

LAW OFFICES

ROSE, SUNDBSTROM & BENTLEY, LLP ORIGINAL

2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

(850) 877-6555
Fax (850) 656-4029
www.rsattorneys.com

CHRIS H. BENTLEY, P.A.
ROBERT C. BRANNAN
F. MARSHALL DETERDING
DAVID F. CHESTER
MARTIN S. FRIEDMAN, P.A.
JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
DAREN L. SHIPPY
WILLIAM E. SUNDBSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON
ROBERT M. C. ROSE, OF COUNSEL
WAYNE L. SCHIEFELBEIN, OF COUNSEL

CENTRAL FLORIDA OFFICE
600 S. NORTH LAKE BLVD., SUITE 160
ALTAMONTE SPRINGS, FLORIDA 32701
(407) 830-6331
FAX (407) 830-8522

December 30, 2002

REPLY TO ALTAMONTE SPRINGS

VIA HAND DELIVERY

Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RECEIVED-FPSC
02 DEC 30 PM 12:10
COMMISSION
CLERK

Re: Docket No. 020010-WS; Highvest Corporation's and L.P. Utilities Corporation's
Petition for Formal Administrative Hearing
Our File No.: 37074.01

Dear Ms. Bayo:

Enclosed please find for filing in the above-referenced docket an original and seven (7) copies of Highvest Corporation's and L.P. Utilities Corporation's Petition for Formal Administrative Hearing.

Please give me a call should you have any questions concerning this matter.

AUS _____
CAF _____
CMP _____
COM 3
CTR _____
ECR _____
GCL _____
OPC _____
MMS _____
SEC 1
OTH _____

Very truly yours,

MARTIN S. FRIEDMAN
For the Firm

RECEIVED & FILED

MSF:dmp
Enclosures

MS
FPSC-BUREAU OF RECORDS

cc: Mr. John H. Lovelette (w/enclosure)

DOCUMENT NUMBER-DATE

14080 DEC 30 02

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for staff-assisted
rate case in Highlands County by
the Woodlands of Lake Placid, L.P.

DOCKET NO.: 020010-WS

PETITION FOR FORMAL ADMINISTRATIVE HEARING

Highvest Corporation (“Highvest”), and L.P. Utilities Corporation (“L.P.”), by and through their undersigned attorneys and pursuant to Section 120.57, Florida Statutes, and Rule 28-106.201, Florida Administrative Code, file this Petition for Formal Administrative Hearing with regard to Commission Order No. PSC-02-1739-PAA-WS (“PAA Order”), and in support thereof states:

1. The name, address and file number of the affected agency is:

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
Docket No. 020010-WS

2. The name and address of the Petitioners, and how their substantial interests are affected are:

- A. Highvest Corporation
100 Shoreline Drive
Lake Placid, FL 33852-5022

Highvest’s substantial interests are affected by the PAA Order in that it acquired the Utility systems in question in a mortgage foreclosure action on September 27, 2002. The PAA Order purports to require Highvest to make refunds of rates collected by the prior owner, The Woodlands of Lake Placid, L.P., and also reduces rates on a prospective basis, requiring Highvest to make refunds of rates collected during its ownership.

DOCUMENT NUMBER DATE

14080 DEC 30 8

FPSC-COMMISSION CLERK

- B. L. P. Utilities Corporation
129 South Commerce Avenue
Sebring, FL 33870

L. P.'s substantial interests are affected in that it purchased the Utility system in question from Highvest Corporation in October 1, 2002,. Thus, the PAA Order would require it to make refunds of rates collected during its ownership, and also reduce current rates, both actions adversely affect L.P.

3. The name, address and telephone number of the Petitioners' representative, upon whom all pleadings should be served is:

Martin S. Friedman, Esquire
Rose, Sundstrom & Bentley, LLP
600 South North Lake Boulevard, Suite 160
Altamonte Springs, FL 32701
PHONE: (407) 830-6331
FAX: (407) 830-8522

4. Petitioners received notice of the PAA Order on or about December 12, 2002, by U.S. Mail.

5. The following are the disputed issues of material fact:

- A. Whether either Petitioner may be held responsible to make refunds of rates collected by The Woodlands of Lake Placid, L.P.
- B. The appropriate amount for office rent.
- C. The imputation of CIAC.
- D. Whether the underearnings in wastewater rates should have been used to offset the alleged overearnings in water rates.
- E. The appropriate regression adjustment.
- F. The appropriate amount of rate case expenses.

6. A. The Woodlands of Lake Placid, L.P., and Highvest Corporation are separate

and distinctive legal entities, and none of the partners of The Woodlands of Lake Placid, L.P., hold any ownership interest in Highvest Corporation. There is no legal theory by which Highvest Corporation can be liable for the financial obligations of The Woodlands of Lake Placid, L.P.

- B. Office rent is a legitimate expense and should be included in rates.
- C. It is improper to impute CIAC in the amount imputed in the Order.
- D. The PSC policy is where the water customers and wastewater customers are substantially the same, any underearnings in one systems is used to offset any overearnings in the other. That policy should have been applied in the instant case.
- E. The estimated reduction in consumption as a result of converting from flat to metered rate is understated.
- F. Petitioners are entitled to reimbursement of reasonable rate case expenses.

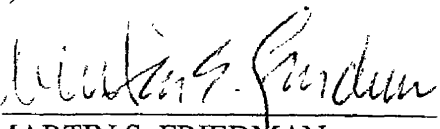
7. The Statute and Rules relied upon by Petitioners are Sections 367.081 and 367.0816, Florida Statutes.

8. L.P. will establish an escrow account for purposes of securing a refund should one be ordered upon the Commission's final consideration of this matter.

WHEREFORE, Petitioners request the Commission hold a formal administrative hearing and to establish rates on a prospective basis that are fair, just and reasonable.

Respectfully submitted on this 30th day of
December, 2002, by:

ROSE, SUNDSTROM & BENTLEY, LLP
.600 S. North Lake Boulevard, Suite 160
Altamonte Springs, Florida 32701
(407) 830-6331
(407) 830-8522 Fax

By: 
- MARTIN S. FRIEDMAN