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BY HAND DELIVERY


Tim Vaccaro
Senior Attorney
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
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Re: Lake Utility Services, Inc.
Docket No. 960444-WU

Dear Mr. Vaccaro:

Enclosed is the response of Lake Utility Services, Inc. to the questions posed in your letter of February 7, 1997. If you need any additional information, please feel free to call.

Very truly yours,



Richard D. Melson

ACK _____
AFA RDM/mee
Enclosure
APP cc: Blanca Bayó (for docket file)
CAF Mark Kramer
Don Rasmussen
CMU _____
CTR _____
EAG _____
LEG _____
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FPSC-RECORDS/REPORTING

LAKE UTILITY SERVICES, INC.
RESPONSE TO DATA REQUEST DATED 2/7/97
DOCKET NO. 960444-WU

1. According to the response to Question 4(c), Utilities, Inc. has national purchasing power that results in lower costs to the rate payers. As evidence of this purchasing power, the response lists several items that are purchased through national contracts such as insurance, vehicles, chemicals and meters. In the response to Question 4(e), the company states that it is the plant operators who decide what should be purchased. Does this mean that Utilities, Inc. does not have a centralized purchasing department? Is it the operators' responsibility to negotiate the national contracts?

Utilities, Inc. (UI) negotiates national prices for items such as meters, vehicles, and chemicals based on the volume of expected purchases on a company-wide basis. The manner of placing orders varies depending on the type of contract involved. For example, UI will contract with a single supplier for meters and the contract price will include a discount that reflects company-wide purchase volumes. When one of the Florida systems needs a meter, an order is placed by the operator pursuant to this national contract, and the item is drop-shipped to the appropriate location. For vehicles, a volume discount is negotiated at a national level and orders for vehicles are then placed through UI's headquarters for any vehicles required by the Florida system(s).

2. According to the response to Question 8, Four Lakes and Lake Saunders Acres are operated by an individual operator and the remaining facilities are operated by two operators who divide their time between these facilities. Are operators ever shared between Four Lakes, Lake Saunders and the three groups of interconnected plants? In other words, do any operators from the three groups of interconnected plants ever devote any time to Four Lakes or Lake Saunders? If so, how often?

Yes, although each operator has a primary assignment, operators are shared on a routine basis to cover for sickness, vacations, and emergencies. After hours, a single operator will be on-call for all systems comprising the LUSI operation, in addition to other systems in Seminole, Lake and Orange Counties.

LAKE UTILITY SERVICES, INC.
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3. According to the response to Question 9, meter readers and maintenance personnel perform services in all of Utilities, Inc.'s subsidiaries. Do the same meter readers read the meters for all 12 facilities, or are meter readers assigned to specific facilities?

LUSI currently has two meter readers who rotate between the various subdivisions on a monthly basis. This means that each of the readers is familiar with the entire system. This enables the company to cover emergency situations and protects the company in the event one of the meter readers quits, since there is another person available to train any replacement.

4. Is equipment shared between the 12 facilities? If so, what equipment and how often does this occur?

The following types of equipment are shared among the 12 facilities or, in many cases, with other Utilities, Inc. systems in the central Florida area: grounds maintenance equipment (lawn mowers, weed whackers, etc.), dump truck, trailer, large pumps used in the case of main breaks, trencher, backhoes, and trailer-mounted portable generator. This sharing takes place on a routine, on-going basis.

5. Does LUSI believe that its facilities are operationally related? If so, how?

Yes. LUSI believes that its facilities are operationally related because of common management and support function, shared operations personnel, shared equipment, and, for some facilities, interconnected operation.