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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Revocation by Florida)
Public Service Commission of)
Certificates Nos. 451-W and)
382-S Issued to SHADY OAKS MOBILE-)
MODULAR ESTATES, INC. in Pasco)
County, Pursuant to Section)
367.111(1), F.S.)

DOCKET NO. 930944-WS

FILED:

UTILITY'S PREHEARING STATEMENT

Pursuant to Orders Nos. PSC-93-1779-PCO-W, issued December 13, 1993, PSC-94-0126-PCO-W, issued February 2, 1994 and PSC-94-0809-PCO-W issued June 29, 1994, the Utility, SHADY OAKS MOBILE-MODULAR ESTATES, INC., files its prehearing statement as follows:

A. All Known Witnesses

The Utility intends to call Mike Daley, Aileen B. Delehanty, Richard D. Sims and Larry DeLucenay as witnesses. Mr. Daley is a certified operator who will testify as both as an expert and as fact witness. Ms. Delehanty is a certified public accountant who will testify to the utilities financial condition. Richard D. Sims is the president of the corporation and will testify as a fact witness. Larry DeLucenay will testify as both a fact and as an expert witness. Mr. DeLucenay was retained by the utility as the contractor to handle the interconnection of the wastewater system to the Pasco County system.

B. All Known Exhibits

The utility intends to introduce the following exhibits:

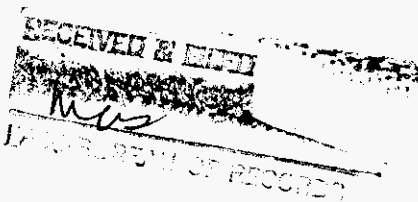
1. Tax returns of the utility.
2. Annual Reports to the Public Service Commission.
3. Monthly operating reports to the DEP.
4. Letter from CoBank to Richard D. Sims dated June 9, 1994 pertaining to the denial of the utilities' request for financing due to "operating losses, negative cash flow and negative net worth position" of the utility.

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FPSC-RECORDS/REPORTING

5. Letter from Northside Bank (expected to be received).
6. Correspondence between the Utility and the PSC.
7. Pasco interconnect agreement.
8. Contract with Larry DeLucenay.
9. Letter from Larry DeLucenay dated regarding status of interconnect work.
10. Pleadings and papers from circuit court case with DEP.
11. Letter from Utilities, Inc. dated June 30, 1994 expressing lack of interest in purchase of the Utility.
11. All applicable statutes and rules.

C. Utility's Statement of Basic Position

Because it has not been granted a rate capable of allowing it to operate and to maintain itself in compliance, certificate revocation is not appropriate. Mr. Sims has operated the Utility for over 22 years and has knowledge of the system, but cannot apply that knowledge without money.

D. Issues of Fact, Law and Policy

The following are issues identified by the Utility and its positions on these issues. The Utility's positions are preliminary and are intended to inform the PSC of the Utilities preliminary positions. The Utility's final positions will be based on an analysis of the evidence presented at the hearing.

Issue 1: Has the quality of service for the wastewater system been improved by the Utility's efforts to secure out-side financing to connect to the Pasco County system.

Position: The Utility has attempted to improve the quality of its service by accomplishing an interconnection with the Pasco County System. Although the interconnect has been partially

accomplished, completion has been prevented by lack of long term financing. Notwithstanding the lack of a viable rate, the Utility has always utilized its limited resources for preventative maintenance on its system.

Issue 2: Has the Utility attempted to pay Regulatory Assessment Fees?

Position: Yes, but its current rate is insufficient to substantiate that payment. Escrow requirements including the Regulatory assessment Fee, far exceed the rate base that was established. The escrow requirements plus the regulatory assessment fee amounted to an excess of approximately 33 1/3% of the gross revenues.

Issue 3: Does the Utility have sufficient funds to refund monies held in escrow to each customer?

Position: No. The Utility has requested letters from the PSC to release these funds. Also, part of these refunds are to be used to interconnect to the Pasco system and for the installation of water meters.

Issue 4: Does the Utility lack the financial ability to do an adequate rate analysis?

Position: Yes.

E. Stipulated Issues

There are no issues that have been stipulated to at this time.

F. Pending Matters

There are not matters pending at this time.

G. Requirements That Cannot Be Complied With

There are not requirements of Orders Nos. PSC-93-1779-PCO-W and PSC-94-0126-PCS-W that cannot be complied

with at this time.

Respectfully submitted,

SHADY OAKS MOBILE-MODULAR ESTATES, INC.

By: Richard D. Sims
Richard D. Sims
Shady Oaks Mobile-Modular
Estates, Inc.
38616 Shady Oaks Drive
Zephyrhills, Florida 33540-6526
813) 932-3177

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was furnished by U.S. mail to **Lila A. Jaber, Esquire**, Division of Legal Services, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida 32399-0863, **Gerald T. Buhr, Esquire**, 1519 N. Dale Mabry, Suite 100, Lutz, Florida 33549, and **Rick Mann, Esquire**, Office of Public Counsel, Claude Pepper Building, Room 812, 111 W. Madison Street, Tallahassee, Florida 32399-1400, this 1st day of July, 1994.

Janie Centeno