



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: September 1, 1998
 TO: Chairman Julia L. Johnson
 FROM: Susan F. Clark, Commissioner *WJZ for SFC* *P.H.*
 RE: Docket No. 960444-WU - Application for rate increase and for increase in service availability charges in Lake County by Lake Utility Services, Inc. *WJZ for SFC*

On May 30, 1997, Lake Utility Services, Inc. (LUSI) filed a Petition on Proposed Agency Action (PAA), protesting PAA Order No. PSC-97-0531-FOF-WU. The matter was set for hearing but continued pending settlement between LUSI and the Office of Public Counsel (OPC). By PAA Order No. PSC-98-0683-AS-WU, the Commission approved a settlement offer made by LUSI. OPC did not support the settlement offer and protested the Commission's order. Thereafter, the parties met with staff to attempt settlement negotiations, but the negotiations fell through.

Accordingly, on August 31, 1998, the Prehearing Conference was held in this matter. During the Prehearing Conference, staff indicated that the problem with settlement negotiations was due, in large part, to the fact that the information contained in LUSI's 1997 annual report suggests that the utility is overearning. Staff also indicated that LUSI filed a notice of withdrawal of its settlement offer and withdrawal of its protest. According to staff, the utility believes that its withdrawal eliminates the need for a hearing and enables it to automatically put into effect the rates and charges approved in the first PAA Order.

Based on the utility's filing and its potential overearning, staff recommended that the Prehearing Conference be continued and that I request that you reschedule the prehearing and hearing dates to enable staff to bring a recommendation to the September 22, 1998 Agenda Conference, addressing these issues. Therefore, please cancel the hearing scheduled for September 15-16, 1998 and reschedule the prehearing and hearing dates in this docket. Thank you.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
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- SEC 1
- WAS _____
- OTH _____

cc: Division of Water & Wastewater (Willis, Austin, Crouch, Lingo, Merchant, Munroe, Rendell)
 Division of Records and Reporting (Bayó)

DOCUMENT NUMBER-DATE

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