

REQUEST TO ESTABLISH DOCKET  
(PLEASE TYPE)

Date 4/2/98

Docket No. 980483-WU

1. Division Name/Staff Name Division of Water and Wastewater/ S. Austin  
2. OPR S. Austin *SA*  
3. DCR T. Vaccaro *TV*

4. Suggested Docket Title Investigation into the possible overcollection of Allowance for Funds Prudently Invested (AFPI) by Lake Utility Services, Inc. in Lake County.

5. Suggested Docket Mailing List (attach separate sheet if necessary)

- A. Provide NAMES ONLY for regulated companies or ACRONYMS ONLY regulated industries, as shown in Rule 25-22.104, F.A.C.  
B. Provide COMPLETE name and address for all others. (Match representatives to clients.)

1. Parties and their representatives (if any)

<u>Ben Girtman, Attorney at Law</u>	<u>Lake Utility Services, Inc. (LUSI)</u>
<u>1020 East Lafayette Street Suite 207</u>	
<u>Tallahassee, FL 32301-4552</u>	

2. Interested Persons and their representatives (if any)


6. Check one:  
 Documentation is attached.  
 Documentation will be provided with the recommendation.

Shirley

Commissioners:  
 JULIA L. JOHNSON, CHAIRMAN  
 J. TERRY DEASON  
 SUSAN F. CLARK  
 JOE GARCIA  
 E. LEON JACOBS, JR.



DIVISION OF WATER & WASTEWATER  
 CHARLES H. HILL  
 DIRECTOR  
 (850) 413-6900

## Public Service Commission

January 27, 1998

Ben E. Girtman, Esquire  
 1020 East Lafayette Street, Suite 207  
 Tallahassee, FL 32301-4552

**Re: Undocketed - Lake Utility Services, Inc. (LUSI or utility) - Allowance for Funds Prudently Invested**

Dear Mr. Girtman:

We have reviewed the information provided in your letter dated September 29, 1997. This letter addresses that review.

In the utility's letter, it requested that staff reconsider its preliminary statement and recognize that the intent of Order No. PSC-92-1369-FOF-WU was that all of the rates and charges applicable to Crescent Bay were to be applicable to connections and customers in the additional territory. Staff does not agree nor recognize that the intent of the order was that all of the rates and charges were applicable to the additional territory. However, staff does recognize that the utility has an approved tariff sheet (Third Revised Sheet No. 27.3) which allows the collection of Allowance for Funds Prudently Invested (AFPI) for the additional territory.

The utility also requested that staff find that LUSI has properly collected AFPI charges from connections in the additional territory. Staff finds that LUSI has properly collected AFPI from the additional territory in accordance with Third Revised Tariff Sheet No. 27.3. However, staff finds that the utility has collected AFPI for connections over the number approved in its tariff. Based on the review of the tariff, the utility was to continue collecting AFPI until the utility reached design capacity of 106 ERCs. Specifically, the tariff states:

Mr. Ben E. Girtman

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January 27, 1998

The above Allowance for Funds Prudently Invested (AFPI) Charges will stop escalating when the utility is serving 85 ERCs which is currently projected to occur in December, 1990. AFPI will continue to be collected until the utility reaches design capacity, which is 106 ERCs. This is currently projected to occur in December, 1991. (emphasis added)

The utility provided in a previous response (dated July 21, 1997) that it has collected \$134,995.98 for AFPI as of December 1996. Based on our calculation, if the utility collected AFPI at the higher charge of \$608.09, for the 106 ERCs, it should have collected no more than \$64,457.54. Further, by dividing the total amount collected, \$134,995.98, by the maximum AFPI charge, \$608.09, it appears the utility has collected AFPI from at least 222 ERCs. The 222 ERCs is far more than 106 ERCs for which the AFPI was intended.

When the utility addressed the 106 ERCs in its letter, it explained that the AFPI along with the other rates and charges were developed based on the assumption that there would be no future expansion anticipated and with the purpose of providing a full return on the projected investment to serve 106 ERCs. The utility further explained that the Commission was aware that additional investment would be involved in the serving of the ERCs in the additional territory and that the rates and charges would apply to more than 106 ERCs. An AFPI charge is design to allow a utility the opportunity to recover a fair rate of return on the portion of the plant facilities which were prudently constructed, but exceed the amount necessary to serve current customers. In order to determine that charge per ERC, the net investment is divided by the specific number of ERCs remaining until build-out. If the utility wanted to recover a fair rate of return for additional investment and additional ERCs, it should have requested that new AFPI charges be established at that time in September 1993.

Again, the utility's tariff for AFPI was approved only for 106 ERCs. Pursuant to Section 367.091 (2), Florida Statutes, each utility's rates, charges, and customer service policies must be contained in a tariff approved by and on file with the Commission. Further, Section 367.091(3), Florida Statutes provides that a utility may only impose and collect those rates and charges approved by the Commission for the particular class of service involved and a change in any rate schedule may not be made without Commission approval. The collection of the AFPI charge for the 107th ERC and above is not consistent with the Commission approved tariff and the statute. Therefore, the utility should refund the AFPI collected beyond the 106th ERC.

Mr. Ben E. Girtman  
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January 27, 1998

Please provide a refund plan for review within 20 days for our review. Once the refund plan is approved, the utility may begin the refunds which are to be completed within 90 days. If you have any questions with regards to this matter, please feel free to contact Shannon J. Ausun at (850) 413-7021.

Sincerely,



Charles H. Hill  
Director  
Division of Water and Wastewater

CHH/sja

cc: Division of Water and Wastewater (Willis, Rendell, Austin)  
Division of Legal Services (Jaber, Vaccaro)

BEN E. GIRTMAN  
*Attorney at Law*

1020 East Lafayette Street  
Suite 207  
Tallahassee, Florida 32301-4552

Telephone: (904) 656-3232  
(904) 656-3233  
Facsimile: (904) 656-3233

February 19, 1998

Mr. Charles C. Hill, Director  
Division of Water and Wastewater  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Undocketed, Lake Utility Services, Inc., Allowance for Funds  
Prudently Invested (AFPI)

Dear Mr. Hill:

Thank you for your letter of January 27, 1998. It has helped to better understand Staff's question about the collection of AFPI by Lake Utility Services, Inc. (hereinafter referred to as LUSI or the utility).

As background for this response, please see the utility's comments made in its response dated September 29, 1997. The comments herein are in addition to the September 29 response.

First, it may help to try to clarify the issue. As the utility now understands it, the Staff's position is that, even after Order No. PSC-92-1369-POF-WU (issued 11/24/92) made the Crescent Bay rates and charges applicable in the two additional service areas approved by the Commission, Staff believes that the total, 106-ERC limit now includes hookups in those two new areas in addition to Crescent Bay. This appears to be the crux of the misunderstanding on this matter.

Your letter of January 27, 1997, on page one acknowledges that:

. . . staff does recognize that the utility has an approved tariff sheet (Third Revised Sheet No. 27.3) which allows the collection of Allowance for Funds Prudently Invested (AFPI) for the additional territory.

\* \* \*

Staff finds that LUSI has properly collected AFPI from the additional territory in accordance with Third Revised Tariff Sheet No. 27.3.

Mr. Charles C. Hill  
February 19, 1998  
Page 2

We are in agreement on those two points. By the Commission's Order No. PSC-92-1369-FOF-WU, LUSI was authorized to collect AFPI in the two additional service areas, in addition to collecting all the other categories of rates and charges which previously had been collected in the Crescent Bay service area. A copy of Third Revised Sheet No. 27.3 is attached as Exhibit "F". (Exhibits "A" through "E" are included in the Utility's response dated September 29, 1997.)

Third Revised Sheet No. 27.3 states that:

In addition to the forgoing fees,  
customer shall pay service availability fees  
as follows:

\* \* \*

Allowance for Funds See Sheet No. 25.1-25.1-A  
Prudently Invested

Effective: April 2, 1993

The basis for this Third Revised Sheet No. 27.3 was shown on the bottom left corner to be "Territory Amendment", which was approved based on Order No. PSC-92-1369-FOF-WU (issued 11/24/92), in contrast to "Corporate Reorganization" on Sheet Nos. 25.1 - 25.1-A.

Attached as Exhibit "G" is a copy of the two tariff sheets 25.1 and 25.1-A. Original Sheet No. 25.1 is titled "SERVICE AVAILABILITY SCHEDULE OF FEES AND CHARGES". That sheet contains a schedule of AFPI charges applicable if connected to lines "CONSTRUCTED BY UTILITY". First Revised Sheet No. 25.1-A also carries the same title, "SERVICE AVAILABILITY SCHEDULE OF FEES AND CHARGES". It contains an alternative schedule of AFPI charges applicable if "LINES CONTRIBUTED TO UTILITY". (Also included are the predecessors of those two tariff sheets.)

Perhaps the disagreement as to the 106 ERCs arises from the interpretation of the following paragraph which is near the bottom of First Revised Sheet No. 25.1-A:

The above Allowance for Funds Prudently Invested (AFPI) Charges will stop escalating when the utility is serving 85 ERCs which is currently projected to occur in December, 1990. AFPI will continue to be collected until the utility reaches design capacity, which is 106 ERCs. This is currently projected to occur in December, 1997. [Emphasis added.]

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Unquestionably, this limitation of 106 ERCs applied to Crescent Bay when the two tariff sheets numbered 25.1 and 25.1-A became effected on April 12, 1992 due to a "Corporate Reorganization". However, those two tariff sheets were not revised as a result of the "Territory Amendment" approved in Order No. PSC-92-1369-POF-WU (issued 11/24/92). Instead, the sheet cited in your most recent letter, Third Revised Sheet No. 27.3, makes the AFPI charge in Sheet Nos. 25.1 - 25.1-A applicable to the two new, additional service areas. The new sheet 27.3 does not mention any limitations (106 or otherwise) in the number of ERCs to which the AFPI charge is applicable in the two new service territories.

The 106-ERC limitation applies only to the Crescent Bay area, as shown by the title in both sheets 25.1 and 25.1-A:

SERVICE AVAILABILITY SCHEDULE OF FEES AND CHARGES  
Crescent Bay Subdivision

The 106 ERC limitation is in the tariff relating to only Crescent Bay, and it is not in the tariff relating to the charges in the other two areas (see sheet no 27.3).

Therefore, the result is that the Utility is limited to collecting 106 ERCs in Crescent Bay, but the other two service areas are not included in the 106-ERC limitation.

The wording of the tariff sheets and the Commission Order are determinative of that fact. Also, the Commission policy and the logic and common sense behind applying existing rates to new territory (rather than requiring a complete rate filing to set new rates) also dictates that this is the only appropriate conclusion.

The 106-ERC limitation was calculated based upon what was in place in 1988, almost ten years ago. The additional connections available from the two new service areas must add to the amount of required plant and plant which was prudently constructed to provide for future growth. To argue that the total 106-ERC limitation was to also apply to the much larger service area would result in having AFPI for fewer ERCs in Crescent Bay, reduced on a one-for-one basis with the number of ERCs for which AFPI could be collected from the other two areas. That would make no sense.

Furthermore, Order No. PSC-92-1369-POF-WU made no mention whatsoever of the 106-ERC limitation as being applicable to the two additional service areas.

Staff's position, as stated on page two of your letter, is that if the utility wanted to recover a fair return on additional investment, it should have requested that a new AFPI be

Mr. Charles C. Hill  
February 19, 1998  
Page 4

established. That is completely missing the point.

Staff would be correct if, at the time rates were set for the new territory, LUSI had been required to establish a basis for new rates and charges. It was not, and it did not. Consistent with PSC policy, Order No. PSC-92-1369-FOF-WU simply approved (for the new territory) the rates and charges already in effect in the existing territory, without any examination of the underlying parameters, until such time as a new rate case filing would be submitted. Order No. 19982, (issued 9/8/88) in which the initial rates and charges were set for the Crescent Bay Subdivision, shows that rate base and rates and charges, including AFPI, all were based on a design capacity of 106 ERCs. But Commission-approved changes have occurred since Order No. 19982 was issued in 1988.

Following Staff's logic, LUSI should not only have stopped collecting the AFPI charges when 106 ERCs was reached, it should also have stopped collecting rates for basic service when 106 ERCs was reached, because the rates were only designed to recover the rate base associated with a capacity to serve 106 ERCs. By staff's own calculations, LUSI is already serving more than 200 ERCs in Crescent Bay Subdivision and in the new territory combined. Obviously, the initial design capacity of 106 ERCs basis for the rates and charges, including AFPI, has changed.

In conclusion, Lake Utility Services, Inc. has collected the appropriate amount of AFPI in accordance with its approved tariffs, in compliance with Sections 367.091(2) and (3), Florida Statutes, and in compliance with Order No. PSC-92-1369-FOF-WU. Therefore, the utility renews its request that Staff reconsider its position and acknowledge that LUSI has properly collected AFPI charges from connections in the additional territory. Otherwise, please submit this issue to the Commissioners for a final decision.

Sincerely yours,



Ben E. Girtman

Encls.  
cc: w/encls.  
Ms. Shannon J. Austin  
Mr. Mark Kramer  
Mr. Frank Seidman



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for  
Amendment of certificate No.  
496-W in Lake County by LAUF  
UTILITY SERVICES, INC.

DOCKET NO. 920174-WU  
ORDER NO. FSC-92-1369-FOF-WU  
ISSUED: 11/24/92

The following Commissioners participated in the disposition of  
this matter:

THOMAS H. BEARD, Chairman  
SUSAN F. CLARK  
J. TERRY DEASON  
DETTY EASLEY  
LUIS J. LAUREDO

FINAL ORDER GRANTING AMENDMENT OF CERTIFICATE TO  
INCLUDE ADDITIONAL TERRITORY  
AND  
NOTICE OF PROPOSED AGENCY ACTION  
ORDER ESTABLISHING RATES AND CHARGES

BY THE COMMISSION:

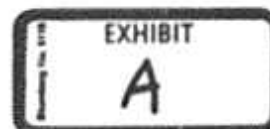
NOTICE IS HEREBY GIVEN by the Florida Public Service  
Commission that the action discussed herein establishing rates and  
charges is preliminary in nature, and as such, will become final  
unless a person whose interests are substantially affected files a  
petition for a formal proceeding pursuant to Rule 25-22.029,  
Florida Administrative Code.

Background

Lake Utility Services Inc. (LUSI or utility) is a Class C  
utility providing water service to twelve separate service areas in  
Lake County. This amendment application encompasses a 20 square  
mile area which includes ten of the twelve previously certificated  
systems owned by LUSI. The utility provides water service in Lake  
County to approximately 330 customers, 260 of which are in the  
requested territory. The utility's water systems are combined for  
annual report purposes; however, the utility has three separate  
sets of water rates for its Lake County systems.

On February 25, 1992, the utility applied for an amendment to  
extend the certificated territory. An objection to the application  
was filed by letter dated March 4, 1992, by the City of Clermont  
(City). The City's objection was based on its belief that the  
requested extension of territory was in conflict with the City's  
approved comprehensive plan.

1992-11-24  
1992-11-24  
REC-RECORDS/REPORTS



On September 30, 1992, by letter, the city of clermont indicated that its city council had voted to withdraw its objection to Lake Utility Services, Inc.'s application for amendment of Water Certificate No. 496-W. Accordingly, we hereby accept the city of clermont's withdrawal of its objection.

#### Application

The application is in compliance with Section 367.045, Florida Statutes, and other pertinent statutes and administrative rules. In particular, the notarized application contains:

1. A filing fee in the amount of \$2,250.00, which amount is \$1,350.00 in excess of the required fee as prescribed by Rule 25-30.020, Florida Administrative Code.
2. Adequate service territory and system maps and a territory description, as prescribed by Rule 25-30.036, Florida Administrative Code. The additional territory in the South Clermont Region of Lake County is described in Attachment A of this Order, which by reference is incorporated herein.
3. Proof of notice of application to interested governmental and regulatory agencies and utilities within a four-mile radius of the territory, and proof of advertisement in a newspaper of general circulation in Lake County, as prescribed by Rule 25-30.030, Florida Administrative Code.
4. Evidence that the utility owns the land upon which its facilities are located, as required by Rule 25-30.036, Florida Administrative Code.

Based on the information filed with the application, it appears that LUSI has the technical capability and financial resources to adequately serve the additional territory.

The additional territory is located in close proximity to the utility's existing service area and will provide service to several residents in an area currently receiving service from EDB contaminated wells. The utility plans to interconnect their present water systems in the area to provide more reliable and efficient service and to extend transmission lines from these systems to the additional territory so service is requested. In addition, the Department of Environmental Regulation (DER) was contacted and stated that LUSI has no current violations.

Based on the above information, the Commission finds that it is in the public interest to grant the application of Lake Utility Services, Inc. for amendment of Water Certificate No. 496-W to include the territory described in Attachment A. The utility has returned the certificate for entry and filed revised tariff sheets that reflect the correct territory description.

#### Refund of Excess Filing Fee

The Commission required an increase of the original filing fee of \$150.00 to the maximum amount of \$2,250.00 based on estimates of the potential occupancy of all the land portions of the territory to be included within the certificate. The utility paid the additional fee, under protest, and requested a review on the basis of projected population growth. Population growth for the next ten years is projected to be 4,780 persons and, pursuant to Rule 25-30.020, Florida Administrative Code, the correct filing fee for an amendment Application to provide service to an additional 4,780 persons is \$900.00. Therefore, the Commission finds that the applicant is due a refund of a portion of the filing fee in the amount of \$1,150.00.

#### Rates and Charges

LUSI presently charges two different sets of rates to the systems it owns in the requested area. The charges set by the Commission in the original certificate case for Crescent Bay includes a plant capacity charge of \$569 per equivalent residential connection (ERC), a main extension charge of \$506 per ERC, and meter installation charges by meter size including a charge of \$100 for a 5/8" x 3/4" meter. We believe that the charges approved for the Crescent Bay system will provide for future customers to pay their pro rata share of the cost of the lines and treatment plant necessary to provide them service. These charges will serve to increase the utility's level of contribution-in-aid-of-construction (CIAC), thus keeping the utility's rate base at a lower level for ratemaking purposes. Therefore, LUSI shall charge the customers in the additional territory the rates and charges approved in its tariff for the Crescent Bay system currently on file with this Commission.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that Certificate No. 496-W held by Lake Utility Services, Inc., 200 Weathersfield Avenue, Altamonte Springs, Florida 32714, is hereby

ORDER NO. PSC-92-1369-FOF-WU  
DOCKET NO. 920174-WU  
PAGE 4

amended to include the territory described in Attachment A of this order, which by reference is incorporated herein. It is further

ORDERED that the overpayment of filing fee, in the amount of \$1,350.00, be refunded to the applicant. It is further

ORDERED that the customers in the territory added herein shall be charged the rates and charges approved in Lake Utility Services, Inc.'s tariff for the Crescent Bay system currently on file with the Commission. It is further

ORDERED that the provisions of this order establishing rates and charges for the territory added herein are issued as proposed agency action and shall become final, unless an appropriate petition in the form provided by Rule 25-22.029, Florida Administrative Code, is received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the date set forth in the Notice of Further Proceedings below. It is further

ORDERED that this docket shall be closed if no protest is received.

by ORDER of the Florida Public Service Commission this 24th day of November, 1992.

  
STEVE FINKLE, Director  
Division of Records and Reporting

( S E A L )

SLR

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.60, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

As identified in the body of this order, our action establishing rates and charges is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0070, by the close of business on December 15, 1992. In the absence of such a petition, this order shall become effective on the date subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If the relevant portion of this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

ORDER NO. PSC-92-1369-FOF-WU  
DOCKET NO. 920174-WU  
PAGE 6

Any party adversely affected by the Commission's final action in this matter may request: (1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

ATTACHMENT A

LAKE UTILITY SERVICES, INC.

SERVICE TERRITORY DESCRIPTION - SOUTH CLERMONT REGION - LAKE COUNTY

Township 22 South, Range 25 East, Lake County

ALL OF SECTION 35, LESS LAKE HINNEHANA.  
ALL OF SECTION 36, LESS LAKE HINNEHANA.

Township 22 South, Range 26 East, Lake County

ALL OF SECTION 31, LESS LAKE HINNEHANA.  
ALL OF SECTION 32 THAT IS WEST OF THE CENTERLINE OF U.S.  
HIGHWAY 27.

Township 23 South, Range 25 East, Lake County

ALL OF SECTION 1, LESS LAKE HINNEHANA, AND LAKE SUSAN.  
ALL OF SECTION 2, LESS LAKE HINNEHANA, AND CRESCENT LAKE.  
ALL OF SECTION 11, LESS CRESCENT LAKE, AND SAW HILL LAKE.  
ALL OF SECTION 12, LESS CRESCENT LAKE, FLORENCE LAKE, AND  
RALPH LAKE.  
ALL OF SECTION 13, LESS LAKE HELLIE.  
ALL OF SECTION 14, LESS SAW HILL LAKE AND LAKE CLONIA.  
ALL OF SECTION 23, LESS LAKE HELLIE, AND LAKE GARY.  
ALL OF SECTION 24, LESS LAKE HELLIE.

Township 23 South, Range 26 East, Lake County

ALL OF SECTION 4 THAT IS WEST OF THE CENTERLINE OF U.S.  
HIGHWAY 27.  
ALL OF SECTION 5 THAT IS WEST OF THE CENTERLINE OF U.S.  
HIGHWAY 27.  
ALL OF SECTION 6, LESS LAKE SUSAN, AND LAKE LOUISA.  
ALL OF SECTION 7, LESS LAKE LOUISA.  
ALL OF SECTION 8, LESS LAKE LOUISA.  
ALL OF SECTION 9 THAT IS WEST OF THE CENTERLINE OF U.S.  
HIGHWAY 27.  
ALL OF SECTION 16 THAT IS WEST OF THE CENTERLINE OF U.S.  
HIGHWAY 27, AND LESS LAKE LOUISA.  
ALL OF SECTIONS 17, 18, 19 AND 20, LESS LAKE LOUISA.  
ALL OF SECTION 21 THAT IS WEST OF THE CENTERLINE OF U.S.  
HIGHWAY 27, LESS LAKE LOUISA.

LAKE UTILITY SERVICES, INC.  
RATES AND CHARGES  
ON FILE WITH  
THE FLORIDA PUBLIC SERVICE COMMISSION  
FOR  
THE CRESCENT BAY SYSTEM  
AT THE TIME OF ISSUANCE OF  
ORDER NO. PSC-92-1369-FOF-WS, 11/24/92

Sixth Revised Sheet	No. 18.0,	Effective 08/07/92
Sixth Revised Sheet	No. 19.0,	Effective 08/07/92
Third Revised Sheet	No. 20.0,	Effective 01/08/92
Original Sheet	No. 22.1,	Effective 08/12/91
Fifth Revised Sheet	No. 24.0,	Effective 02/14/92
Original Sheet	No. 25.1,	Effective 04/12/91
First Revised Sheet	No. 25.1-A,	Effective 04/12/91
Second Revised Sheet	No. 26.0,	Effective 04/12/91
Second Revised Sheet	No. 27.2,	Effective 12/19/90
Second Revised Sheet	No. 27.3,	Effective 04/12/91
Third Revised Sheet	No. 27.4,	Effective 04/12/91
Second Revised Sheet	No. 27.5,	Effective 12/19/90





NAME OF COMPANY Lake Utility Services, Inc.

WATER TARIFF

GENERAL SERVICE

RATE SCHEDULE GS

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - To any customer in the Crescent Bay and Lake Saunders Acres subdivisions for which no other schedule applies.
- LIMITATIONS - Subject to all of the Rules and Regulations of this tariff and General Rules and Regulations of the Commission.

~~BILLING PERIOD~~ ~~BY MONTHLY~~

<u>RATE</u>	(PER MONTH)	<u>Base Facility Charge</u>
	<u>Meter Size</u>	
	5/8"x3/4"	\$ 14.69
	3/4"	22.01
	1"	36.69
	1 1/2"	73.39
	2"	117.41
	3"	234.83
	4"	366.92
	Gallonage Charge Per 1,000 gallons	\$ 1.65

MINIMUM BILL - Base Facility Charge

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice is mailed to the customer separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE - August 7, 1992

Patrick J. O'Brien  
ISSUING OFFICER

TYPE OF FILING - 1992 Price Index and  
Pass Through Rate  
Advertisement

Vice President, Finance  
TITLE

Florida Public Service Commission

APPROVED

Authority No. HS-92-0145

Docket No. N/A

Order No. N/A

Effective August 7, 1992

*Charl H. Hill*

Director  
Division of Water and Sewer

NAME OF COMPANY Lake Utility Services, Inc.

WATER TARIFF

RESIDENTIAL SERVICE

RATE SCHEDULE RS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - To any customer in the Crescent Bay and Lake Saunders Acres subdivisions for which no other schedule applies.

LIMITATIONS - Subject to all of the Rules and Regulations of this tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - BI-MONTHLY

RATE - ~~PER MONTHLY~~  
Meter Size Base Facility Charge  
5/8" x 3/4" \$14769 20 75

Gallage Charge \$ 1.65  
Per 1,000 gallons

MINIMUM BILL - Base Facility Charge

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice is mailed to the customer separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE - August 7, 1992 Patrick J. O'Brien  
ISSUING OFFICER

TYPE OF FILING - 1992 Price Index and Pass Through Rate Adjustment Vice President, Finance  
TITLE

Florida Public Service Commission

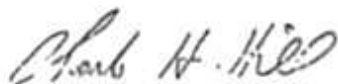
APPROVED

Authority No. WS-92-0145

Docket No. N/A

Order No. N/A

Effective August 7, 1992



Director  
Division of Water and Sewer

LAKE UTILITY SERVICES, INC.  
Water Tariff

MULTI-RESIDENTIAL SERVICE  
RATE SCHEDULE MS

AVAILABILITY - Available throughout the area served by the company.

APPLICABILITY - To any master-metered residential customer in the Crescent Bay subdivision and Lake Saunders Acres subdivisions including but not limited to, Condominiums, Apartments and Mobile Home Parks.

LIMITATIONS - Subject to all of the rules and regulations of this Tariff and General Rules and Regulations of the Commission.

RATE - Not applicable at this time

MINIMUM CHARGE - Per-

TERM OF PAYMENT - Bills are due and payable when rendered and become delinquent if paid within twenty (20) days. After (5) five days written notice, service may then be discontinued.

EFFECTIVE DATE - January 8, 1992

TYPE OF FILING - Territory Amendment

Patrick J. O'Brien  
Vice President, Finance

Florida Public Service Commission

APPROVED

Authority No. WS-91-0234

Docket No. 910760-WU

Order No. 24286

Effective January 8, 1992

*Charles H. Hill*

Director  
Division of Water and Sewer

LAKE UTILITY SERVICES, INC.  
 WATER TARIFF

SCHEDULE OF CUSTOMER DEPOSITS

Crescent Bay Subdivision

ESTABLISHMENT OF CREDIT - Before rendering water service, the Company may require an applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the customer from complying with the Company's rules for prompt payment. Credit will be deemed so established, in accordance with Rule 25-30.311, Florida Administrative Code, if:

- (A) The applicant for service furnishes a satisfactory guarantor to secure payment of bills for the service requested.
- (B) The applicant pays a cash deposit
- (C) The applicant for service furnishes an irrevocable letter of credit from a bank or a surety bond

AMOUNT OF DEPOSIT - The amount of initial deposit shall be the following according to meter size, or an amount to cover charges for three (3) months service whichever is greater.

	<u>Residential</u>	<u>General Service</u>
5/8 - 3/4	\$50.00	\$ 50.00
1	\$50.00	\$ 90.00
1 1/2	N/A	\$160.00
Over 2	N/A	\$250.00

ADDITIONAL DEPOSIT - Under Rule 25-30.311(7) Florida Administrative Code, the Company may require a new deposit in order to secure payment of current bills provided The Company shall provide the customer with reasonable written notice of not less than 30 days where such request or notice is separate and apart from any bill for service. The total amount of the required deposit shall not exceed an amount equal to the average

(Continued to Sheet No. 27 1-A)

Patrick J. O'Brien

Florida Public Service Commission

APPROVED

Authority No. WS-90-0390

Docket No. 900906-WU

Order No. 24139

Effective April 12, 1991

*Charles H. Hill*

Director  
Division of Water and Sewer



LAKE UTILITY SERVICES, INC.  
Water Tariff

MISCELLANEOUS SERVICE CHARGES

Amber Hill, Clermont I - Four Winds, Clermont II,  
Crescent West, Highland Point, Lake Ridge Club,  
The Oranges, The Vistas I & II,  
Crescent Bay, Lake Crescent Hills and Lake Saunders Acres Subdivisions

The company may charge the following miscellaneous service charges in accordance with the terms stated herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the company requires multiple actions.

INITIAL CONNECTION - This charge would be levied for service initiation at location where service did not exist previously.

NORMAL RECONNECTION - This charge would be levied for transfer of service to a new customer account at a previously served location or reconnection of service subsequent to a customer requested disconnection.

VIOLATION RECONNECTION - This charge would be levied prior to reconnection of an existing customer after disconnection of service for cause according to Rule 25-30.320(2), Florida Administrative Code, including a delinquency in bill payment.

PREMISES VISIT CHARGE (IN LIEU OF DISCONNECTION) - This charge would be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectable bill and does not discontinue service because the customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill.

Schedule of Miscellaneous Service Charges

Initial Connection	\$15.00
Normal Reconnection	\$15.00
Violation Reconnection	\$15.00
Premises Visit ( In lieu of disconnection )	\$10.00

EFFECTIVE DATE - 02/14/92

TYPE OF FILING - Tariff Correction

Patrick J. O'Brien  
Vice President, Finance

Florida Public Service Commission

APPROVED

Authority No. WS-92-0024

Docket No. N/A

Order No. N/A

Effective February 14, 1992

*Charles H. Hill*

Director  
Division of Water and Sewer

LAKE UTILITY SERVICES, INC.  
WATER TARIFF

SERVICE AVAILABILITY SCHEDULE OF FEES AND CHARGES

Crescent Bay Subdivision

<u>PLANT CAPACITY CHARGE</u> Per ERC	\$ 569.00
<u>MAIN EXTENSION FEE</u> (Connect to Lines Constructed by the Utility) Per ERC	\$ 506.00
<u>GUARANTEED REVENUE CHARGE</u> Per ERC/Month	\$ 14.28
Per ERC/Year	\$ 171.34

ALLOWANCE FOR FUNDS PRUDENTLY INVESTED

SCHEDULE OF CHARGES IF CONNECT TO LINES CONSTRUCTED BY UTILITY

	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>
January	\$ 15.10	\$198.05	\$401.85	\$608.09	\$608.09
February	30.20	214.87	420.60	608.09	608.09
March	45.31	231.69	439.35	608.09	608.09
April	60.45	248.52	458.10	608.09	608.09
May	75.51	265.34	476.85	608.09	608.09
June	90.61	282.16	495.60	608.09	608.09
July	105.71	298.99	514.34	608.09	608.09
August	120.81	315.81	533.09	608.09	608.09
September	135.92	332.63	551.84	608.09	608.09
October	151.02	349.46	570.59	608.09	608.09
November	166.12	366.28	589.34	608.09	608.09
December	181.22	383.10	608.09	608.09	608.09

EFFECTIVE DATE - April 12, 1991

TYPE OF FILING - Corporate Reorganization

(Continued to Sheet No. 25.1A)

Patrick J. O'Brien  
Vice President, Finance

Florida Public Service Commission

APPROVED

Authority No. WS-90-0390

Docket No. 900906-WU

Order No. 24139

Effective April 12, 1991

*Charl H. Hill*

Director  
Division of Water and Sewer

LAKE UTILITY SERVICES, INC.  
 WATER TARIFF

(Continued from Sheet No. 25.1)

SERVICE AVAILABILITY SCHEDULE OF FEES AND CHARGES

Crescent Bay Subdivision

ALLOWANCE FOR FUNDS PRUDENTLY INVESTED

SCHEDULE OF CHARGES IF CONNECT TO LINES CONTRIBUTED TO UTILITY

	1988	1989	1990	1991	1992
January	\$ 7.45	\$ 97.72	\$196.25	\$299.97	\$299.97
February	14.90	106.01	207.50	299.97	299.97
March	22.35	114.31	216.74	299.97	299.97
April	29.81	122.61	225.99	299.97	299.97
May	37.26	130.91	235.24	299.97	299.97
June	44.71	139.21	244.49	299.97	299.97
July	52.16	147.51	253.73	299.97	299.97
August	59.61	155.81	262.98	299.97	299.97
September	67.06	164.11	272.23	299.97	299.97
October	74.51	172.41	281.47	299.97	299.97
November	81.96	180.71	290.72	299.97	299.97
December	89.42	189.00	299.97	299.97	299.97

The above Allowance for Funds Prudently Invested (AFPI) Charges will stop escalating when the utility is serving 85 ERC's which is currently projected to occur in December, 1990. AFPI will continue to be collected until the utility reaches design capacity, which is 106 ERC's. This is currently projected to occur in December, 1991.

METER INSTALLATION FEES

(The actual or average cost to the utility to install the water measuring device at the point of delivery, including materials and labor required).

Meter Size	Fee
5/8" x 3/4"	\$100.00
1"	\$143.00
1.5"	\$290.00
2"	\$400.00
Over 2"	Actual Cost (1)

(1) Actual Cost is equal to the total cost incurred for services rendered by a customer.

EFFECTIVE DATE - April 12, 1991

TYPE OF FILING - Corporate Reorganization

Florida Public Service Commission

APPROVED

Authority No. WS-91-0119

Docket No. 900906-WU

Order No. 24139

Effective April 12, 1991

*Charles H. Hill*

Director  
Division of Water and Sewer

NAME OF COMPANY LAKE UTILITY SERVICES, INC.

WATER TARIFF

HELD FOR FUTURE USE

Patrick J. O'Brien  
ISSUING OFFICER

Vice President, Finance  
TITIF

Florida Public Service Commission

APPROVED

Authority No. WS-90-0390

Docket No. 900906-WU

Order No. 24139

Effective April 12, 1991

*Charles H. Hill*

Director  
Division of Water and Sewer



LAKE UTILITY SERVICES, INC.  
Water Tariff

SERVICE AVAILABILITY AND MAIN EXTENSION POLICY  
WATER  
CRESCENT BAY SUBDIVISION

1.0 GENERAL

The utility adopts and incorporates herein by reference, Chapter 25-30, Florida Administrative Code, (F.A.C), promulgated under Florida Public Service Commission Order No. 11066.

2.0 AVAILABILITY

The provisions of this policy are available throughout the territory subject to matters of economic feasibility as defined by Rule 25-30.515(7) F.A.C.

3.0 ON-SITE FACILITIES

On-site water facilities may be provided by the Contributor pursuant to the requirements and specifications of the Utility. Any facilities which may be constructed by the Contributor outside the point of delivery as defined by rules 25-30(7), F.A.C. shall be conveyed to the Utility by a bill of sale together with perpetual rights-of-way and easements for appropriate access to facilities as well as complete as-built plans for all such lines and facilities together with accurate cost records establishing the construction costs of all Utility facilities as a condition precedent to their acceptance by the Utility and the initiation of service.

Effective: December 19, 1990  
Amendment

\_\_\_\_\_  
Patrick J. O'Brien

Florida Public Service Commission

APPROVED

Authority No. WS-90-0255

Docket No. 900645-WU

Order No. 23839

Effective December 19, 1990

*Charl H. Hill*

Director  
Division of Water and Sewer

LAKE UTILITY SERVICES, INC.  
Water Tariff

CRESCENT BAY SUBDIVISION

4.0 OFF-SITE FACILITIES

Off-site systems may be provided by the Contributor in accordance with the Utility's specifications and conveyed to the Utility by bill of sale with necessary maintenance and replacement easements and rights-of-way together with as-build drawings of the facilities and accurate cost records establishing the construction cost of the facilities, to include material, labor, engineerings, administrative and other related costs, as a condition precedent to their acceptance by the Utility and the initiation of service.

5.0 ADVANCES

If the off-site or on-site facilities can serve other areas than those of the Contributor, the service company may require that they be oversized to enable service to be provided to additional territory and that the Contributor advance the cost of such oversize facilities. So much of the cost as exceeds the hydraulic share of the Contributor will be refunded by the Utility as refundable advances over a period not to exceed eight years, from extension fees paid by other Contributors connecting to the main or mains in accordance with their hydraulic share.

6.0 SYSTEM CAPACITY CHARGE

In addition to the foregoing fees, customer shall pay service availability fees as follows:

Appropriate Meter Installation Fees	See Sheet No. 25.1-A
System Capacity Charge Per ERC	\$569.00
Line Extension Fee per ERC (for Lines Constructed by the Utility)	\$506.00
Allowance for Funds Prudently Invested	See Sheet No. 25.1-25.1-A

Florida Public Service Commission

APPROVED

Authority No. WS-90-0390

Docket No. 900906-WU

Order No. 24139

Effective April 12, 1991

*Charl H. Hill*

Director  
Division of Water and Sewer

LAKE UTILITY SERVICES, INC.  
Water Tariff

CRESCENT BAY SUBDIVISION

7.0 INSPECTION FEES

Engineering plans or designs for, or construction of facilities by a Contributor which are to become a part of Utility's system will be subject to review and inspection by the Utility. For this service, Utility may charge an inspection and plan review fee based upon the actual cost of the Utility for review of plans and inspection of facilities constructed by Contributor for independent contractors for connection with the facilities of the Utility. Such inspection fees shall be paid by a Contributor in addition to all other charges above stated, as a condition precedent to service.

8.0 GUARANTEED REVENUES

That not less than thirty days after the execution of a contract to reserve capacity and on each anniversary thereafter until all plant capacity reserved for the Developer is serving a customer, or consumer, developer shall pay to the Utility the sum of money as set forth on Original Sheet No. 25.1 for each reserved equivalent residential connection for which the Utility has constructed adequate water supply and treatment capacity to serve such reserved connection for a period of one calendar year in advance. As customers, as defined on Second Revised Sheet No. 3.0, by technical term 7.0 of the Rules and Regulations, are added to the system, appropriate guaranteed revenue charges will be deducted from the amount paid by the Developer and refunded by the Utility to the Developer at the end of one year from the date of payment of the guaranteed revenue deposit.

Finally, if the Developer shall refuse or fail to pay the money required by this paragraph, the agreement for reservation by the Utility for

Florida Public Service Commission

APPROVED

Authority No. WS-90-0390

Docket No. 900906-WU

Order No. 24139

Effective April 12, 1991

*Charles H. Hill*

Director  
Division of Water and Sewer

LAKE UTILITY SERVICES, INC.  
Water Tariff

CRESCENT BAY SUBDIVISION

the Developer shall be void and no capacity shall be reserved for such Developer.

9.0 RESERVE CAPACITY CHARGE

If authorized by the Florida Public Service Commission pursuant to Order and under such terms and conditions as prescribed therein, the Utility may enter into an agreement with the Contributor requiring Contributor to pay a minimum guaranteed connection charge, based upon the demand to be placed upon the Utility's system. Such agreement will be applicable in those instances where the Utility is required to proceed with the construction of an expansion of its water supply and/or treatment facilities in order to assure the Contributor that there will be available sufficient plant capacity.

10.0 SERVICE OUTSIDE TERRITORY

Providing service outside the Utility's territory involves formal notice and formal proceedings before the Florida Public Service Commission and therefore entails engineering, administrative and legal expenses in addition to costs incurred by the Utility providing service within its territory. The Utility, will therefore, not be obligated to provide service outside the territory unless the Contributor agrees in advance, to defray those initial expenses and to pay the estimated costs thereof. The advancement will be adjusted to conform with actual expenses after the proceedings have been completed. The Utility will further make such extensions outside the territory only if the extensions and treatment plant reservation or expansion to serve such extensions are economically feasible as defined by rules 25-30.515(?) F.A.C.

Effective: December 19, 1990  
Amendment

Patrick J. O'Brien

Florida Public Service Commission

APPROVED

Authority No. WS-90-0255

Docket No. 900645-WU

Order No. 23839

Effective December 19, 1990

*Charles H. King*

Director  
Division of Water and Sewer



State of Florida

Commissioners:

J. TERRY DEASON, CHAIRMAN  
SUSAN F. CLARK  
LUIS J. LAUREDO  
JULIA L. JOHNSON

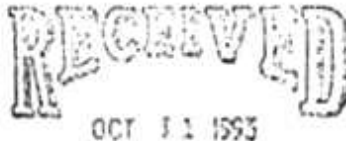


DIVISION OF WATER &  
WASTEWATER  
CHARLES HILL  
DIRECTOR  
(904) 488-3482

## Public Service Commission

September 30, 1993

Mr. Preben Olesen  
12634 Valencia Drive  
Clermont, Florida 34711



RE: Lake Utility Services, Inc. (LUSI)

Office of  
GEN E. GIRTMAN

Dear Mr. Olesen:

Staff has reviewed the service availability charges for your proposed development which is located in Township 22 South, Range 26 East, Section 32. According to our records, this territory was added to the utility's certificated service area in Order No. PSC-92-1369-FOF-WU, issued November 24, 1992. Also in that Order, the Commission authorized LUSI to collect plant capacity charges in the amount of \$569 per equivalent residential connection, a main extension charge of \$506 per equivalent residential connection, and meter installation charges based on meter size, including a charge of \$190 for a 5/8" x 3/4" meter. These charges are provided on page 26.0 in the utility's tariff.

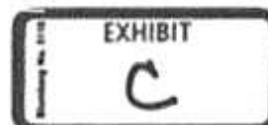
Assuming that your 16 single family home development will use 5/8" x 3/4" meters, the service availability charges are \$9,104 for plant capacity charges, \$8,096 in main extension charges, and \$1,600 in meter installation charges, totaling \$18,800. If you are installing a main extension line, which you had mentioned, the main extension charges are waived. The plant capacity charges and any main extension charges must be paid prior to construction. Meter installation charges may be paid any time prior to connection for water service at each site. If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Charlotte M. Hand".

Charlotte M. Hand  
Regulatory Analyst

c: Ben E. Girtman, Esquire



LAKE UTILITY SERVICES, INC.  
AN AFFILIATE OF UTILITIES, INC.  
200 WEATHERSFIELD AVENUE  
ALTAMONTE SPRINGS, FLORIDA 32714

RECEIVED

OCT 18 1993

CORPORATE OFFICES:  
2335 Sanders Road  
Northbrook, Illinois 60062  
Telephone: 708-498-6440

October 14, 1993

Office of  
**BEN E. GIRTMAN**  
Telephone: 407-869-1919  
Florida: 800-222-1919  
Fax: 407-869-6961

Ms. Charlotte Hand  
Regulatory Analyst  
Division of Water and Wastewater  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, FL 32399-0873

Re: Development by Mr. Preben Olesen in the service area of Lake Utility Services, Inc.

Dear Ms. Hand:

Your letter dated September 30 to Mr. Olesen confirms that the charges applicable to his development of 16 single-family homes are those ordered by the Florida Public Service Commission in Order No. PSC-92-1369-FOF-WU. The Order is quite emphatic, in the text at page 3 and in the ordering paragraph at page 4, that customers shall be charged the rates and charges approved for the Crescent Bay system currently on file with the Commission. However, the copy of the letter to Mr. Olesen received by our attorney on October 11 fails to specify the AFPI charges which are a part of the approved Crescent Bay tariff.

Since the developer will be connecting his on-site lines to the Utility's extended off-site facilities, as contemplated in Rule 25-30.515 (12), F.A.C., the main extension fee and related AFPI charges are required.

Therefore, the applicable charges as shown on Tariff Sheets 26.0 and 25.1 are as follows:

Plant Capacity Charge (16 sites x \$569.00)	\$ 9,104.00
Main Extension Fee (16 sites x \$506.00)	<u>8,096.00</u>
Amount Due at time of Agreement	\$17,200.00

The \$17,200 must be remitted at the time of entering into the service availability agreement. In this case, the Utility is willing to defer collection of the allowance for funds prudently invested of \$608.09 for each site until the time of connection to each site. In addition, a meter installation fee of \$100 per meter for each 5/8" x 3/4" meter must be paid at the time of connection to each site.

By copy of this letter, we are providing Mr. Olesen with this information.

As soon as an agreement is executed, we will begin working with Mr. Olesen on providing the service. For his convenience in reviewing this matter, we are providing copies of the applicable Order and tariff sheets.

Sincerely,

*Donald Rasnussen*  
Donald Rasnussen  
Regional Director

DR/jr

Enclosures  
cc w/encl:

Mr. Preben Olesen  
Mr. James Camaren  
Mr. Ben E. Girtman, Esq.



LAKE UTILITY SERVICES, INC.  
Water Tariff

SERVICE AVAILABILITY SCHEDULE OF FEES AND CHARGES

This schedule applies to the additional territory approved by Order No. PSC-92-1369-FOF-WU  
for which no other schedule applies

PLANT CAPACITY CHARGE Per ERC	\$569.00
MAIN EXTENSION FEE Per ERC	\$506.00

METER INSTALLATION FEES

(The actual or average cost to the utility to install the water measuring device at the point of delivery,  
including materials and labor required).

<u>Meter Size</u>	<u>Fee</u>
5/8" x 3/4"	\$100.00
1"	\$143.00
1.5"	\$290.00
2"	\$400.00
Over 2"	Actual Cost (1)

(1) Actual Cost is equal to the total cost incurred for services rendered by a customer.

EFFECTIVE DATE - April 2, 1993

TYPE OF FILING - Territory Amendment

Patrick J. O'Brien  
Vice President, Finance

LAKE UTILITY SERVICES, INC.  
 WATER TARIFF

SERVICE AVAILABILITY SCHEDULE OF FEES AND CHARGES

Crescent Bay Subdivision

<u>PLANT CAPACITY CHARGE</u> Per ERC	\$ 569.00
<u>MAIN EXTENSION FEE</u> (Connect to Lines Constructed by the Utility) Per ERC	\$ 506.00
<u>GUARANTEED REVENUE CHARGE</u> Per ERC/Month	\$ 14.28
Per ERC/Year	\$ 171.34

ALLOWANCE FOR FUNDS PRUDENTLY INVESTED

SCHEDULE OF CHARGES IF CONNECT TO LINES CONSTRUCTED BY UTILITY

	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>
January	\$ 15.10	\$198.05	\$401.85	\$608.09	\$608.09
February	30.20	214.87	420.60	608.09	608.09
March	45.31	231.69	439.35	608.09	608.09
April	60.45	248.52	458.10	608.09	608.09
May	75.51	265.34	476.85	608.09	608.09
June	90.61	282.16	495.60	608.09	608.09
July	105.71	298.99	514.34	608.09	608.09
August	120.81	315.81	533.09	608.09	608.09
September	135.92	332.63	551.84	608.09	608.09
October	151.02	349.46	570.59	608.09	608.09
November	166.12	366.28	589.34	608.09	608.09
December	181.22	383.10	608.09	608.09	608.09

EFFECTIVE DATE - April 12, 1991

TYPE OF FILING - Corporate Reorganization

(Continued to Sheet No. 25.1A )

Patrick J. O'Brien  
 Vice President, Finance

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for  
Amendment of Certificate No.  
496-W in Lake County by LAKE  
UTILITY SERVICES, INC.

DOCKET NO. 920174-WU  
ORDER NO. PSC-92-1369-POF-WU  
ISSUED: 11/24/92

The following Commissioners participated in the disposition of this matter:

THOMAS H. BEARD, Chairman  
SUSAN F. CLARK  
J. TERRY DEASON  
BETTY EASLEY  
LUIS J. LAUREDO

FINAL ORDER GRANTING AMENDMENT OF CERTIFICATE TO  
INCLUDE ADDITIONAL TERRITORY  
AND  
NOTICE OF PROPOSED AGENCY ACTION  
ORDER ESTABLISHING RATES AND CHARGES

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein establishing rates and charges is preliminary in nature, and as such, will become final unless a person whose interests are substantially affected files a petition for a formal proceeding pursuant to Rule 25-22.029, Florida Administrative Code.

Background

Lake Utility Services Inc. (LUSI or utility) is a Class C utility providing water service to twelve separate service areas in Lake County. This amendment application encompasses a 20 square mile area which includes ten of the twelve previously certificated systems owned by LUSI. The utility provides water service in Lake County to approximately 330 customers, 260 of which are in the requested territory. The utility's water systems are combined for annual report purposes; however, the utility has three separate sets of water rates for its Lake County systems.

On February 25, 1992, the utility applied for an amendment to extend the certificated territory. An objection to the application was filed by letter dated March 4, 1992, by the City of Clermont (City). The City's objection was based on its belief that the requested extension of territory was in conflict with the City's approved comprehensive plan.

11/24/92

11/24/92

REG. RECORDS/REPORTS

On September 30, 1992, by letter, the city of Clermont indicated that its City Council had voted to withdraw its objection to Lake Utility Services, Inc.'s application for amendment of Water Certificate No. 496-W. Accordingly, we hereby accept the city of Clermont's withdrawal of its objection.

#### Application

The application is in compliance with Section 367.045, Florida Statutes, and other pertinent statutes and administrative rules. In particular, the notarized application contains:

1. A filing fee in the amount of \$2,250.00, which amount is \$1,350.00 in excess of the required fee as prescribed by Rule 25-30.020, Florida Administrative Code.
2. Adequate service territory and system maps and a territory description, as prescribed by Rule 25-30.036, Florida Administrative Code. The additional territory in the South Clermont Region of Lake County is described in Attachment A of this Order, which by reference is incorporated herein.
3. Proof of notice of application to interested governmental and regulatory agencies and utilities within a four-mile radius of the territory, and proof of advertisement in a newspaper of general circulation in Lake County, as prescribed by Rule 25-30.030, Florida Administrative Code.
4. Evidence that the utility owns the land upon which its facilities are located, as required by Rule 25-30.036, Florida Administrative Code.

Based on the information filed with the application, it appears that LUSI has the technical capability and financial resources to adequately serve the additional territory.

The additional territory is located in close proximity to the utility's existing service area and will provide service to several residents in an area currently receiving service from EDB contaminated wells. The utility plans to interconnect their present water systems in the area to provide more reliable and efficient service and to extend transmission lines from these systems to the additional territory as service is requested. In addition, the Department of Environmental Regulation (DER) was contacted and stated that LUSI has no current violations.

Based on the above information, the Commission finds that it is in the public interest to grant the application of Lake Utility Services, Inc. for amendment of Water Certificate No. 496-W to include the territory described in Attachment A. The utility has returned the certificate for entry and filed revised tariff sheets that reflect the correct territory description.

#### Refund of Excess Filing Fee

The Commission required an increase of the original filing fee of \$150.00 to the maximum amount of \$2,250.00 based on estimates of the potential occupancy of all the land portions of the territory to be included within the certificate. The utility paid the additional fee, under protest, and requested a review on the basis of projected population growth. Population growth for the next ten years is projected to be 4,780 persons and, pursuant to Rule 25-30.020, Florida Administrative Code, the correct filing fee for an amendment Application to provide service to an additional 4,780 persons is \$900.00. Therefore, the Commission finds that the applicant is due a refund of a portion of the filing fee in the amount of \$1,350.00.

#### Rates and Charges

LUSI presently charges two different sets of rates to the systems it owns in the requested area. The charges set by the Commission in the original certificate case for Crescent Bay includes a plant capacity charge of \$569 per equivalent residential connection (ERC), a main extension charge of \$506 per ERC, and meter installation charges by meter size including a charge of \$100 for a 5/8" x 3/4" meter. We believe that the charges approved for the Crescent Bay system will provide for future customers to pay their pro rata share of the cost of the lines and treatment plant necessary to provide them service. These charges will serve to increase the utility's level of contribution-in-aid-of-construction (CIAC), thus keeping the utility's rate base at a lower level for rate-making purposes. Therefore, LUSI shall charge the customers in the additional territory the rates and charges approved in its tariff for the Crescent Bay system currently on file with this Commission.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that Certificate No. 496-W held by Lake Utility Services, Inc., 200 Weatherfield Avenue, Altamonte Springs, Florida 32714, is hereby

ORDER No. PSC-92-1369-FOF-WU  
DOCKET No. 920174-WU  
PAGE 4

amended to include the territory described in Attachment A of this Order, which by reference is incorporated herein. It is further

ORDERED that the overpayment of filing fee, in the amount of \$1,350.00, be refunded to the applicant. It is further

ORDERED that the customers in the territory added herein shall be charged the rates and charges approved in Lake Utility Services, Inc.'s tariff for the Crescent Bay system currently on file with the Commission. It is further

ORDERED that the provisions of this Order establishing rates and charges for the territory added herein are issued as proposed agency action and shall become final, unless an appropriate petition in the form provided by Rule 25-22.029, Florida Administrative Code, is received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the date set forth in the Notice of Further Proceedings below. It is further

ORDERED that this docket shall be closed if no protest is received.

by ORDER of the Florida Public Service Commission this 24th day of November, 1992.

  
STEVE TRIPLE, Director  
Division of Records and Reporting

( S E A L )

SLE



NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

As identified in the body of this order, our action establishing rates and charges is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on December 15, 1992. In the absence of such a petition, this order shall become effective on the date subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If the relevant portion of this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the first district court of appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(d), Florida Rules of Appellate Procedure.

ORDER No. PSC-92-1369-POF-WU  
DOCKET No. 920174-WU  
PAGE 6

Any party adversely affected by the Commission's final action in this matter may request: (1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

# LAKE UTILITY SERVICES, INC.

AN AFFILIATE OF UTILITIES, INC.

200 WEATHERSFIELD AVENUE  
ALTAMONTE SPRINGS, FLORIDA 32714

CORPORATE OFFICES:  
2335 Sanders Road  
Northbrook, Illinois 60062  
Telephone: 708-498-6440

Telephone: 407-869-1919  
Florida: 800-272-1919  
Fax: 407-869-6961

November 12, 1993

Sent by Fax (904) 394-8326

Mr. Preben Olesen  
12634 Valencia Dr.  
Clermont, Florida 34711

Dear Mr. Olesen:

Our Florida subsidiary is willing to provide central water utility service to your proposed 16 lot extension of the "Royal View Estates" development which is within our certificated franchise territory in Lake County, Florida.

Under our proposal, it will be your responsibility and sole cost to install all necessary distribution facilities to serve the project. These facilities, which will include all water mains, meter boxes, valves, service lines and all other required facilities, will be conveyed as they are installed at no cost or expense to our company. Additionally, you will be required to interconnect the new distribution facilities to our existing water utility facilities at both the east and west sides of your development.

All facilities installed by you will be in accordance with all governmental standards and be in conformance with the current construction standards approved by our company. As developer of the project, you will indemnify our utility from any liability incurred in the installation of the distribution facilities by you or by anyone acting on your behalf.

Subject to the terms of this agreement, our utility will operate and maintain the water utility system serving the project in accordance with the regulations of the appropriate regulatory agencies and authorities. Usage fees for customers within the new extension would be the same as those for the existing utility customers.

In consideration of our investment in providing the necessary water supply and storage facilities, upon execution of this letter agreement, you will be required to pay the applicable charges as shown on our Tariff Sheets 26.0 and 25.1 as follows:

Plant Capacity Charge (16 sites x \$569.00)	\$ 9,104.00
Main Extension Fee (16 sites x \$506.00)	<del>8,096.00</del>
Amount Due at time of Execution of Agreement	\$17,200.00

In this case, we are willing to defer collection of the allowance for funds prudently invested of \$608.09 for each site until the time of connection to each site. In addition, a meter installation fee of \$100.00 per meter for each 5/8" x 3/4" meter must be paid at the time of connection to each site.

The terms of this proposal are valid until November 30, 1993. If you have any questions or concerns please contact me directly.

Sincerely,

  
Donald Rasmussen  
Regional Director

If this Agreement is acceptable, please sign and return.

  
Accepted: Preben Olesen

11-15-93  
Date



ATTACHMENT A

LAKE UTILITY SERVICES, INC.

SERVICE TERRITORY DESCRIPTION - SOUTH CLEMONT REGION - LAKE COUNTY

Township 22 South, Range 25 East, Lake County

ALL OF SECTION 35, LESS LAKE HINNEHANA.  
ALL OF SECTION 36, LESS LAKE HINNEHANA.

Township 22 South, Range 26 East, Lake County

ALL OF SECTION 31, LESS LAKE HINNEHANA.  
ALL OF SECTION 32 THAT IS WEST OF THE CENTERLINE OF U.S.  
HIGHWAY 27.

Township 23 South, Range 25 East, Lake County

ALL OF SECTION 1, LESS LAKE HINNEHANA, AND LAKE SUSAN.  
ALL OF SECTION 2, LESS LAKE HINNEHANA, AND CRESCENT LAKE.  
ALL OF SECTION 11, LESS CRESCENT LAKE, AND SAW HILL LAKE.  
ALL OF SECTION 12, LESS CRESCENT LAKE, FLORENCE LAKE, AND  
RALPH LAKE.  
ALL OF SECTION 13, LESS LAKE HELLIE.  
ALL OF SECTION 14, LESS SAW HILL LAKE AND LAKE GLOHA.  
ALL OF SECTION 23, LESS LAKE HELLIE, AND LAKE GARY.  
ALL OF SECTION 24, LESS LAKE HELLIE.

Township 23 South, Range 26 East, Lake County

ALL OF SECTION 4 THAT IS WEST OF THE CENTERLINE OF U.S.  
HIGHWAY 27.  
ALL OF SECTION 5 THAT IS WEST OF THE CENTERLINE OF U.S.  
HIGHWAY 27.  
ALL OF SECTION 6, LESS LAKE SUSAN, AND LAKE LOUISA.  
ALL OF SECTION 7, LESS LAKE LOUISA.  
ALL OF SECTION 8, LESS LAKE LOUISA.  
ALL OF SECTION 9 THAT IS WEST OF THE CENTERLINE OF U.S.  
HIGHWAY 27.  
ALL OF SECTION 16 THAT IS WEST OF THE CENTERLINE OF U.S.  
HIGHWAY 27, AND LESS LAKE LOUISA.  
ALL OF SECTIONS 17, 18, 19 AND 20, LESS LAKE LOUISA.  
ALL OF SECTION 21 THAT IS WEST OF THE CENTERLINE OF U.S.  
HIGHWAY 27, LESS LAKE LOUISA.

BEN E. GIRTMAN  
*Attorney at Law*

1020 East Lafayette Street  
Suite 207  
Tallahassee, Florida 32301-4552

Telephone: (904) 656-3232  
(904) 656-3233  
Facsimile: (904) 656-3233

September 19, 1997

**RECEIVED**  
[SEP 23 1997]

Mr. Charles C. Hill, Director  
Division of Water and Wastewater  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Florida Public Service Commission  
Division of Water and Wastewater

Re: Undocketed, Lake Utility Services, Inc., Allowance for Funds  
Prudently Invested (AFPI)

Dear Mr. Hill:

This letter will confirm our telephone conversation today in which an extension of time until Monday, September 29, 1997, was granted for Utilities, Inc., to respond to your letter dated September 8, 1997, addressed to Mr. Richard Melson regarding AFPI charges.

Thank you for your courtesies in this matter.

Sincerely yours,

  
Ben E. Girtman

cc:  
Ms. Shannon J. Austin  
Mr. Mark Kramer  
Mr. Frank Seidman

Third Revised Sheet No. 27.3  
 Cario... Second Revised Sheet No. 27.3

LAKE UTILITY SERVICES, INC.  
 Water Tariff

Greenleaf Bay Subdivision and that Additional Territory Approved in  
Order #PSC-92-1589-FOUWU

40 OFF-SITE FACILITIES

Off-site systems may be provided by the Contributor in accordance with the Utility's specifications and conveyed to the Utility by bill of sale with necessary maintenance and replacement easements and right-of-way together with as-built drawings of the facilities and accurate cost records establishing the construction cost of the facilities, to include material, labor, engineering, administrative and other related costs, as a condition precedent to their acceptance by the Utility and the initiation of service.

50 ADVANCE

If the off-site or on-site facilities can serve other areas than those of the Contributor, the service company may require that they be oversized to enable service to be provided to additional territory and that the Contributor advance the cost of such oversize facilities. So much of the cost as exceeds the hydraulic share of the Contributor will be refunded by the Utility as refundable advances over a period not to exceed eight years, from extension fees paid by other Contributors connecting to the main or mains in accordance with their hydraulic share.

60 SYSTEM CAPACITY CHARGE

In addition to the foregoing fees, customer shall pay service availability fees as follows:

Appropriate Meter Installation Fees	See Sheet No. 25.1.-A
System Capacity Charge Per ERC	\$569.00
Line Extension Fee per ERC (for Lines Constructed by the Utility)	\$508.00
<u>Allowance for Funds Prudently Invested</u>	<u>See Sheet No. 25.1-25.1-A</u>

Effective: April 2, 1993

Territory Amendment

Patrick J. O'Brien  
 Vice President, Finance



BEFORE

0-18-87 12101P UTILITIES INC. OF FL 407 660-6901 P.06

Second Revised Sheet No. 27.6  
Cancels First Revised Sheet No. 27.6

LACS UTILITY SERVICES, INC.  
Water Tariff

SCHEDULE OF FEES AND CHARGES  
CRAWFORD BAY SUBDIVISION

PLANT CAPACITY CHANGE  
PER EAC \$549.00

MAINTENANCE FEE  
(Connect to Lines Constructed by the Utility)  
PER EAC \$594.00

GUARANTEED REVENUE CHARGE  
PER EAC/MONTH \$ 14.28  
PER EAC/YEAR \$171.34

ALLOWANCE FOR FUNDS PROBABLY INCURRED

SCHEDULE OF CHARGES BY MONTH TO LINES CONSTRUCTED BY UTILITY

MONTH	1302	1303	1304	1305	1306	1307	1308
January	\$11.10	\$178.09	\$481.85	\$608.89	\$608.89	\$608.89	\$608.89
February	\$0.70	\$214.87	\$439.60	\$594.89	\$594.89	\$594.89	\$594.89
March	\$5.31	\$211.59	\$439.35	\$594.89	\$594.89	\$594.89	\$594.89
April	\$0.45	\$248.32	\$458.10	\$594.89	\$594.89	\$594.89	\$594.89
May	\$5.51	\$245.34	\$456.85	\$594.89	\$594.89	\$594.89	\$594.89
June	\$0.61	\$282.16	\$475.60	\$594.89	\$594.89	\$594.89	\$594.89
July	\$0.71	\$298.99	\$494.34	\$594.89	\$594.89	\$594.89	\$594.89
August	\$20.81	\$315.11	\$513.09	\$594.89	\$594.89	\$594.89	\$594.89
September	\$170.81	\$332.43	\$532.84	\$594.89	\$594.89	\$594.89	\$594.89
October	\$135.82	\$349.48	\$552.84	\$594.89	\$594.89	\$594.89	\$594.89
November	\$164.12	\$366.34	\$573.09	\$594.89	\$594.89	\$594.89	\$594.89
December	\$11.22	\$383.16	\$593.69	\$594.89	\$594.89	\$594.89	\$594.89

Effective: December 19, 1990  
Attendance

FRANK J. O'BRIEN  
Vice President



AFTER

0-18-87 12101P UTILITIES INC. OF FL 407 660-6901 P.06

ORIGINAL SHEET NO. 27.1  
CANCELS SECOND REVISED SHEET NO. 27.2

LACS UTILITY SERVICES, INC.  
Water Tariff

SERVICE AVAILABILITY SCHEDULE OF FEES AND CHARGES  
CRAWFORD BAY SUBDIVISION

PLANT CAPACITY CHANGE  
PER EAC \$ 549.00

MAINTENANCE FEE  
(Connect to Lines Constructed by the Utility)  
PER EAC \$ 594.00

GUARANTEED REVENUE CHARGE  
PER EAC/MONTH \$ 14.28  
PER EAC/YEAR \$ 171.34

ALLOWANCE FOR FUNDS PROBABLY INCURRED

SCHEDULE OF CHARGES BY MONTH TO LINES CONSTRUCTED BY UTILITY

MONTH	1302	1303	1304	1305	1306	1307	1308
January	\$ 23.30	\$198.97	\$481.20	\$608.89	\$608.89	\$608.89	\$608.89
February	\$0.20	\$214.87	\$460.60	\$608.89	\$608.89	\$608.89	\$608.89
March	\$0.31	\$231.69	\$439.35	\$608.89	\$608.89	\$608.89	\$608.89
April	\$8.00	\$248.32	\$439.35	\$608.89	\$608.89	\$608.89	\$608.89
May	\$9.11	\$265.34	\$439.35	\$608.89	\$608.89	\$608.89	\$608.89
June	\$0.34	\$282.16	\$458.10	\$608.89	\$608.89	\$608.89	\$608.89
July	\$0.71	\$298.99	\$476.85	\$608.89	\$608.89	\$608.89	\$608.89
August	\$20.81	\$315.11	\$495.60	\$608.89	\$608.89	\$608.89	\$608.89
September	\$173.82	\$332.43	\$514.34	\$608.89	\$608.89	\$608.89	\$608.89
October	\$131.82	\$349.48	\$533.09	\$608.89	\$608.89	\$608.89	\$608.89
November	\$166.12	\$366.34	\$552.84	\$608.89	\$608.89	\$608.89	\$608.89
December	\$11.22	\$383.16	\$572.09	\$608.89	\$608.89	\$608.89	\$608.89

EFFECTIVE DATE - April 12, 1991

TYPE OF FILING - Corporate Reorganization

(Continued to Sheet No. 27.14)

BEFORE

AFTER

ep-19-97 12101P UTILITIES Inc. of FL 407 669-8961 P.07

ep-19-97 12145A UTILITIES Inc. of FL 407 669-8961 P.07

ORIGINAL SHEET NO. 23.1-4  
CANCELS SECOND REVISED SHEET NO. 27.7

LAKE UTILITY SERVICES, INC.  
WATER TARIFF

(Continued from Sheet No. 23.1)

SERVICE AVAILABILITY SCHEDULE OF FEES AND CHARGES

Crestview Bay Sub-division

ALLOWANCE FOR FUTURE POTENTIALLY EXCESSIVE

SCHEDULE OF CHARGES IF EXCESSIVE TO LINES OPERATED BY UTILITY

	1998	1999	2000	2001	2002	2003	2004	2005	2006
January	\$ 7.00	\$ 9.72	\$ 196.23	\$ 279.97	\$ 279.97	\$ 97.72	\$ 196.23	\$ 279.97	\$ 279.97
February	14.98	104.04	207.36	279.97	279.97	204.68	207.36	279.97	279.97
March	114.31	114.31	216.74	279.97	279.97	216.74	216.74	279.97	279.97
April	29.81	122.61	225.99	279.97	279.97	225.99	225.99	279.97	279.97
May	37.26	138.96	233.24	279.97	279.97	233.24	233.24	279.97	279.97
June	44.71	159.21	244.48	279.97	279.97	244.48	244.48	279.97	279.97
July	52.16	174.24	253.73	279.97	279.97	253.73	253.73	279.97	279.97
August	59.61	205.81	264.98	279.97	279.97	264.98	264.98	279.97	279.97
September	67.06	244.11	272.23	279.97	279.97	272.23	272.23	279.97	279.97
October	74.51	272.41	281.48	279.97	279.97	281.48	281.48	279.97	279.97
November	81.96	310.71	290.73	279.97	279.97	290.73	290.73	279.97	279.97
December	89.42	349.02	299.97	279.97	279.97	349.02	299.97	279.97	279.97

The above Allowance for Future Production (AFP) Charges will stop accruing when the utility is serving 93 BIC's which is currently projected to occur in December, 1998. AFP will continue to be collected until the utility reaches design capacity, which is 108 BIC's. This is currently projected to occur in December, 1999.

MINOR DISCONTINUITIES

(The total or average cost to the utility to install the water metering device at the point of delivery, including materials and labor required)

	Est
Water Sizing	\$109.00
3/4" x 3/4"	\$143.00
1"	\$278.00
1 1/2"	\$408.00
2"	
Over 2"	
Actual Cost (1)	

(1) Actual Cost is equal to the total cost incurred for services rendered by a customer.

EFFECTIVE DATE - April 12, 1991

TYPE OF FILING - Corporate Reorganizations

Patrick J. O'Brien

PLATE REVISION SHEET NO. 23.1-4  
CANCELS ORIGINAL SHEET NO. 23.1-4

LAKE UTILITY SERVICES, INC.  
WATER TARIFF

(Continued from Sheet No. 23.1)

SERVICE AVAILABILITY SCHEDULE OF FEES AND CHARGES

Crestview Bay Sub-division

ALLOWANCE FOR FUTURE POTENTIALLY EXCESSIVE

SCHEDULE OF CHARGES IF EXCESSIVE TO LINES OPERATED BY UTILITY

	1998	1999	2000	2001	2002	2003	2004	2005	2006
January	\$ 7.00	\$ 9.72	\$ 196.23	\$ 279.97	\$ 279.97	\$ 97.72	\$ 196.23	\$ 279.97	\$ 279.97
February	14.98	104.04	207.36	279.97	279.97	204.68	207.36	279.97	279.97
March	114.31	114.31	216.74	279.97	279.97	216.74	216.74	279.97	279.97
April	29.81	122.61	225.99	279.97	279.97	225.99	225.99	279.97	279.97
May	37.26	138.96	233.24	279.97	279.97	233.24	233.24	279.97	279.97
June	44.71	159.21	244.48	279.97	279.97	244.48	244.48	279.97	279.97
July	52.16	174.24	253.73	279.97	279.97	253.73	253.73	279.97	279.97
August	59.61	205.81	264.98	279.97	279.97	264.98	264.98	279.97	279.97
September	67.06	244.11	272.23	279.97	279.97	272.23	272.23	279.97	279.97
October	74.51	272.41	281.48	279.97	279.97	281.48	281.48	279.97	279.97
November	81.96	310.71	290.73	279.97	279.97	290.73	290.73	279.97	279.97
December	89.42	349.02	299.97	279.97	279.97	349.02	299.97	279.97	279.97

The above Allowance for Future Production (AFP) Charges will stop accruing when the utility is serving 93 BIC's which is currently projected to occur in December, 1998. AFP will continue to be collected until the utility reaches design capacity, which is 108 BIC's. This is currently projected to occur in December, 1999.

MINOR DISCONTINUITIES

(The total or average cost to the utility to install the water metering device at the point of delivery, including materials and labor required)

	Est
Water Sizing	\$109.00
3/4" x 3/4"	\$143.00
1"	\$278.00
1 1/2"	\$408.00
2"	
Over 2"	
Actual Cost (1)	

(1) Actual Cost is equal to the total cost incurred for services rendered by a customer.

EFFECTIVE DATE - April 12, 1991

TYPE OF FILING - Corporate Reorganizations



BEN E. GIRTMAN  
*Attorney at Law*

1020 East Lafayette Street  
Suite 207  
Tallahassee, Florida 32301-4552

Telephone: (904) 656-3232  
(904) 656-3233  
Facsimile: (904) 656-3233

September 29, 1997

**RECEIVED**  
SEP 30 1997

Mr. Charles C. Hill, Director  
Division of Water and Wastewater  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Florida Public Service Commission  
Division of Water and Wastewater

Re: Undocketed, Lake Utility Services, Inc., Allowance for Funds  
Prudently Invested (AFPI)

Dear Mr. Hill:

Lake Utility Services, Inc. (hereinafter referred to as the utility or LUSI) respectfully disagrees with the preliminary Staff statement in your letter of September 8, 1997. It is the utility's position that it has properly and correctly collected AFPI charges as required by Commission Order No. PSC-92-1369-FOF-WU.

In Docket No. 920174-WU, the utility petitioned the Commission to amend its Certificate to include additional territory. Issue 9 in that amendment case was:

What rates and charges will be applicable to customers within the extended area?

The utility's position on that issue was:

Initially, and until LUSI has the opportunity to develop and apply for standard rates for its total service area, the applicable rates should be those approved by the Commission for the Crescent Bay area, in Order No. 19962. [Amended Statement of Positions Submitted on Behalf of Applicant, Lake Utility Services, Inc., September 18, 1992.]

The Staff Memorandum dated October 22, 1992, for the Agenda Conference of November 3, 1992, listed Issue 4 as:

What rates and charges should apply to the additional territory?

Mr. Charles C. Hill  
September 29, 1997  
Page 2

The Staff's Recommendation on the appropriate rates and charges was that:

The rates and charges contained in the utility's tariff for the Crescent Bay system should be applied to service in the additional territory. [Staff Memorandum dated October 22, 1992, page 8.]

The Staff Analysis and Recommendation was all inclusive as to rates and charges, and did not exclude any of the rates and charges. The Staff Analysis also stated that:

Normally, in applications for extension of territory, the utility is allowed to charge its approved rates in the additional territory. However, LUSI presently charges two different sets of rates to the systems it currently owns in the requested area. [Staff Memorandum dated October 22, 1992, page 9.]

The Analysis discussed several differences between the two sets of rates, but did not exclude any of the rates and charges from its all-inclusive reference to the rates and charges of Crescent Bay which should be made applicable in the additional territory.

Nowhere in any of the pleadings, recommendations, orders or other documents relating to the amendment case is it ever suggested that no allowance for funds prudently invested (AFPI) should be collected in the additional areas outside Crescent Bay. To the contrary, the final order in the amendment docket, Order No. PSC-92-1369-FOF-WU, issued November 22, 1992, granting the amendment, the Commission made findings (Order, page 3) on the appropriate rates and charges which should be charged in the additional territory (Order, page 3), and then specifically stated that it is:

ORDERED that the customers in the territory added herein shall be charged the rates and charges approved in Lake Utility Services, Inc's tariff for the Crescent Bay system currently on file with the Commission. [Order, page 4; 92 FPSC 11:502]

A copy of Commission Order No. PSC-92-1369-FOF-WU is attached as Exhibit "A".

Attached as Exhibit "B" is a copy of the rates and charges for the Crescent Bay system which were in effect and on file with the

Mr. Charles C. Hill  
September 29, 1997  
Page 3

Commission at the time Order No. PSC-92-1369-FOF-WU was issued. They are the same rates and charges established by Order No. 19962, issued September 8, 1988, in Docket No. 871080-WU (Order, page 3, 88 FPSC 9:132) and modified only to reflect the effect of price index and pass-through rate adjustments.

As required by Order No. PSC-92-1369-FOF-WU, the rates and charges in effect for the Crescent Bay system were applicable in the additional territory, including monthly rates, service availability charges, guaranteed revenues, customer deposits, meter installation charges, miscellaneous service charges, and allowance for funds prudently invested.

In your letter of September 8, 1997, you state that in Order No. PSC-92-1369-FOF-WU, the AFPI charge was not addressed and therefore, was not approved for the additional territory. We disagree. It was addressed by the all-inclusive reference to "rates and charges". It was not necessary for the order to specifically and separately mention the AFPI charge, or any other rate or charge, because the order very clearly required it is

ORDERED that the customers in the territory added herein shall be charged the rates and charges approved in Lake Utility Services, Inc's tariff for the Crescent Bay system currently on file with the Commission.  
[Order, page 4.]

If Staff's position is that the only charges approved for the additional territory were those specifically named in the Order, then the utility could not even have charged monthly rates, because they were not specifically and separately named in the Order, either. In fact, the only charges specifically and separately named in the Order were the \$569/ERC plant capacity charge, the \$506/ERC main extension charge, and the \$100 installation charge for a 5/8" x 3/4" meter. The only reasonable interpretation of the Order is that all rates and charges in the tariff approved for the Crescent Bay area and on file with the Commission were applicable to all customers in the additional territory. The Commission Order is all inclusive. It makes an all-inclusive reference to the rates and charges set forth in the Crescent Bay tariff, and it does not exclude any of those rates and charges.

It is the utility's position that not only was it entitled to charge the AFPI charge for new initial customers in the additional territory, but that it was required to do so, and in fact would have been responsible for discriminatory application of its rates and charges had it not done so. The Order is mandatory, it requires all rates and charges then in effect in the Crescent Bay

Mr. Charles C. Hill  
September 29, 1997  
Page 4

Subdivision to be applicable to the additional territory, and there has never been any change in that Order.

Also in your letter of September 8, 1997, you indicate that the AFPI charge was applicable, but only to connections in the Crescent Bay Subdivision and only up to a total of 106 ERCs. Staff apparently based that opinion on its reading of Order No. 19962, issued September 8, 1988, some four years prior to the petition to amend that certificated territory and the Commission's Order No. PSC-92-1369-POF-WU to make the rates for Crescent Bay applicable to the additional territory.

That interpretation is completely out of context. Certainly, Order No 19962 limits the charges to the Crescent Bay Subdivision. That was the only subdivision in the certificated area at the time. If you read Order No. 19962 carefully, however, you will note that the Commission established rates and charges for Crescent Bay based on the assumptions that there would be 106 ERCs at buildout and that no future expansion was anticipated. The monthly rates, the service availability charges, and the AFPI charges for Crescent Bay were all developed based on those assumptions and with the purpose of providing a full return on the projected investment to serve 106 ERCs. Those rates and charges were developed in concert, not separately.

However, when the Commission concluded that it would be appropriate to apply the Crescent Bay rates and charges to the additional territory, it certainly was aware that those rates and charges would apply to more than 106 ERCs and that additional investment was involved in serving those additional ERCs. It would be illogical to conclude that the monthly rates and the service availability charges are applicable to all customers whether in Crescent Bay or not, but that the AFPI charge, which was determined based on the same underlying assumptions, is applicable only to Crescent Bay. Furthermore, there is no authority for that interpretation in the Order.

The utility is also concerned that these allegations of inappropriate charging of AFPI are being made at this late date, some 4 1/2 years after they were implemented, and some four years after the Staff investigated a complaint instigated by a developer, Mr. Preben Olesen. The utility clearly stated, in writing, more than once, that it had implemented the AFPI charge and had a signed developer contract accepting that condition. Staff never stated that it believed the utility could not apply the AFPI charges in the additional territory outside Crescent Bay.

The developer had filed a complaint with the Commission, seeking to reduce the amount of charges he would have to pay to

Mr. Charles C. Hill  
September 29, 1997  
Page 5

hook up to the utility system. The utility provided responses to help inform Staff of the facts relating to the matter. Staff reviewed the materials provided by the developer and by the utility, and sent a letter dated September 30, 1993, to the developer. A copy of the letter is attached as Exhibit "C". On October 14, 1993, the utility informed Staff of the specific charges and amounts that the developer would have to pay and included the Commission Order and tariff sheets indicating the authority for those categories and amounts. The utility's letter to the Commission Staff (Exhibit "D") specifically stated that the AFPI charge would be made to sites developed by Mr. Olesen in the service territory, but that collection of the AFPI charge would be deferred until the time of connection to each site.

On November 12, 1993, Mr. Olesen signed, as acceptable, an agreement clearly stating that the AFPI charge (in addition to the other applicable charges) would be made, but that collection would be deferred until the time of connection to each site. (See Exhibit "E").

No objection was made by Staff, and no show cause order was initiated in response to the utility's imposition of the AFPI charge. There was no other indication whatsoever that anyone might believe that it was improper to apply the AFPI charge in the additional territory. The utility has relied upon the Commission Order approving the applicability of the AFPI charge, and has collected the amounts as authorized by the Order.

IF STAFF WAS OF THE OPINION THAT THE AFPI CHARGE WAS INAPPROPRIATE, THE TIME TO INFORM THE UTILITY WAS IN SEPTEMBER, 1993, NOT IN SEPTEMBER, 1997. THE TIME TO ISSUE A SHOW CAUSE TO THE UTILITY WAS SEPTEMBER, 1993, NOT IN SEPTEMBER, 1997.

The utility has been collecting those charges in good faith and in accordance with the previously cited Commission Order. To require the utility to refund those monies at this time would be retroactive ratemaking.

The applicability of the AFPI charge to customers in the additional territory, as well as the applicability of all other rates and charges, must be viewed in the context of the Order approving those charges. The Commission, in keeping with past procedures, simply established rates and charges for new customers in a new area at the same level as in the original area so that there would be no discrimination between customers in the service area. Staff, by now attempting to limit the AFPI charge to connections in the original area, would require the utility to discriminate against those customers. We do not believe that was the intent of the Commission. Nor is it authorized by statute or

Mr. Charles C. Hill  
September 29, 1997  
Page 6

by the State and Federal Constitutions.

In conclusion, Lake Utility Services, Inc. respectfully requests that the Staff reconsider its preliminary statement and (1) recognize that the intent of Order No. PSC-92-1369-POF-WU was that all of the rates and charges applicable to Crescent Bay were to be applicable to connections and customers in the additional territory, and (2) find that LUSI has properly collected AFPI charges from connections in the additional territory.

Sincerely yours,



Ben E. Girtman

Encls.

cc: w/encls.

Ms. Shannon J. Austin  
Mr. Mark Kramer  
Mr. Frank Seidman

Commissioners:  
JULIA L. JOHNSON, CHAIRMAN  
J. TERRY DEASON  
SUSAN F. CLARK  
DIANE K. KIESLING  
JOE GARCIA



DIVISION OF WATER & WASTEWATER  
CHARLES H. HILL  
DIRECTOR  
(850) 413-6900

## Public Service Commission

September 8, 1997

Richard D. Melson  
Hopping Green Sams & Smith  
P.O. Box 6526  
Tallahassee, FL 32314

**Re: Lake Utility Services, Inc. Allowance for Funds Prudently Invested (AFPI)**

Dear Mr. Melson:

This letter is regarding staff's informal investigation into whether or not Lake Utility Services, Inc. (LUSI or utility) inappropriately collected Allowance for Funds Prudently Invested (AFPI). We have determined that the utility has inappropriately collected AFPI. This determination is based on our review of the utility's responses to staff's questions, the utility's tariff, and Commission orders.

In the utility's response, it was indicated that \$134,995.98 was collected for AFPI as of December 1996. Pursuant to Order No. 19962, issued September 8, 1988, in Docket No. 871080-WU, LUSI was approved for AFPI for the Crescent Bay Subdivision. The purpose of the charge was to provide for a fair return on the plant which was prudently constructed, but exceeded the needs of the customers in the early years of development. The charge was to be in effect until the utility reached the capacity of 106 ERCs. The charge stopped escalating at 80% design capacity (85 ERCs) for a maximum of \$608.09. Based on our calculation, if the utility collected AFPI at the higher charge of \$608.09, for the 106 ERCs, it should have collected no more than \$64,457.54 for AFPI. Further, by dividing the total amount collected, \$134,995.98, by the maximum AFPI charge, \$608.09, it appears the utility has at least collected AFPI from 222 ERCs. This number is more than the 106 ERCs for which the AFPI was intended.

As a result of our review, we have determined the nature of the utility's over collection of AFPI. The utility has been collecting AFPI from the additional territory granted by Order No. PSC-92-1369-FOF-WU, issued November 24, 1992, in Docket No. 920174-WU. The collection of AFPI from the customers in the area granted by the aforementioned Order was inappropriate. The Order stated that the customers in the territory added shall be charged the rates and charges approved for the Crescent Bay system on file with the Commission. For service availability purposes, the charges approved for the additional territory were the plant capacity charge of \$569 per ERC, the main extension charge of \$506 per ERC, and the meter installation charge by meter size including a charge of \$100 for a 5/8" x 3/4" meter. Those charges would serve to increase the utility's level of Contribution-in-aid-of-Construction (CIAC). The approval of these charges and the reason for approval, were specifically stated in Order No. PSC-92-1369-FOF-WU. The AFPI charge was not addressed and therefore, was not approved for the additional territory. AFPI is considered below the line revenue and therefore would not serve to increase the utility's level of CIAC.

In the utility's response dated July 21, 1997, reference was made to the Commission's previous investigation by Ms. Charlotte Hand. We have reviewed this complaint by Mr. Preben Olesen, the developer of Royal View Estates and have not found any correspondence that indicates that the AFPI charge was appropriate for the additional territory. By our letter dated September 30, 1993, Mr. Olesen was informed that the appropriate charges for his development were a plant capacity charge of \$506 per ERC, a main extension charge of \$506 per ERC, and a meter installation charge of \$100 for a 5/8" x 3/4" meter. The letter did not address the AFPI charge. Our file contained a letter dated October 14, 1993, from Mr. Donald Rasmussen, which pointed out that our letter to Mr. Olesen failed to specify the AFPI charges. However, our file did not contain a response to Mr. Rasmussen's letter.

Based on our informal investigation, we have determined that AFPI should have been collected only from the Crescent Bay Subdivision. We constitute the Crescent Bay Subdivision to be the territory approved in the utility's original certificate pursuant to Order No. 18605, issued December 24, 1987, in Docket No. 871080-WU. Any AFPI collected outside the territory prescribed in the aforementioned order is inappropriate and should be refunded.

If the utility disagrees with this decision, please provide justification as to the appropriateness of the collection of AFPI from customers outside of the Crescent Bay Subdivision.



Mr. Richard Melson  
Page 3  
September 8, 1997

Please provide this information no later than September 22, 1997. If we have not received a response by that time, we will prepare a recommendation to be filed on October 9, 1997 for the October 21, 1997 Agenda Conference. At this time, we will be recommending that the AFPI collected outside of the Crescent Bay Subdivision be refunded.

If you have any questions concerning this matter, please feel free to contact Shannon J. Austin at (850) 413-7021.

Sincerely,



Charles H. Hill  
Director  
Division of Water and Wastewater

CHH/sja

cc: Division of Water and Wastewater (Willis, Rendell, Austin)  
Division of Legal Services (Jaber, Vaccaro)

2355 Sanders Road  
Northbrook, Illinois 60062-6196  
Telephone 847 498-6440  
Facsimile 847 498-2066

July 21, 1997

Ms. Shannon Austin  
Regulatory Analyst  
Florida Public Service Commission  
Capital Circle Office Center  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

RECEIVED

AUG 07 1997

Florida Public Service Commission  
Division of Water and Wastewater

Re: Lake Utility Services, Inc. - Allowance for Funds Prudently Invested

Dear Ms. Austin:

Below are the responses regarding your informal investigation regarding whether or not Lake Utility Services, Inc. inappropriately collected AFPI outside of what is authorized in its tariff.

In 1993, this issue was first addressed initiated by a complaint lodged by a developer against LUSI regarding our rates and charges. The developer of Royal View Estates, Mr. Preben Olesen questioned the application of our tariff in specified areas. The matter was investigated by FPSC Regulatory Analyst Charlotte Hand and Ms. Billie Messer from the Bureau of Economic Regulation of the FPSC.

The result of the investigation was that the company was properly applying its tariff approved in Order No. PSC-92-1369-FOF-WU, as it applied to new areas and was properly collecting AFPI charges in accordance with its tariff.

**Data Requests**

1. **From the utility's certificated territory, please provide a territorial description of the areas, from which the utility has collected AFPI.**
  - A. The territory includes Crescent Bay Subdivision and that approved in PSC Order No. PSC-92-1369-FOF-WU, which is attached for your convenience.
2. **Provide the number of ERCs currently being served in the Crescent Bay Subdivision. If it is more than 85 ERCs, please provide the date of when the utility reached 85 ERCs for the Crescent Bay Subdivision.**
  - A. As of December 31, 1996, Crescent Bay was serving approximately 53 ERCs.
3. **Provide the total amount of AFPI collected by the utility. Also, please indicate the amount which represents the collection from the Crescent Bay Subdivision.**
  - A. \$134,995.98 AFPI has been collected. Of that total, \$16,418.43 relates to Crescent Bay Subdivision.

**Lake Utility Services, Inc.**

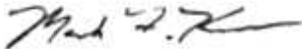
July 21, 1997

Page 2 of 2

4. **For the Crescent Bay Subdivision, please provide a schedule of initial connections by month and year from the implementation of AFPI.**
  - A. Please see the attached schedule.
5. **Provide the date of the interconnection between the Crescent Bay Subdivision, Highland Point, Crescent West and Lake Crescent Hills.**
  - A. Lake Crescent Hills and Crescent West - November, 1992  
Crescent Bay and Crescent West - May, 1993  
Highland Point and Crescent Bay - April, 1994

If you require additional information, please advise.

Sincerely,



Mark F. Kramer  
Manager, Regulatory Matters

cc. Richard Melson, esq.

ORDER NO. PFC-93-1163-POP-80  
 DOCKET NO. 930116-80  
 PAGE 7

ATTORNEY J  
 LAKE PRIVATE SERVICE, INC.

SERVICE TERMINATION RESCISSION - NORTH CANTONMENT SERVICE - LAKE  
 COUNTY

Township 22 South, Range 25 East, Lake County

ALL OF SECTION 25, LESS LAKE NIMRODIA,  
 ALL OF SECTION 26, LESS LAKE NIMRODIA.

Township 22 South, Range 26 East, Lake County

ALL OF SECTION 31, LESS LAKE NIMRODIA.

ALL OF SECTION 32 THAT IS WEST OF THE CENTERLINE OF U.S.  
 HIGHWAY 27.

Township 23 South, Range 25 East, Lake County

ALL OF SECTION 1, LESS LAKE NIMRODIA, AND LAKE SOGAN.  
 ALL OF SECTION 2, LESS LAKE NIMRODIA, AND CHEROKEE LAKE.  
 ALL OF SECTION 11, LESS CHEROKEE LAKE, AND SAW HILL LAKE.  
 ALL OF SECTION 12, LESS CHEROKEE LAKE, FLORENCE LAKE, AND  
 RALPH LAKE.

ALL OF SECTION 13, LESS LAKE WELLS.  
 ALL OF SECTION 14, LESS SAW HILL LAKE AND LAKE GLOMA.  
 ALL OF SECTION 23, LESS LAKE WELLS, AND LAKE GERT.  
 ALL OF SECTION 24, LESS LAKE WELLS.

Township 23 South, Range 26 East, Lake County

ALL OF SECTION 4 THAT IS WEST OF THE CENTERLINE OF U.S.

ALL OF SECTION 5 THAT IS WEST OF THE CENTERLINE OF U.S.  
 HIGHWAY 27.

ALL OF SECTION 6, LESS LAKE SUNNY, AND LAKE LOUISA.

ALL OF SECTION 7, LESS LAKE LOUISA.

ALL OF SECTION 8, LESS LAKE LOUISA.  
 ALL OF SECTION 9 THAT IS WEST OF THE CENTERLINE OF U.S.

ALL OF SECTION 16 THAT IS WEST OF THE CENTERLINE OF U.S.  
 HIGHWAY 27, AND LAKE LOUISA.

ALL OF SECTIONS 17, 18, 19 AND 20, LESS LAKE LOUISA.

ALL OF SECTION 21 THAT IS WEST OF THE CENTERLINE OF U.S.  
 HIGHWAY 27, LESS LAKE LOUISA.



STATE OF FLORIDA

Commissioners:  
JULIA L. JOHNSON, CHAIRMAN  
SUSAN F. CLARK  
J. TERRY DEASON  
JOE GARCIA  
DIANE K. KIESLING



DIVISION OF WATER & WASTEWATER  
CHARLES H. HILL  
DIRECTOR  
(850) 413-6900

## Public Service Commission

August 4, 1997

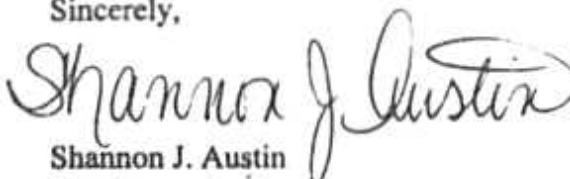
Richard D. Melson  
Hopping Green Sams & Smith  
P.O. Box 6526  
Tallahassee, FL 32314

**Re: Lake Utility Services, Inc. - Allowance for Funds Prudently Invested (AFPI)**

Dear Mr. Melson:

This letter is to follow up a letter sent to you on June 23, 1997 requesting information regarding Lake Utility Services, Inc.'s (LUSI) collection of Allowance for Funds Prudently Invested (AFPI). This information is essential in staff's informal investigation. If you have not already done so, please forward the information requested by August 13, 1997 in order to assist staff in their investigation. Your immediate attention to this matter will be greatly appreciated.

Sincerely,

  
Shannon J. Austin  
Regulatory Analyst

SJA/sja

Enclosure (copy of letter from June 23, 1997)

cc: Division of Water and Wastewater (Rendell, Merchant, Zhang)  
Division of Legal Services (Jaber, Vaccaro)

Commissioners:  
JULIA L. JOHNSON, CHAIRMAN  
SUSAN F. CLARK  
J. TERRY DEASON  
JOE GARCIA  
DIANE K. KIESLING



DIVISION OF WATER & WASTEWATER  
CHARLES H. HILL  
DIRECTOR  
(904) 413-6900

## Public Service Commission

June 23, 1997

Richard D. Melson  
Hopping Green Sams & Smith  
P.O. Box 6526  
Tallahassee, FL 32314

**Re: Lake Utility Services, Inc. - Allowance for Funds Prudently Invested (AFPI)**

Dear Mr. Melson:

We are conducting an informal investigation regarding whether or not Lake Utility Services, Inc. inappropriately collected Allowance for Funds Prudently Invested (AFPI) outside of what is authorized in its tariff. In order to make this determination, we are asking that you provide the following information.

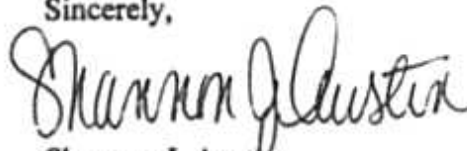
1. From the utility's certificated territory, please provide a territorial description of the areas, from which, the utility has collected AFPI.
2. Provide the number of ERCs currently being served in the Crescent Bay Subdivision. If it is more than 85 ERCs, please provide the date of when the utility reached 85 ERCs for the Crescent Bay Subdivision.
3. Provide the total amount of AFPI collected by the utility. Also, please indicate the amount which represents the collection only from the Crescent Bay Subdivision.
4. For the Crescent Bay Subdivision, please provide a schedule of initial connections by month and year from the implementation of the AFPI.

Mr. Melson  
Page 2  
June 23, 1997

5. Provide the date of the interconnection between the Crescent Bay Subdivision, Highland Point, Crescent West and Lake Crescent Hills.

In order to proceed with this investigation in a timely manner, we are asking that you please provide this information by July 25, 1997. If you have any questions, please do not hesitate to contact me at (904) 413-7021.

Sincerely,



Shannon J. Austin  
Regulatory Analyst

SJA/sja

cc: Division of Water and Wastewater (Rendell, Merchant, Zhang)  
Division of Legal Services (Jaber, Vaccaro)



Commissioners:  
JULIA L. JOHNSON, CHAIRMAN  
SUSAN F. CLARK  
J. TERRY DEASON  
JOE GARCIA  
DIANE K. KIESLING



DIVISION OF WATER & WASTEWATER  
CHARLES H. HILL  
DIRECTOR  
(904) 413-6900

## Public Service Commission

June 23, 1997

Daisy Yiannas  
11223 Sooner Drive  
Clermont, FL 34711

### Re: Charges for initial water service by Lake Utility Services, Inc.

Dear Mrs. Yiannas:

We are conducting an informal investigation regarding whether or not Lake Utility Services, Inc. inappropriately collected Allowance for Funds Prudently Invested (AFPI) outside of what is authorized in its tariff.

You indicated at the customer meeting, held May 25, 1995, in the Jenkins Auditorium, that you bought a home in Preston Cove and were charged a \$1,500 connection fee. You also stated that not everyone in your area had been charged the \$1,500 connection fee. In order to determine whether or not the fee was actually appropriate, we are asking that you provide the approximate date of when you paid the connection fee and a legal description of your property. This information will assist us in determining whether or not the connection fee amount was collected in accordance with the utility's tariff.

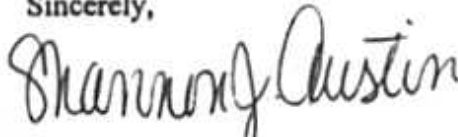
Since you were the only customer who testified about the connection fee, our resources are limited with regards to determining whether or not other customers may have been inappropriately charged. So, if you know of any customers in your area who were

Mrs. Yiannas  
Page 2  
June 23, 1997

charged the \$1,500 connection fee, please have them contact us with the approximate date of payment and a legal description of their property.

Your assistance in this matter will be greatly appreciated. If you have any questions, please feel free to contact us at (904) 413-6900.

Sincerely,



Shannon J. Austin  
Regulatory Analyst

SJA/sja

cc: Division of Water and Wastewater (Rendell, Merchant, Zhang)  
Division of Legal Services (Jaber, Vaccaro)

Commissioners:  
JULIA L. JOHNSON, CHAIRMAN  
SUSAN F. CLARK  
J. TERRY DEASON  
JOE GARCIA  
DIANE K. KIESLING



DIVISION OF WATER & WASTEWATER  
CHARLES H. HILL  
DIRECTOR  
(904) 413-6900

## Public Service Commission

June 23, 1997

Mrs. Kathleen Shutts  
7640 Benji Ridge Trail  
Kissimmee, FL 34747-1947

**Re: Charges for initial water service by Lake Utility Services, Inc.**

Dear Mrs. Shutts:

In August of 1996, you expressed concern about the service availability charges that you were required to pay to receive water service for your property (Anderson Hill Road Lot #5). From our initial investigation, you were told that the charges you had to pay were accurate. The charges you paid included \$608.09 for Allowance for Funds Prudently Invested (AFPI). As a result of the utility's recent rate case, we have concern that the utility may have collected the AFPI outside of what is authorized in its tariff. Therefore, we are conducting an informal investigation regarding whether or not Lake Utility Services, Inc. inappropriately collected the AFPI.

In order to make this determination, we are asking that you provide us with the date of when you paid for initial service and a legal description of your property. This information will assist us in determining whether or not the AFPI was collected in accordance with the utility's tariff.

Also, our resources are limited with regards to determining whether or not other customers may have been inappropriately charged. Therefore, if you know of any customers in your area who were charged the same fee that you paid, please have them contact us with

Mrs. Shutts  
Page 2  
June 23, 1997

the approximate date of payment for initial service and a legal description of their property.

Your assistance in this matter will be greatly appreciated. If you have any questions, please feel free to contact us at (904) 413-6900.

Sincerely,

*Shannon J. Austin*  
Shannon J. Austin  
Regulatory Analyst

SJA/sja

cc: Division of Water and Wastewater (Rendell, Merchant, Zhang)  
Division of Legal Services (Jaber, Vaccaro)

#(352) 241-0139

6/5/96 \* 1783.09

West 100 Ft, East 500 Ft, of Lot 1  
U.S.G. Anderson Subdivision, Section 31  
Township 22 South, Range 26 East  
According to the Platt thereof recorded  
in Platt Book 3, pg 47, Public Records of  
Lake County