

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for transfer of Certificates Nos. 592-W and 509-S from Cypress Lakes Associates, Ltd. to Cypress Lakes Utilities, Inc. in Polk County.

DOCKET NO. 971220-WS
FILED: May 18, 1999

COMMISSION STAFF'S FIRST SET OF INTERROGATORIES TO
CYPRESS LAKES UTILITIES, INC.

The Staff of the Florida Public Service Commission, by and through its undersigned attorney, hereby propounds the following interrogatories, numbered one through eight, to Cypress Lakes Utilities, Inc. (Cypress Lakes or utility), pursuant to Rule 1.340, Florida Rules of Civil Procedure. These interrogatories shall be answered under oath by Cypress Lakes Utilities, Inc. or its agent who is qualified to answer and who shall be fully identified, within thirty (30) days.

INSTRUCTIONS

A. The utility shall answer these interrogatories to the fullest extent possible and shall furnish all information which is reasonably available to the utility, its principals, agents, attorneys, affiliates or other representatives. The utility may respond to an interrogatory by indicating that the requested information is reported on a specific schedule in the minimum filing requirements.

B. If the utility cannot answer a particular interrogatory in full, after exercising due diligence to secure the information to do so, it should state the answer to the extent possible and specify why it is unable to answer the remainder. In addition, the utility shall state whatever information or knowledge that it has concerning the unanswered portion.

C. If the requested information is not applicable, that response should be reported as well as the reason why. If the requested information is not available, that response should be reported as well as the reason why.

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- MAS _____
- OPC _____
- RRR _____
- SEC _____
- WAW _____
- OTH _____

DOCUMENT NUMBER-DATE

06266 MAY 18 99

FPSC-RECORDS/REPORTING

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D. Financial information is requested for the utility's parent organization(s), and, if possible, that information should coincide with the approved test period. The most recent financial period should be used if "test year" information is not available for the parent company.

E. If the utility is an operating division of a larger company, but separate records permit isolation of the subject utility system, the utility's response to these interrogatories may reflect such information. For example, cost of capital information for the utility may be on a divisional basis and similar information for the combined company will be reported under the heading "parent company." This adaptation should be disclosed in the utility's response.

F. Please report the name(s) of each person responding to each of the following interrogatories, the business address and telephone number of each such person, and the relationship of each person to the utility. Also, identify which interrogatory each such person has answered.

G. If an interrogatory contained herein asks for information that has already been provided or is in the process of being provided to the Commission through a Commission audit, please so state, indicating the date provided and the audit document/record request number.

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INTERROGATORIES

1. Please state whether the utility was under any enforcement notices of violation or consent orders from the Florida Department of Environment of Protection (DEP) or Polk County from 1995 through 1999.

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2. If the response to the preceding Interrogatory No. 1 is affirmative, please explain the violation and all action taken by the utility to address these areas, and identify whether the wastewater system is now in compliance with Polk county and DEP.

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3. Please state the net book value for the water and wastewater system, and whether there are any addition plant items that you believe should be considered in the book value that staff did not consider.

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4. Please discuss whether any study or analysis of Cypress Lakes' facilities was conducted by Utilities, Inc. in preparation for negotiating the purchase of the utility.

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5. Please discuss Utilities, Inc.'s plans with respect to investment in Cypress Lakes for future demand and expansion. Please specify dollar amounts, expected timeframe for completion and estimated ERCs to be served in future plant expansion.

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6. Please identify and discuss the factors considered by Utilities, Inc. in developing its purchase price of the Cypress Lakes system.


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7. Cypress Lakes' application for transfer indicated that the utility estimated preliminary costs for plant expansion and donated facilities to be \$535,000. Please identify the portion of this amount that relates to plant expansion versus donated facilities.

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8. The filing for transfer also indicated that this \$535,000 for future expansion was to be paid by the seller. Please explain whether this preliminary \$535,000 cost was considered in determining the purchase price. If so, please explain how this cost affected the purchase price.

DATED: May 10, 1999


Jennifer S. Brubaker, Senior Attorney
Bureau of Water and Wastewater
Division of Legal Services
Florida Public Service Commission

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I HEREBY DECLARE that the responses to the above
interrogatories are true and correct to my best knowledge and
belief.

Cypress Lakes Utilities, Inc.
c/o Ben Girtman, Esq.
1020 E. Lafayette St., #207
Tallahassee, FL 32301-4552

By: _____

STATE OF FLORIDA

COUNTY OF _____

SWORN to and subscribed before me at _____,
County, Florida, this _____ day of _____, 19__.

Notary Public
State of Florida
My Commission Expires:

(S E A L)

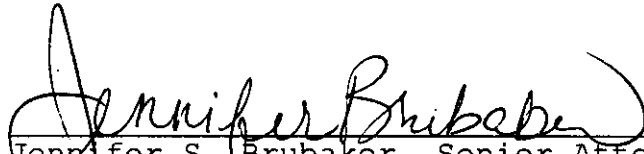
JSB

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509-S from Cypress Lakes
Associates, Ltd. to Cypress
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County.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original of the Commission Staff's First Set of Interrogatories to Cypress Lakes Utilities, Inc., numbered one through eight, has been furnished to Ben Girtman, Esquire, 1020 E. Lafayette Street, #207, Tallahassee, FL 32301-4552, and that a true and correct copy thereof has been furnished to the Office of Public Counsel, c/o The Florida Legislature, W. Madison Street, Suite 812, Tallahassee, FL 32399-1400, by U.S. Mail, this 18th day of May, 1999.


Jennifer S. Brubaker, Senior Attorney
FLORIDA PUBLIC SERVICE COMMISSION
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
(850) 413-6199