, if known, and the date at which the sale is expected to close.

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Response:

Placid Lakes has no plans to sell the utility. Placid Lakes has not sought nor received any offers to purchase the facility.

Sincerely,

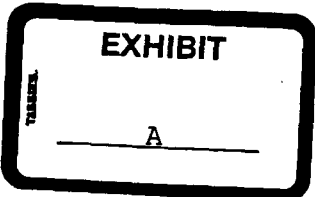


Martin P. McDonnell

MPM/rl
Enclosures

cc: Ms. Pam Brewer, with enclosures

Placid\Greene.31tr



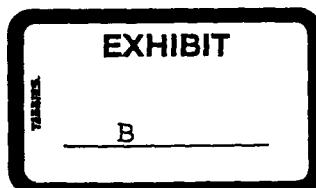
**COST ESTIMATE
METERS AND LABOR**

CLASS 1		
559	LABOR	
	2 MEN /30 MINUTES PLUS TRUCK & TOOLS	\$15.00
	PARTS	
	2 RUBBER WASHERS	\$0.50
	1 EXPANDER	\$16.00
	1 METER	\$78.50
	TOTAL PER METER	\$110.00
	TOTAL PER CLASS	\$61,490.00
CLASS 2		
651	LABOR	
	2 MEN/60 MINUTES PLUS TRUCK & TOOLS	\$30.00
	PARTS	
	2 RUBBER WASHERS	\$0.50
	1 EXPANDER	\$13.08
	1 2x8x16 CEMENT BLOCK	\$1.66
	1 3/4" 90	\$0.55
	1 3/4" COUPLING	\$0.45
	24" 3/4" PVC	\$0.26
	1 METER	\$78.50
	TOTAL PER METER	\$125.00
	TOTAL PER CLASS	\$81,375.00
CLASS 3		
200	LABOR	
	2 MEN/2 HOURS PLUS TRUCK & TOOLS	\$80.00
	PARTS	
	1 GULF METER BOX	\$159.00
	1 METER	\$78.50
	1" OR 3/4" POLY TUBING	\$33.62
	1 3/4" FEMAL ADAPTOR	\$0.70
	2 3/4" 90	\$1.10
	2 3/4" COUPLINGS	\$0.90
	1 2x8x16 CEMENT BLOCK	\$1.66
	1 Y 44-243	\$14.52
	TOTAL PER METER	\$350.00
	TOTAL PER CLASS	\$70,000.00
CLASS 1	METER REPLACEMENT ONLY	\$81,490.00
CLASS 2	METER BOX NEEDS RAISED AND SUPPORTED	\$81,375.00
CLASS 3	METER BOX NEEDS REPLACED/PLASTIC BOXES THAT ARE CRACKED OR BROKEN	\$70,000.00
	TOTAL FOR METERS AND LABOR	\$212,865.00

PLACID LAKES UTILITIES, INC.							
METER	YEAR	NUMBER					
AGES	INSTALLED	SF RES	DUPLEX	TRIPLEX	4-PLEX	COMMERCIAL	
	2001	# 28	* 5				
0-10 YRS	2000	# 31			1		3
	1999	# 45					2
	1998	48	2				
	1997	66	2				
	1996	38	2				
	1995	29	4				
	1994	35					
	1993	27	5				
	1992	25	3				
401		372	23	0	1		5
10-20 YRS	1991	21					
	1990	45	7				1
	1989	56	5				
	1988	61	1				
	1987	57			3		
	1986	74	5				
	1985	65	3				
	1984	53	2				
	1983	45					
	1982	48					
552		525	23	0	3		1
Over 20 YRS							
548							

* Not new construction, but owner splitting duplex with one meter into a meter each side. Mostly because of increasing scale of billing.

New type meters installed in these years. Plus an additional 15 meters were replaced that had stopped working.



	Location	Old Meter #	Old Reading	New Meter #	New Reading	Class
1	LPH Barn					
2	PLU Barn					
3	Fire House	E514207	516200	74908734	10	1
4	174-172 Wilson Way NE					
6	172-174 Wilson Way NE			73700902		3
6	170-168 Wilson Way NE					
7	168-170 Wilson Way NE	G006339	2487300	74908726	10	3
8	167-165 Wilson Way NE	T524001	538540	74908729	10	1
9	165-167 Wilson Way NE	T524058	348560	74908728	10	1
10	161-159 Wilson Way NE	V304028	1289370	74908725	10	3
11	151-149 Wilson Way NE	O522990	3994180	74908732	10	3
12	160-158 Wilson Way NE	8303540	3982930	74908733	10	3
13	111 Loquat NE	G006338	707610	74908731	10	3
14	115 Loquat NE	F808531	349550	74908730	10	3
16	117 Loquat NE	127241101	913170	74908741	10	3
16	119 Loquat NE	117387052	204280	74908742	10	3
17	123 Loquat NE	O513431	777210	74908740	10	2
18	125 Loquat NE	X312044	73690	74908744	10	2
19	127 Loquat NE	New Box				
20	135 Loquat NE		1072500	74927140	10	2
21	137 Loquat NE	F806546	1588820	74908923	10	1
22	139 Loquat NE	New Service			5190	1
23	141 Loquat NE	8716482	576780	74908924	10	2
24	143 Loquat NE	8446456	514690	74908959	10	2
25	145 Loquat NE	8528910	446030	74908743	10	1
26	147 Loquat NE	8303533	1122190	75124582	10	1
27	151 Loquat NE	8622080	380450	74956039	10	1
28	160 Loquat NE	E514213	762370	74908735	10	2
29	150 Loquat NE	23042123	1673730	73820732	40	2
30	146 Loquat NE	23042121	1471320	74908739	10	1
31	140 Loquat NE	8431116	1083670	74908914	10	1
32	138 Loquat NE	22532966	1600430	74927139	10	2
33	134 Loquat NE	G006336	1275580	74956038	10	2
34	130 Loquat NE	8571838	229890	75124581	10	2
35	126 Loquat NE	8346817	211240	74882314	10	1
36	124 Loquat NE	8303416	1728500	74882315	10	1
37	122 Loquat NE	F835220	984690	74882316	10	2
38	120 Loquat NE	F887365	701110	74882317	10	2
39	116 Loquat NE	D265359	850120	74882318	10	2
40	114 Loquat NE	F835218	952330	74882319	10	2
41	108 Loquat NE	8565415	685510	74882320	10	1
42	104 Loquat NE		2008450	74882321	10	2
43	102 Loquat NE	8511365	725080	74882322	10	1
44	108 Cumquat NE	8709196	1031950	74882323	10	1
45	112 Loquat NE					3
46	110 Loquat NE					3
47	219 Cumquat NE		520750	74882304	10	1
48	227 Cumquat NE	F835216	1085000	74882305	10	1
49	229 Cumquat NE					
50	231 Cumquat NE					
51	233 Cumquat NE	8346782	1458930	74882306	10	2
52	235 Cumquat NE	D265381	1552140	74882307	10	2
53	241 Cumquat NE	F831997	1636620	74882308	10	2
54	247 Cumquat NE	8622059	588740	74882309	10	2

	Location	Old Meter #	Old Reading	New Meter #	New Reading	Class
55	249 Cumquat NE	8528906	548310	74882310	10	2
56	251 Cumquat NE	8511404	788080	74882311	10	2
57	255 Cumquat NE	O520878	815250	74882312	10	1
58	257 Cumquat NE	T511139	797000	74882313	10	1
59	259 Cumquat NE	8824815	894650	74882294	10	2
60	261 Cumquat NE	O522889	602760	74882295	10	2
61	263 Cumquat NE	R211788	164060	74882298	10	2
62	269 Cumquat NE	F806541	602090	74882297	10	1
63	271 Cumquat NE	O505585	647440	74882298	10	1
64	275 Cumquat NE	8653240	326520	74882299	10	2
65	277 Cumquat NE	8565447	395850	74882300	10	2
66	278 Cumquat NE	8533642	1042400	74882301	10	1
67	270 Cumquat NE	T524052	693190	74882302	10	1
68	272 Cumquat NE	P513490	664220	74882364	10	1
69	286 Cumquat NE	O505582	693250	74882365	10	2
70	284 Cumquat NE	8511378	132971	74882368	10	1
71	262 Cumquat NE	8515794	43731	74882369	10	1
72	258 Cumquat NE	8303424	81302	74882370	10	2
73	254 Cumquat NE	X312171	12740	74882371	10	1
74	252 Cumquat NE	8841818	894473	74882372	10	1
75	250 Cumquat NE	8571929	92349	74882373	10	1
76	248 Cumquat NE	E523275	32777	74882374	10	1
77	246 Cumquat NE	8653358	62222	74882375	10	1
78	242 Cumquat NE	23799007	139055	74882376	10	1
79	240 Cumquat NE	8653415	122276	74882377	10	1
80	236 Cumquat NE	E588078	957502	74882378	10	1
81	234 Cumquat NE	D265344	147364	74882379	10	1
82	232 Cumquat NE	8806601	55553	74882380	10	1
83	230 Cumquat NE	6045922	154238	74882381	10	2
84	228 Cumquat NE	E580697	121365	74882382	10	1
85	226 Cumquat NE	8806571	66447	74882383	10	2
86	218 Cumquat NE	23042125	52634	74882303	10	1
87	200 Anderson NE	2320576	26511	75909100	1	1
88	301 Anderson NE	G008348	54389	75909101	1	3
89	305 Anderson NE	D520867	64918	75909102	1	3
90	309 Anderson NE	G045918	144633	75909103	1	1
91	315 Anderson NE	X307999	50869	75909104	1	1
92	317 Anderson NE	8448539	154608	75909105	1	2
93	319 Anderson NE	Y324807	19556	75909106	1	1
94	321 Anderson NE	D520895	70779	75909107	1	1
95	323 Anderson NE	8728902	90347	75909108	1	2
96	325 Anderson NE		41584	75909109	1	2
97	327 Anderson NE	8653182	45856	75909040	1	1
98	331 Anderson NE	8528930	44140	75908041	1	1
99	335 Anderson NE	8622097	56970	75908042	1	2
100	343 Anderson NE	E588086	125030	75908043	1	2
101	349 Anderson NE	X324613	48388	75908044	1	1
102	351 Anderson NE	8622098	158382	75908045	1	2
103	355 Anderson NE	8407094	121503	75908046	1	2
104	379 Anderson NE	8431111	83883	75908047	1	2
105	381 Anderson NE	New Service				
106	378 Anderson NE	New Service				
107	372 Anderson NE	G006328	91089	75909049	1	2
108	368 Anderson NE	Y309879	18202	75909020	1	1

	Location	Old Meter #	Old Reading	New Meter #	New Reading	Class
109	358 Anderson NE	8715052	46584	75909021	1	2
110	354 Anderson NE	2320577	6475	75909022	1	2
111	352 Anderson NE	23802182	80619	75909023	1	2
112	346 Anderson NE	2320521	6629	75909024	1	1
113	344 Anderson NE	Y309852	12681	75909025	1	2
114	338 Anderson NE	8709197	65271	75909026	1	2
115	310 Anderson NE	23042380	42083	75909027	1	2
116	308 Anderson NE	8814012	49622	75909028	1	1
117	304 Anderson NE	8346795	91698	75909029	1	2
118	302 Anderson NE	8346768	136393	75909030	1	2
119	101 Citrus NE	8653310	65924	75909056	1	1
120	100 Citrus NE	8303409	115638	75909057	1	2
121	107 Citrus NE	8441120	81590	75909058	1	2
122	106 Citrus NE	New Service				
123	109 Citrus NE	8814008	68981	75909059	1	1
124	111 Citrus NE	T524016	36157	75909060	1	1
125	110 Citrus NE	8407091	45267	75909061	1	2
126	114 Citrus NE	F832003	98443	75909062	1	2
127	117 Citrus NE	8346781	97567	75909063	1	3
128	119 Citrus NE	8303553	163647	75909064	1	1
129	116 Citrus NE	E533783	110343	75909065	1	2
130	118 Citrus NE	F806532	174767	75909066	1	2