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REPLY TO ALTAMONTE SPRINGS

MARTIN S. FRIEDMAN, P.A.
VALERIE L. LORD, OF COUNSEL
(LICENSED IN TEXAS ONLY)

April 21, 2003

VIA HAND DELIVERY

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

Re: Docket No. 020010-WS; Highvest Corporation's and L.P. Utilities Corporation's
Protest of PAA SARC Order
Our File No.: 37074.01

Dear Ms. Bayo:

Enclosed please find for filing in the above-referenced docket the original and fifteen (15) copies of Highvest Corporation and L.P. Utilities Corporation's Prehearing Statement.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

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

MSF/dmp
Enclosures

cc: Lawrence D. Harris, Senior Attorney (w/enclosure) (via hand delivery)
Stephen C. Burgess, Associate Public Counsel (w/enclosure) (via hand delivery)
Mr. John Lovelette (w/enclosure)

DOCUMENT NUMBER-DATE

03616 APR 21 03

FDSC-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

In re: Application for certificates
to operate a water and wastewater
utility in Highlands County by The
Woodlands of Lake Placid, L.P., and
for deletion of portion of wastewater
territory in Certificate No. 361-S held
by Highlands Utilities Corporation.

DOCKET NO.: 990374-WS

**PREHEARING STATEMENT OF HIGHVEST CORPORATION AND
L.P. UTILITIES, INC.**

HIGHVEST CORPORATION ("Highvest") and L.P. UTILITIES, INC. ("L.P."), by
and through its undersigned attorneys and pursuant to Order No. PSC-03-0110-PCO-
WS (Order Establishing Procedure), file this Prehearing Statement.

(a) The name of all known witnesses that may be called by Highvest and L.P.
and the subject matter of their testimony.

1. John Lovelette - (1) The relationship among the various entities
involved with the utility assets in question. (2) The facts
surrounding the foreclosure proceeding. (3) Reasonable Office
Rent. (4) Rate Case Expense. (5) Revenue Requirement. (6)
CIAC.

(b) Highvest and L.P. are not utilizing any exhibits in presentation of its
direct case.

(c) Highvest and L.P.'s basic position is that the liability for any refund is
that the liability for any refund is that of the entity which charged and collected the

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FPSC-COMMISSION CLERK

rates is responsible for any refund. L.P. is entitled to rates which include reasonable office rent.

(d) The following are the questions of fact which Highvest and L.P. consider at issue, its position on each, and its witness which will address the issue:

1. Are The Woodlands of Lake Placid, L.P., Highvest Corporation, and L.P. Utilities, Inc., separate legal entities?

Position: Yes.
Witness: Lovelette

2. What is the appropriate amount of office rent that should be included in the rates to be charged on a prospective basis?

Position: \$300 per month
Witness: Lovelette

3. What is the appropriate amount of rate case expense?

Position: To be determined , but currently estimated at \$60,000.

Witness: Lovelette

(e) The following are the questions of law which Highvest and L.P. consider to be at issue, and their position on each issue:

1. Whether Highvest and L.P. can be held legally responsible for making the refunds for revenue collected by The Woodlands of Lake Placid, L.P.

Position: No.

(f) There are no policy questions which Highvest and L.P. consider to be at issue.

(g) All issues except those raised in Highvest and L.P.'s Petition, as amended,

are deemed stipulated.

(h) There are no pending motions. Highvest and L.P. do intend to move to strike certain portions of the Prefiled Testimony which are uncorroborated hearsay.

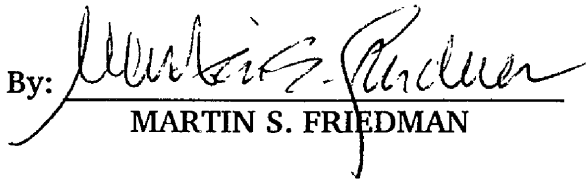
(i) There are no pending claims of confidentiality by Highvest or L.P.

(j) Highvest and L.P. are unaware of any requirements that cannot be complied with.

(k) Highvest and L.P. have no objections to the qualifications of any expert witness, however, they do object to certain Prefiled Testimony which is factual and beyond the scope of such expertise.

Respectfully submitted on this
21st day of April, 2003, by:

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By: 
MARTIN S. FRIEDMAN

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Hand Delivery Mail this 21st day of April, 2003, to:

Lawrence D. Harris, Senior Attorney
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Stephen C. Burgess
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400

By: 
MARTIN S. FRIEDMAN