

ORIGINAL

JAMES E. "JIM" KING, JR.

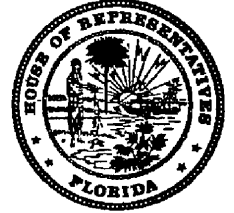
PRESIDENT



Charles J. Beck
Interim
Public Counsel

JOHNNIE BYRD

SPEAKER



STATE OF FLORIDA
OFFICE OF THE PUBLIC COUNSEL

c/o THE FLORIDA LEGISLATURE
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October 31, 2003

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0870

RECEIVED FPSC
03 OCT 31 PM 3:11
COMMISSION
CLERK

RE: Docket No. 030102-WS

Dear Ms. Bayó:

Enclosed are an original and fifteen copies of Objection to Two Applications Filed by Lake Placid Utilities, Inc. for Authority to Transfer Utility Facilities and to Transfer Majority Organizational Control for filing in the above-referenced docket.

Please indicate receipt of filing by date-stamping the attached copy of this letter and returning it to this office. Thank you for your assistance in this matter.

Sincerely,

Stephen C. Burgess
Deputy Public Counsel

SCB/dsb
Enclosures

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

DOCUMENT NUMBER DATE

10834 OCT 31 6

FPSC-COMMUNICATIONS CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for Authority to Sell,
Assign or Transfer Utility Facilities of
THE WOODLANDS OF LAKE PLACID,
L.P. in Highlands County, Florida to
CAMP FLORIDA PROPERTY OWNERS
ASSOCIATION, INC., and Application to
Transfer Majority Organizational Control
of L.P. Utilities Corporation to CAMP
FLORIDA PROPERTY OWNERS
ASSOCIATION, INC.

DOCKET NO.: 030102-WS

FILED: October 31, 2003

**OBJECTION TO APPLICATIONS FILED BY
LAKE PLACID UTILITIES, INC. FOR AUTHORITY TO
TRANSFER UTILITY FACILITIES AND TO TRANSFER
MAJORITY ORGANIZATIONAL CONTROL**

The Citizens of the State of Florida, through their attorney, the Public Counsel, pursuant to Section 367.071, Florida Statutes, and Rule 28-106.204, Florida Administrative Code, hereby object to L.P. Utilities Corporation's ("LPUC") applications to transfer utility facilities and to transfer majority organizational control. As grounds, the Citizens submit:

1. On September 22, 2003, the Commission issued Order No. PSC-03-1053-PAA-WS, denying LPUC authority to transfer Water Certificate No. 620-W and Wastewater Certificate No. 533-S from the Woodlands of Lake Placid, L.P. ("Woodlands"). Among other reasons, the Commission denied the transfer because the "new" ownership refused to assume refund obligations incurred by the Woodlands. The Commission ordered L.P. Utilities to file another application for transfer and to agree to accept all regulatory obligations of the Woodlands. On October 20, LPUC filed a second request for authority to transfer the certificates, presumed in response to the PSC order.

DOCUMENT NUMBER DATE

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FPSC-COMMISSION CLERK

2. There are ambiguities in LPUC's latest filing that render it difficult to interpret.

Paragraph 16 states:

The purchase price was reduced from the rate base established in Order No. PSC-03-1051-FOF-WS by \$89,086.00 to reflect LPUC's assumption of the obligation to pay a refund to customers pursuant to Order No. PSC-03-1051-FOF-WS.

Paragraph 22 states:

The approval of this Application is in the public interest because it will enable LPUC to pay the refunds pursuant to Order No. PSC-03-1051-FOF-WS, and continue in operation.

One interpretation of these combined paragraphs is that LPUC would effect the refund following the transfer. If that is the proper interpretation, the Citizens are concerned that LPUC would not have liquid assets necessary to afford the refund. Normally, a refund obligation results when a utility has collected excessive revenues over a period of time. As a result, the utility has a surfeit of cash when the refund is required. In this case, however, LPUC refused to collect any money at all from the rental property owner (the majority of lots) during the entire time that it was overcollecting from private property owners. During that time, LPUC was nevertheless incurring the costs to provide service to the rental properties. As a result, LPUC's cash position was eroding even while it was overcollecting from certain of its customers. At this point, then, there is no reason to expect LPUC has internal resources to meet its refund obligation. If LPUC is unable to meet its refund obligation, this result would be contrary to the public interest.

3. LPUC also seeks to have Camp Florida purchase wastewater facilities from Anbeth Corporation for \$191,523. LPUC then anticipates that "the wastewater system will become exempt

from Commission jurisdiction” (paragraph 22). This transaction is also contrary to the public interest. In Order No. PSC-03-1051-FOF-WS, the Commission set rates for LPUC wastewater service. Since the Commission must regulate in the public interest (Section 367.011(3), Florida Statutes), Order No. PSC-03-1051-FOF-WS reflects the Commission’s interpretation of public interest as it applies to LPUC’s proper distribution of wastewater rates. In the order, the Commission held that LPUC should charge the owner of the rental lots for the wastewater service provided to those lots. Since that rate distribution philosophy reflects the PSC’s application of the public interest, a direct violation of that rate distribution would be contrary to the public interest.

4. There is every reason to believe that once it is removed from PSC jurisdiction, LPUC will immediately return to providing free service to the rental lots with the costs borne by the private lot owners. Prior to the PSC’s jurisdiction, the rental lots were not charged for the wastewater service. During the rate case, LPUC took the position that the rental lots should receive free service (with the costs borne by the private lot owners). In the public interest, the PSC rejected LPUC’s patently unfair position. It would seem that the primary purpose of LPUC’s current application is to avoid the rate distribution which the PSC found to be in the public interest. Consequently, LPUC’s application for transfer of the wastewater assets should be rejected as contrary to public interest.

5. Based on the foregoing, LPUC’s application for authority to sell its wastewater facilities and its application for authority to transfer majority organizational control of the water services should both be denied as being contrary to the public interest.

WHEREFORE, the Citizens of the State of Florida object to LPUC's applications and urge the Commission to deny both applications.

Respectfully submitted,



Stephen C. Burgess
Deputy Public Counsel

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c/o The Florida Legislature
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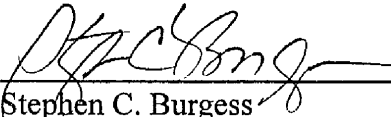
Attorneys for the Citizens of the
State of Florida

**CERTIFICATE OF SERVICE
DOCKET NO. 030102-WS**

I HEREBY CERTIFY that a true and exact copy of the above and foregoing OBJECTION TO TWO APPLICATIONS FILED BY LAKE PLACID UTILITIES, INC. FOR AUTHORITY TO TRANSFER UTILITY FACILITIES AND TO TRANSFER MAJORITY ORGANIZATIONAL CONTROL has been furnished by hand delivery or U.S. Mail to the following parties of record this 31st day of October, 2003.

Katherine Fleming, Esquire*
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Florida Public Service Commission
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Tallahassee, FL 32399-0850

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Altamonte Springs, FL 32701



Stephen C. Burgess
Deputy Public Counsel