

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into possible overcollection of Allowance for Funds Prudently Invested (AFPI) in Lake County, by Lake Utility Services, Inc.

DOCKET NO. 980483-WU

FILED: November 20, 1998

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Direct Testimony of JoAnn Chase was furnished to **Ben Girtman, Esquire**, 1020 E. Lafayette Street, Suite 207, Tallahassee, Florida, 32301-4552; **Ms. Kathy Shutts**, 12906 Anderson Hill Road, Clermont, Florida, 34711; and **Ms. Sandy Baron**, 12838 Anderson Hill Road, Clermont, Florida, 34711, by U.S. Mail, on this 20th day of November, 1998.



TIM VACCARO, ESQUIRE

FLORIDA PUBLIC SERVICE COMMISSION
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
Telephone No. (850) 413-6181
Facsimile No. (850) 413-6250

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FPSC-RECORDS/REPORTING

DIRECT TESTIMONY OF JOANN CHASE

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- Q. Please state your name and business address?
- A. JoAnn Chase, 2540 Shumard Oak Blvd., Tallahassee, Florida, 32399-0850.
- Q. By whom are you employed and in what capacity?
- A. I am employed by the Florida Public Service Commission in the Division of Water and Wastewater. I currently hold the position of Supervisor of Monitoring and Compliance in the Bureau of Special Assistance.
- Q. Please state your educational background and provide a summary of your experience in the area of utility regulation.
- A. I received a Bachelor of Science degree in Business Management from the Florida State University. I have been employed with the Commission for approximately 24 years. During this time, I have worked in the Division of Electric and Gas in the area of rates and cost of service, the Division of Research in the area of management studies, and in the Division of Water and Wastewater in several areas. Prior to my current position, I held the positions of Supervisor of Certification from 1989 until 1993, and Supervisor of Policy Development.
- Q. What is the purpose of your testimony?
- A. While I was an analyst and later a supervisor in the Certification section of the Division of Water and Wastewater, I worked on two dockets involving Lake Utility Services, Inc., often referred to as LUSI. Those two dockets were the original certificate case processed in Docket No. 871080-WU and an amendment case filed in 1992 and processed in Docket No. 920174-WU. The purpose of my testimony is to discuss the circumstances of these cases and the decisions made in these dockets.

1 AFPI charges are designed to cover the carrying charges on plant that
2 is prudently constructed but exceeds the needs of the customers in the
3 early years of development. Commission Order No. 19962, which was
4 issued September 8, 1988, established the initial rates and charges of
5 LUSI. Attached to that order as Schedule 7 is the calculation of the
6 AFPI charges.

7 Q. In your opinion, what is the significance of the calculation of the AFPI
8 charges shown on Schedule 7 of Order No. 19962?

9 A. The significance of the calculation of the AFPI charges is that it is
10 based on the very specific cost information surrounding the Crescent Bay
11 subdivision. Inherent in the calculation of the AFPI charges is the
12 cost of the plant to serve the Crescent Bay subdivision, the capacity
13 of that plant, associated depreciation and other costs as well as the
14 expected number of future connections.

15 Q. What was the expected number of future connections and what is the
16 significance of this with regard to the approved AFPI charges?

17 A. The expected number of future connections to the Crescent Bay
18 subdivision was 106 equivalent residential connections (or ERCs). As
19 explained in the body of Order No. 19962, the AFPI charges were intended
20 to be in effect until the utility reached capacity, which is the 106
21 ERCs. In other words, the utility should collect the AFPI charges,
22 which escalate over time, until 106 ERCs have been connected to the
23 system. At that point, the charges should no longer be collected.

24 Q. You stated earlier in your testimony that all of the rates and charges
25 in an original certificate case, including AFPI, are based on projected

1 charges in effect for these systems. Also, in 1991, LUSI was granted
2 an amendment to include the Lake Saunders subdivision and allowed to
3 charge the rates approved for the Crescent Bay subdivision.

4 Q. What were the circumstances of the amendment case filed in Docket No.
5 920174-WS?

6 A. In that case, LUSI was requesting to extend its territory to provide
7 water service to some residents in the area receiving service from
8 contaminated private wells as well as several residential developments
9 not yet under construction. At buildout, the utility proposed to serve
10 approximately 1,480 additional customers in the proposed area.
11 According to the application submitted in the docket, LUSI planned to
12 serve the additional territory by interconnecting some of the existing
13 systems and extending the transmission lines to the new developments.

14 Q. What is normally done in amendment cases with regard to rates and
15 charges?

16 A. Normally in amendment cases in which the utility is adding territory in
17 which there are no existing customers, the utility is allowed to charge
18 its existing rates and charges in the new territory.

19 Q. Was Docket No. 920174-WU different from the norm?

20 A. Yes.

21 Q. In what way?

22 A. As I mentioned previously, at the time that case was filed, LUSI was
23 charging two different sets of rates and charges to customers in the
24 existing systems. Therefore, there had to be a determination as to
25 which rate would be appropriate for the proposed territory.

DIRECT TESTIMONY OF JOANN CHASE

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A. JoAnn Chase, 2540 Shumard Oak Blvd., Tallahassee, Florida, 32399-0850.

Q. By whom are you employed and in what capacity?

A. I am employed by the Florida Public Service Commission in the Division of Water and Wastewater. I currently hold the position of Supervisor of Monitoring and Compliance in the Bureau of Special Assistance.

Q. Please state your educational background and provide a summary of your experience in the area of utility regulation.

A. I received a Bachelor of Science degree in Business Management from the Florida State University. I have been employed with the Commission for approximately 24 years. During this time, I have worked in the Division of Electric and Gas in the area of rates and cost of service, the Division of Research in the area of management studies, and in the Division of Water and Wastewater in several areas. Prior to my current position, I held the positions of Supervisor of Certification from 1989 until 1993, and Supervisor of Policy Development.

Q. What is the purpose of your testimony?

A. While I was an analyst and later a supervisor in the Certification section of the Division of Water and Wastewater, I worked on two dockets involving Lake Utility Services, Inc., often referred to as LUSI. Those two dockets were the original certificate case processed in Docket No. 871080-WU and an amendment case filed in 1992 and processed in Docket No. 920174-WU. The purpose of my testimony is to discuss the circumstances of these cases and the decisions made in these dockets.

1 particularly with respect to the Allowance for Funds Prudently Invested.
2 commonly known as AFPI.

3 Q. What was your role in Docket No. 871080-WU?

4 A. I was one of the staff analysts in this docket, which was the original
5 certificate case for LUSI.

6 Q. Please explain the circumstances involved in that case wherein AFPI
7 charges were established for LUSI.

8 A. LUSI filed for an original certificate in October, 1987, and it was
9 assigned Docket No. 871080-WU. At that time, the utility was not owned
10 by Utilities, Inc. The utility was formed to provide water service to
11 a planned subdivision in Lake County called Crescent Bay, which at build
12 out would include 106 single family residences. As is the case in all
13 true original certificate cases where construction has not yet been
14 initiated or completed, the applicant provided data supporting a
15 projected rate base, capital structure, and expenses. In such cases,
16 the Commission approves initial rates and charges based on this
17 projected information. However, since the data is projected and
18 unaudited, it is used only as a tool in setting rates and charges, and
19 the Commission does not formally establish rate base or approve an
20 annual revenue requirement.

21 In this case, the utility also requested and was granted AFPI
22 charges. In his testimony, Staff Witness Marshall Willis explains the
23 basic intent of AFPI charges, which are normally developed in the
24 context of a formal rate proceeding. However, AFPI charges are
25 sometimes approved in original certificate cases. In such cases, the

1 AFPI charges are designed to cover the carrying charges on plant that
2 is prudently constructed but exceeds the needs of the customers in the
3 early years of development. Commission Order No. 19962, which was
4 issued September 8, 1988, established the initial rates and charges of
5 LUSI. Attached to that order as Schedule 7 is the calculation of the
6 AFPI charges.

7 Q. In your opinion, what is the significance of the calculation of the AFPI
8 charges shown on Schedule 7 of Order No. 19962?

9 A. The significance of the calculation of the AFPI charges is that it is
10 based on the very specific cost information surrounding the Crescent Bay
11 subdivision. Inherent in the calculation of the AFPI charges is the
12 cost of the plant to serve the Crescent Bay subdivision, the capacity
13 of that plant, associated depreciation and other costs as well as the
14 expected number of future connections.

15 Q. What was the expected number of future connections and what is the
16 significance of this with regard to the approved AFPI charges?

17 A. The expected number of future connections to the Crescent Bay
18 subdivision was 106 equivalent residential connections (or ERCs). As
19 explained in the body of Order No. 19962, the AFPI charges were intended
20 to be in effect until the utility reached capacity, which is the 106
21 ERCs. In other words, the utility should collect the AFPI charges,
22 which escalate over time, until 106 ERCs have been connected to the
23 system. At that point, the charges should no longer be collected.

24 Q. You stated earlier in your testimony that all of the rates and charges
25 in an original certificate case, including AFPI, are based on projected

1 data. What happens if, over time, the utility realizes that the
2 projections used to calculate the AFPI charges are no longer valid?

3 A. If any of the data on which the AFPI charges are calculated turns out
4 to be significantly flawed or changes occur in the circumstances under
5 which the AFPI charges were determined, the utility can file for a
6 revision to the AFPI charges based on actual data.

7 Q. Turning to another case, were you involved in Docket No. 920174-WU,
8 which is an amendment case filed by LUSI in 1992?

9 A. Yes, at that time, I was the Supervisor of the Certification section,
10 which is responsible for processing amendment dockets. In this
11 particular case, it happens that I was the analyst that worked on the
12 case along with an engineer who worked under my supervision.

13 Q. At the time that amendment case was filed, had LUSI changed
14 substantially since the original certificate case in 1987?

15 A. Yes. As mentioned previously, the services area granted in the original
16 certificate case involved only one subdivision, the Crescent Bay
17 subdivision. In 1989, Utilities, Inc. purchased the LUSI system through
18 a stock transfer, which was approved by the Commission in Docket No.
19 890334-WU. During this time, Utilities, Inc. also owned another utility
20 in Lake County, known as Utilities, Inc. of Florida, or UIF. In a
21 corporate reorganization in 1991, the UIF systems were brought together
22 with LUSI under one company and one certificate, with the LUSI name
23 surviving. In that corporate reorganization, the rates and charges of
24 all the systems remained the same. As a result, the utility had grown
25 to nine separate service areas with two different sets of rates and

1 | charges in effect for these systems. Also, in 1991, LUSI was granted
2 | an amendment to include the Lake Saunders subdivision and allowed to
3 | charge the rates approved for the Crescent Bay subdivision.

4 | Q. What were the circumstances of the amendment case filed in Docket No.
5 | 920174-WS?

6 | A. In that case, LUSI was requesting to extend its territory to provide
7 | water service to some residents in the area receiving service from
8 | contaminated private wells as well as several residential developments
9 | not yet under construction. At buildout, the utility proposed to serve
10 | approximately 1,480 additional customers in the proposed area.
11 | According to the application submitted in the docket, LUSI planned to
12 | serve the additional territory by interconnecting some of the existing
13 | systems and extending the transmission lines to the new developments.

14 | Q. What is normally done in amendment cases with regard to rates and
15 | charges?

16 | A. Normally in amendment cases in which the utility is adding territory in
17 | which there are no existing customers, the utility is allowed to charge
18 | its existing rates and charges in the new territory.

19 | Q. Was Docket No. 920174-WU different from the norm?

20 | A. Yes.

21 | Q. In what way?

22 | A. As I mentioned previously, at the time that case was filed, LUSI was
23 | charging two different sets of rates and charges to customers in the
24 | existing systems. Therefore, there had to be a determination as to
25 | which rate would be appropriate for the proposed territory.

- 1 Q. What rates and charges did the utility propose in this amendment case?
- 2 A. According to Exhibit O of the utility's application filed in Docket No.
3 920174-WU, the utility requested the rates in effect at that time for
4 the Crescent Bay subdivision as well as its uniform miscellaneous
5 service charges. I am attaching a copy of Exhibit O of the utility's
6 application to my testimony as Exhibit JC-1. The Commission's Division
7 of Records and Reporting assigned Document No. 01936 to the application,
8 which was filed on February 25, 1992.
- 9 Q. Did the utility propose that the AFPI charges for the Crescent Bay
10 subdivision be implemented in this amendment case?
- 11 A. No, as can be seen from Exhibit JC-1, the utility did not file a
12 proposed tariff sheet containing the AFPI charges.
- 13 Q. Did the utility have an executed developer agreement for a development
14 in this proposed amendment which discusses rates and charges?
- 15 A. Yes, there was an agreement signed on June 26, 1992 between LUSI and
16 Tony Hubbard, a developer, for service to a residential community of
17 approximately 170 dwelling units. I am attaching a copy of that
18 developer agreement as Exhibit JC-2.
- 19 Q. What reference was made to rates and charges in this developer
20 agreement?
- 21 A. Article IV of the agreement provides that the developer is responsible
22 for the payment of each water "tap-on fee" as approved by the
23 Commission. The agreement also provides that water usage charges shall
24 be rendered by the utility in accordance with the utility's rates on
25 file with the Commission and then in effect.

1 Q. Was any reference made in that developer agreement to AFPI charges?
2 A. No.
3 Q. What do you conclude from the information as to rates and charges
4 contained in the utility's application for amendment and the developer
5 agreement with Mr. Hubbard?
6 A. Based on that information, it is clear to me that the utility was not
7 requesting nor anticipated charging AFPI charges in the requested
8 territory.
9 Q. What rates and charges were recommended by staff in this amendment
10 docket for the additional territory?
11 A. In a memorandum dated October 22, 1992, staff recommended that the
12 utility be allowed to implement the monthly rates for service approved
13 for its Crescent Bay system. I am attaching a copy of that
14 recommendation as Exhibit JC-3. Issue 4 of the recommendation discusses
15 the rates and charges. In that issue, staff stated that the rates
16 established for the Crescent Bay system are appropriate because they
17 were more indicative of the costs to be incurred by LUSI than rates that
18 were set prior to 1982, and because the rate structure of the other set
19 of rates contained a minimum charge which was no longer employed by the
20 Commission.
21 That recommendation also addressed which set of service
22 availability charges should be approved. Staff recommended that the
23 service availability charges set for Crescent Bay were appropriate since
24 the application of those charges would better ensure that the future
25 customers paid their pro rata share of the cost of the lines and

1 treatment plant. That recommendation makes specific reference to plant
2 capacity charges and main extension charges, which were different in the
3 two set of rates.

4 Q. Was there any mention of AFPI charges in the staff recommendation in
5 this case?

6 A. No, the staff did not recommend that AFPI charges be implemented in this
7 territory.

8 Q. Did the Commission accept staff's recommendation?

9 A. Yes, in Order No. PSC-92-1369-FOF-WU, issued November 24, 1992, the
10 Commission approved the rates and service availability charges
11 applicable to the Crescent Bay subdivision. No mention was made to AFPI
12 charges since none were requested nor recommended.

13 Q. Do you have anything else to add with regard to the rates and charges
14 approved in this docket?

15 A. Yes. In the tariff approval that was assigned an internal tracking
16 number of WS-92-0035, we approved tariff sheets to incorporate a
17 reference to the additional territory into the utility's tariff as well
18 as include the rates and charges applicable to that additional
19 territory. I am attaching a copy of that tariff approval as Exhibit JC-
20 4.

21 The service availability policy that was approved as part of this
22 filing incorporated certain pages from the policy applicable to Crescent
23 Bay subdivision. In each page that was approved, it was clarified that
24 the policy was applicable in the "Crescent Bay Subdivision and that
25 Additional Territory Approved in Order #PSC-92-1369-FOF-WU". In fact,

1 on Fourth Revised Sheet No. 27.4 and Third Revised Sheet No. 27.5, a
2 notation was made that the guaranteed revenues and reserve capacity
3 charge described on those sheets applied only to the Crescent Bay
4 subdivision.

5 Also included in that package was Third Revised Sheet No. 27.3,
6 which contains the policy with regard to off-site facilities, advances
7 for construction and system capacity charges. That tariff sheet also
8 makes reference to the AFPI charges, although the charges are not
9 included on the tariff sheet. The reference is to Sheets Nos. 25.1-
10 25.1A, which contain the actual AFPI charges that were applicable to the
11 Crescent Bay Subdivision. It was not staff's intent to approve a tariff
12 allowing the collection of AFPI charges in the additional territory
13 granted in this docket, and for that reason we did not include Sheets
14 Nos. 25.1 and 25.1A in the tariff approval package. Therefore, we
15 should have made a note on Third Revised Sheet No. 27.3 that the AFPI
16 charges applied only to the Crescent Bay subdivision. However, despite
17 this error in the tariff approval, I still maintain that it was clear
18 that the AFPI did not apply to the additional territory. As mentioned
19 previously, the company did not request the charges, staff did not
20 recommend that AFPI charges be approved and the Commission did not
21 approve any AFPI charges in its order.

22 Q. Does this conclude your testimony?

23 A. Yes, it does.

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EXHIBIT NO. JC-1

APPLICATION FOR AMENDMENT OF CERTIFICATE NO. 496-W

LAKE UTILITY SERVICES, INC.

PROPOSED TARIFF REVISIONS

Attached are an original and two copies of sample revisions to the utility's tariff to incorporate the proposed additional territory.

A TRUE COPY
ATTEST Kay Flynn
Chief, Bureau of Records

LAKE UTILITY SERVICES, INC.
Water Tariff

TERRITORY SERVED

CERTIFICATE NUMBER 496-W

COUNTY LAKE

COMMISSION ORDERS APPROVING TERRITORY SERVED:

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Order Type</u>
11459	12/17/82	820821-W	Original Certificate
18469	11/24/87	870998-WU	Extension of Certificate
18469	11/24/87	870999-WU	Extension of Certificate
18508	12/08/87	870057-WU	Amendment
18605	12/24/87	871080-WU	Original Certificate
19100	04/05/88	870057-WU	Consumating Order
21304	06/01/89	890334-WU	Transfer of Majority Stock Ownership
19482	06/10/89	890549-WU	Extension of Certificate
21555	07/17/89	891019-WU	Corrective Order
23839	12/07/90	900645-WU	Amendment
24957	06/21/91	900989-WU	Amendment
25286	11/01/91	910760-WU	Amendment

Patrick J. O'Brien
Vice President, Finance

LAKE UTILITY SERVICES, INC.
Water Tariff

Original Sheet No. 3.0 - K

DESCRIPTION OF TERRITORY SERVED

ORDER NO.

LAKE UTILITY SERVICES, INC.
Water Tariff

COMMUNITIES SERVED LISTING

<u>County Name</u>	<u>Developmen. Name</u>	<u>Rate Schedules Available</u>	<u>Sheet No.</u>
Lake	Amber Hill		
	Clermont I-Four Winds		
	Clermont II		
	Crescent West		
	Highland Point		
	Lake Ridge Club		
	Oranges, The		
	Vistas I & II		
	Lake Crescent Hills		
		General Service	18.1
		Residential Service	19.2
		Multi-Residential	20.1
	Crescent Bay		
	Lake Saunders Acres		
		General Service	18.0
		Residential Service	19.0
		Multi-Residential	20.0
	Harbor Oaks & Four Lakes		
		Residential Service	19.1
	All Other Areas		
		General Service	18.2
		Residential Service	19.2

Patrick J. O'Brien
Vice President, Finance

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 utility's certificated area 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.
- RATES** - (Per month)

<u>Meter Size</u>	<u>Base Facility</u>	<u>Gallage Charge</u> (per 1,000 gallons)
5/8 x 3/4"	\$13.95	\$1.57
3/4"	20.91	1.57
1"	34.85	1.57
1 1/2"	69.71	1.57
2"	111.52	1.57
3"	223.05	1.57
4"	348.52	1.57

MINIMUM CHARGE - The applicable Base Facility Charge per month.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) days written notice, service may then be discontinued.

EFFECTIVE DATE -

TYPE OF FILING - Territory Amendment

Patrick J. O'Brien
 Vice President, Finance

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 utilities certificated area 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.
- RATES** - (Per Month)
- | <u>Meter Size</u> | <u>Basic Facility</u> | <u>Gallage Charge</u>
(per 1,000 gallons) |
|-------------------|-----------------------|--|
| 5/8 x 3/4" | \$13.95 | \$1.57 |

MINIMUM CHARGE - \$13.95 per month.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) days written notice, service may then be discontinued.

EFFECTIVE DATE -

TYPE OF FILING - Territory Amendment

Patrick J. O'Brien
Vice President, Finance

LAKE UTILITY SERVICES, INC.
Water Tariff

MISCELLANEOUS SERVICE CHARGES

All Areas

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 arrangement 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 -

TYPE OF FILING - Territory Amendment

Patrick J. O'Brien
Vice President, Finance

EXHIBIT NO. JC-2

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

June 29, 1992

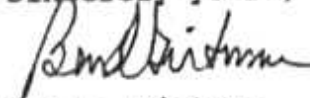
Ms. Billie Messer
 Bureau of Economic Regulation
 Florida Public Service Commission
 101 E Gaines St.
 Tallahassee, FL 32399-0870

Re: Lake Utility Services, Inc.; Developer's Agreement

Dear Ms. Messer:

Pursuant to Rule 25-30.550, F.A.C., enclosed is a copy of the developer's agreement dated June 26, 1992, between Lake Utility Services, Inc. and Mr. Tony Hubbard.

Sincerely yours,



Ben E. Girtman

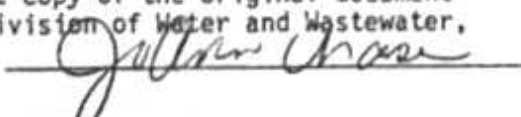
BEG/sw
 Enclosure
 cc

w/enc.

Mr. Richard Redemann,
 (PSC Water & Wastewater)
 Ms. Nayola Frazier, Esq.
 (PSC Legal Dept.)
 Leonard H. Baird, Jr., Esq.
 (Clermont City Attorney)
 Mr. Frank Seidman
 Mr. Carl Wenz
 Mr. Don Rasmussen

w/out enc.

This document is a true and correct copy of the original document maintained in the records of the Division of Water and Wastewater, Florida Public Service Commission.


 Custodian of Records for Developer Agreements
 Division of Water and Wastewater
 Florida Public Service Commission

AGREEMENT FOR WATER SERVICE**Crescent Bay Extension, FL**

This Agreement is entered into this 26th day of June, 1992 by and between Tony Hubbard, an individual, (hereinafter referred to as "Developer"), and Lake Utility Services, Inc., a Florida corporation (hereinafter referred to as "Utility").

WITNESSETH

WHEREAS Developer is the owner of or is duly authorized to act on behalf of the owners of certain real estate in Lake County, Florida, hereinafter referred to as "Property" and more fully described in Exhibit 1 attached hereto, and

WHEREAS, Developer is in the process of developing the Property into a residential community which will contain approximately 170 dwelling units when completed, and

WHEREAS, Utility is engaged in the business of furnishing water service to the public in the "Crescent Bay" system whose service territory as authorized by its Certificate of Public Convenience and Necessity is contiguous or in close proximity to the Property, and

WHEREAS, Developer desires Utility to provide water service within the Property and Utility desires to provide water service to the Property according to the terms and conditions of this Agreement.

WHEREFORE, in consideration of the mutual covenants as hereinafter set forth, the parties hereto agree as follows:

ARTICLE I**Representations and Warranties of Developer**

Developer represents and warrants:

- a. That Developer is the owner of or is duly authorized to act on behalf of the owners of the Property, and:

- b. That Developer will cooperate fully with the Utility in any and all applications or petitions to public authorities deemed necessary or desirable by Utility in connection with the construction and installation of the water system (hereinafter referred to as the "Facilities") contemplated by this Agreement.
- c. That it will convey to the Utility or provide by recorded subdivision plats such easements or rights of way as the Utility may reasonably require for the Utility's performance of its obligations under this Agreement. Any such plats, conveyances or licenses will be in form satisfactory to the Utility's legal counsel.

ARTICLE II

Construction and Installation of Distribution Facilities by Developer

1. The Developer hereby agrees to construct and install the complete central distribution facilities (hereinafter referred to as "Facilities") throughout the Property including but not limited to water mains, valves, service, hydrants, curb stops, meters and other facilities as are reasonably required to provide adequate water service (in accordance with applicable governmental standards) to all dwelling units to be constructed within the Property. Water distribution mains will have a minimum diameter of six inches (6"), except as otherwise approved by Utility.
2. The Facilities to be constructed by Developer pursuant to Paragraph 1 of this Article II may be installed in phases over a period of time, and when installed, will meet the reasonable needs of the customers within the Property. All plans, specifications and construction shall be in accordance with applicable standards, requirements, rules and regulations and agencies of the State of Florida and respective County authority.

3. All materials used shall be new, first-class, and suitable for the uses made thereof.
4. Developer guarantees all construction, materials, workmanship, and the trouble-free operation of the Facilities for six months after completion of each phase or section.
5. Developer shall save and hold Utility harmless from and against all suits or claims that may be based upon any injury to any person or property that may occur in the course of the performance of the construction of the Facilities by Developer or by anyone acting on Developer's behalf, or under Developer's supervision and control, including but not limited to claims made by employees of Developer, and Developer shall, at its own cost and expense, pay all costs and other expenses arising therefrom, or incurred in connection therewith, including reasonable attorneys' fees.
6. All of the Facilities installed by Developer pursuant to this Agreement shall become the property of Utility as installed. Developer shall execute all conveyances, licenses and other documents reasonably requested by Utility as necessary or desirable in its opinion to ensure its ownership of, ready access to, and operation of the Facilities. Developer shall furnish Utility with lien waivers in a form satisfactory to Utility's counsel from Developer and from all suppliers, subcontractors and all others who furnish labor, equipment, materials, rentals, or who perform any services in connection with the Facilities construction herein.
7. Developer shall, prior to the transfer to Utility of the Facilities, grant permanent, assignable easements satisfactory to Utility, authorizing Utility to own, operate and maintain the Facilities and providing reasonably adequate rights of access and working space for such purposes.

8. Developer shall, upon transfer to Utility of the Facilities, provide to Utility operating manuals, permits, as-built drawings, and all other information reasonably required to operate, maintain, and repair the Facilities.

ARTICLE III

Interconnection Obligation and Management Fee Of Utility

Utility shall, at its sole cost, be responsible for interconnecting the Facilities to the existing water utility system serving the Crescent Bay subdivision. In consideration of Utility's additional investment in the interconnection facilities, Developer agrees to provide Utility within thirty (30) days of execution of this Agreement, a Letter of Credit in the amount of Eighty Five Thousand Dollars (\$85,000) from a financial institution acceptable by Utility. The terms and conditions of the Letter of Credit which must be approved by Utility, will entitle Utility to draw down the Letter of Credit upon verification that Utility has incurred expenditures for the installation of the interconnection facilities equivalent to the amount of said draws. Upon receipt of the aforementioned Letter of Credit, Utility agrees to credit the collection of all approved tap-on fees for the first Eighty Five (85) dwelling units within the Property attaching to the Facilities and taking service thereby.

ARTICLE IV

UTILITY SERVICE, TAP-ON FEES, RATES AND CHARGES

1. Upon installation of the Facilities and completion of the interconnection, Utility agrees to supply all customers within the Property with adequate and customary water service, and to operate, maintain and repair all Facilities as indicated herein, after acceptance by Utility and issuance of operational approvals by all regulatory authorities.

2. With the exception of those tap-on fees credited under Article III herein, Developer is responsible for the payment to Utility of each water tap-on fee as approved by the Florida Utilities Commission (the "Commission") prior to the provision of utility service to any lot within the Property.
3. Water usage charges shall be rendered by Utility in accordance with Utility's rates, rules and regulations and conditions of service from time to time on file with the Commission and then in effect.

ARTICLE V

Commission Approval

Within 15 days following the Closing of this Agreement, Purchaser will file a petition with the Commission requesting approval of this Agreement and the issuance of a Public Utility Franchise for the Property. Developer agrees to cooperate fully with Utility in its application for such approvals. It is mutually understood and agreed that in the event that Commission approval is not obtained, this Agreement shall be rendered null and void, and the parties will take all such action as may be necessary to place them in their original position.

ARTICLE VI

General

1. This Agreement is intended to be performed in the State of Florida and shall be governed by the laws of the State of Florida.
2. In the event that, in accordance with this Agreement, the construction and installation of the Facilities contemplated by this Agreement have not commenced within nine (9) months of the date of this Agreement, neither party hereto shall have any further or other obligation hereunder, despite the nature of the delay.

3. Except as provided for in this Agreement, neither party to this Agreement shall be liable to the other for failure, default or delay in performing any of its obligation hereunder, if such failure, default or delay is caused by strikes or other labor problems, by forces of nature, unavoidable accident, fire, acts of the public enemy, interference by civil authorities, acts or failure to act, decisions or orders or regulations of any governmental or military body or agency, office or commission, delays in receipt of materials, or any other cause, whether of similar or dissimilar nature, not within the control of the party affected and which, by the exercise of due diligence such party is unable to prevent or overcome, except as otherwise provided for herein. Should any of the foregoing events occur, the parties hereto agree to proceed with diligence to do what is reasonable and necessary so that each party may perform its obligations under this Agreement.
4. The failure of either party hereto to enforce any of the provisions of this Agreement or the waiver thereof in any instance by either party shall not be construed as a general waiver or relinquishment on its part of any such provisions, but the same shall, nevertheless, be and remain in full force and effect.
5. Utility agrees to indemnify Developer, its successors and assigns, and hold Developer harmless against any loss, damage, liability, expense or cost accruing or resulting from any misrepresentation or breach of any representation, warranty or agreement on the part of Utility under this Agreement; Developer agrees to indemnify Utility, its successors and assigns, and hold it and them harmless against any loss, damage, liability, expense or cost of Utility, accruing or resulting from any misrepresentation or breach of any representation, warranty or agreement on the part of Developer under this Agreement or from any misrepresentation in or

- material omission from any certificate or other document furnished or to be furnished to Utility by Developer.
6. This Agreement sets forth the complete understanding between Developer and Utility, and any amendments hereto to be effective must be made in writing.
 7. Notices and correspondence required hereunder shall be given to Developer and to Utility at the following addresses, or at any other addresses designated in writing by either party subsequent to the date hereof:

If to Utility: Lake Utility Services, Inc.
 2335 Sanders Road
 Northbrook, Illinois 60062
 Attn: Mr. Perry B. Owens
 Chairman & C.E.O.

If to Developer: Tony Hubbard
 C/O Max Judy Realty
 P.O. Box 1107
 Clermont, Florida 34711

Delivery when made by registered or certified mail, shall be deemed complete upon mailing.

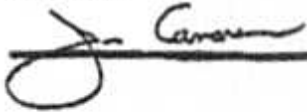
8. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
9. The Exhibits to this Agreement are a part hereof and are hereby incorporated in full by reference.
10. If this Agreement is not executed prior to June 26, 1992, then the terms and conditions contained herein will be waived, with no further obligations or responsibilities to either party.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year above first written.

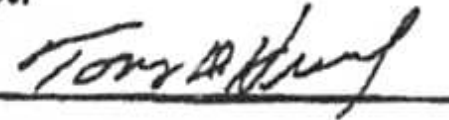
Lake Utility Services, Inc.

By 
Chairman & Chief Executive Officer

ATTEST:



Developer

By 

ATTEST:



EXHIBIT NO. JC-3

FLORIDA PUBLIC SERVICE COMMISSION

Fletcher Building
101 East Gaines Street
Tallahassee, Florida 32399-0850

M E M O R A N D U M

OCTOBER 22, 1992

TO : DIRECTOR, DIVISION OF RECORDS AND REPORTING
FROM : DIVISION OF WATER AND WASTEWATER (REDFERN, CHASE)
DIVISION OF LEGAL SERVICES (VILLASON)
RE : UTILITY: LAKE UTILITY SERVICES INC.
DOCKET NO.: 920174-WU
COUNTY: LAKE
CASE: APPLICATION FOR AMENDMENT OF CERTIFICATE NO. 496-W
IN LAKE COUNTY BY LAKE UTILITY SERVICES, INC.
AGENDA : NOVEMBER 3, 1992 - CONTROVERSIAL - PROPOSED AGENCY ACTION
FOR ISSUE 4 - PARTIES MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

RECOMMENDATION FILE NAME: J:\PSC\WAW\WP\W920174A.REC

A TRUE COPY

ATTEST Kay Flynn
Chief, Bureau of Records

10309 22 100

CASE 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. The utility's 1991 annual report shows that the annual operating revenue for the combined water systems is \$73,793 and the net operating loss is \$8,446.

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, from the City of Clermont (city). The city's objection was based on an assumption that the requested extension of territory was in conflict with the city's approved comprehensive plan. By letter dated September 23, 1992, the city withdrew its objection.

Staff has authority to administratively approve applications for amendment when no objections have been filed and the application is without controversy. This case is being brought to the attention of the Commission because the utility is due a partial refund of its filing fee, and there is a question as to which rate approved for this utility should be charged in the requested territory. The refund is discussed in Issue 3, and the rate issue is covered in Issue 4.

DOCKET NO. 920174-WU
OCTOBER 22, 1992

DISCUSSION OF ISSUES

ISSUE 1: Should the withdrawal by the City of Clermont of its objection be accepted?

RECOMMENDATION: Yes, the withdrawal by the City of Clermont of its objection should be accepted. (Villazon)

STAFF ANALYSIS: On September 30, 1992, staff received a letter from the City of Clermont's attorney indicating that the City Council of the City of Clermont, voted to withdraw its objection to Lake Utility Services, Inc.'s application for amendment of Water Certificate No. 496-W. Accordingly, staff recommends that the City of Clermont's withdrawal of its objection be accepted.

DOCKET NO. 920171-WU
OCTOBER 22, 1992

ISSUE 2: Should the application of Lake Utility Services, Inc. for amendment of Water Certificate No. 496-W be granted?

RECOMMENDATION: Yes, the application should be granted for the territory described in Attachment A, which is a combined description of the requested territory as well as the existing certificated territory in the South Clermont Region of Lake County. (REDEMANN)

STAFF ANALYSIS: On February 25, 1992, Lake Utility filed an application for amendment of its certificated territory. The application is in compliance with the governing statute, Section 367.045, Florida Statutes, and other pertinent statutes and rules concerning an application for amendment of certificate. The application contains two checks totaling \$2,250, as a filing fee. Since this amount is in excess of the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code, staff is recommending a refund be authorized, as discussed in Issue 1.

Adequate service territory and system maps and a territory description have been provided as prescribed by Rule 25-30.036(1)(e), (f) and (i), Florida Administrative Code. A description of the proposed territory is appended to this memorandum as Attachment A. The requested territory contains previously certificated territory in which the utility is currently providing water service to approximately 260 single family customers. The utility is requesting additional territory to serve several residents in the area currently receiving service from EDB contaminated wells. In addition there are several residential developments about to begin construction in the area, and one developer has already signed an agreement seeking water service from LUSI. LUSI plans to serve the additional territory by interconnecting some of its existing systems and extending transmission lines from these systems to the additional territory as service is requested.

The applicant has provided evidence, in the form of warranty deeds, that the utility owns the land upon which the utility's facilities are located as required by Rule 25-30.036(1)(d), Florida Administrative Code. The utility has submitted an affidavit consistent with Section 367.045(2)(d), Florida Statutes, that it has tariffs and annual reports on file with the Commission. In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. As mentioned previously, one objection to the application was filed by the City of Clermont and later withdrawn.

DOCKET NO. 920174-WU
OCTOBER 22, 1992

LUSI is wholly owned by Utilities Inc., which provides water and/or wastewater service in 12 states. Utilities, Inc. has been in the water and wastewater utility business for over 25 years and will provide its financial resources as well as its management expertise to provide safe and efficient service. The utility plans to interconnect their present water systems in the area to provide more reliable and efficient service. Staff has contacted the Department of Environmental Regulation (DER) and learned that there are no outstanding violations against this utility. In conclusion, the utility has demonstrated that it has the technical and financial expertise to provide quality service to its customers.

Based on the above information, staff believes 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.

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 MINNEHAHA.
ALL OF SECTION 36, LESS LAKE MINNEHAHA.

Township 22 South, Range 26 East, Lake County

ALL OF SECTION 31, LESS LAKE MINNEHAHA.
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 MINNEHAHA, AND LAKE SUSAN.
ALL OF SECTION 2, LESS LAKE MINNEHAHA, AND CRESCENT LAKE.
ALL OF SECTION 11, LESS CRESCENT LAKE, AND SAW MILL LAKE.
ALL OF SECTION 12, LESS CRESCENT LAKE, FLORENCE LAKE, AND
RALPH LAKE.

ALL OF SECTION 13, LESS LAKE NELLIE.
ALL OF SECTION 14, LESS SAW MILL LAKE AND LAKE GLONA.
ALL OF SECTION 23, LESS LAKE NELLIE, AND LAKE GARY.
ALL OF SECTION 24, LESS LAKE NELLIE.

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.

DOCKET NO. 920174-WU
OCTOBER 22, 1992

ISSUE 3: Should a portion of the \$2,250 paid by Lake Utility Services, Inc. as a filing fee in this case be refunded?

RECOMMENDATION: Yes, \$1,350 of the \$2,250 filing fee should be refunded. (Redemann)

STAFF ANALYSIS: The utility paid \$150 as a filing fee with its application and provided no explanation of the calculation of this fee. According to the fee schedule contained in Rule 25-30.020, Florida Administrative Code (FAC), a fee of \$150 would apply for extensions serving from 1 to 999 persons. Presently, the Southern area of Lake County is an undeveloped rural area with sparse individual home sites, and some small developments. In evaluating the application, staff concluded that the area requested could serve more than 999 persons, which equates to less than 300 equivalent residential customers. Staff initially estimated that 51,142 persons could be served in the territory requested in the application, based on our preliminary estimate of the potential occupancy of the land portions of the territory. Staff advised the utility by letter dated May 11, 1992 that we believed the maximum filing fee of \$2,250 was due. The utility then paid an additional \$2,100 (for a total of \$2,250) under protest and requested that a portion be refunded pending further analysis of growth projections.

The utility provided an extensive analysis of the projected population growth in the South Clermont region of Lake County, which indicates that the population in the next ten years will be approximately 4,780 people for the proposed territory. The correct filing fee for an amendment application to provide service to an additional 4,780 persons is \$900, pursuant to Rule 25-30.020, FAC. Staff believes the utility's population estimate is reasonable, and that the applicant is due a refund of a portion of the filing fee. Accordingly, staff recommends that a refund of \$1,350 be made to the applicant.

ISSUE 4: What rates and charges should apply to the additional territory?

RECOMMENDATION: The rates and charges contained in the utility's tariff for the Crescent Bay system should be applied to service in the additional territory. (Chase)

STAFF ANALYSIS: 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. Nine of the utility's systems are charged the following rates:

\$11.89 for the first 10,000 gallons
\$.59 per 1,000 gallons for consumption over 10,000 gallons

These rates are an indexed level of the rates in effect at the time the first LUSI area was purchased and certificated in 1982. The rates in effect in 1982 were set by a non-certificated utility and the Commission has never established the basis for them in a formal rate proceeding.

The utility is requesting that it be allowed to implement the rates approved for its Crescent Bay and Lake Saunders systems. These rates include a base facility charge for a 5/8" x 3/4" meter of \$13.95 and a gallonage charge of \$1.57 per 1,000 gallons of consumption. These rates were set by the Commission in a 1988 original certificate case based on actual and estimated costs at that time.

Staff believes the utility should be allowed to implement the rates approved for its Crescent Bay system. Neither set of rates in effect in the proposed service area have been set by the Commission in a full rate case proceeding, which would include an audit of the utility's books and records and the establishment of rate base. However, the rates for Crescent Bay were established by the Commission in an original certificate proceeding based on projected and actual costs reviewed by the staff. The rates for the other systems were first set prior to LUSI assuming ownership in 1982 and prior to Commission jurisdiction. The rates for Crescent Bay are based on construction and operating costs in 1988, which, in staff's opinion, are more indicative of the costs to be incurred by LUSI than rates set prior to 1982.

Further, the rates for the other nine systems contain a

minimum charge which includes 10,000 gallons of consumption. This type of rate structure is no longer employed by the Commission in setting rates. The Commission has taken the position in the past that a charge which includes some minimum usage sends the wrong price signal to the consumer and is contrary to conservation goals. This utility is in an area designated by the St. Johns River Water Management District as a critical use area. This water management district is requiring the implementation of conservation rates in areas it has designated as critical use. Therefore, at some time in the future, LUSI will have to revise this rate structure which includes consumption in the minimum charge. This will probably be accomplished in a rate case proceeding. LUSI has advised staff that it plans to file a rate case proceeding at some point, perhaps in 1993, and request a standard, county-wide rate at that time. The utility does not believe it would be prudent to file any sooner due to the small number of current customers and the high cost of a rate case proceeding.

The utility also has two sets of service availability charges in effect in the proposed territory. The charges in effect for nine of the systems and "grandfathered in" in 1982 include a \$200 tap in charge and a meter installation charge of \$150. 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.

Normally, the Commission establishes service availability charges so that the future customers will pay their pro rata share of the cost of the lines and treatment plant necessary to provide them service. In staff's opinion, the charges approved for the Crescent Bay system, which include reasonable plant capacity and main extension charges, will accomplish this goal. These charges will serve to increase the utility's level of CIAC, thus keeping the utility's rate base at a lower level for ratemaking purposes.

DOCKET NO. 920174-WU
OCTOBER 22, 1992

ISSUE 5: Should this docket be closed?

RECOMMENDATION: Yes, if no protests are filed to the proposed agency action issue. (Villazon)

STAFF ANALYSIS: If no protests are filed to the proposed agency action issue, no further action will be required in this docket. Therefore, the docket can be closed.

EXHIBIT NO. JC-4

WS FILE NUMBER: WS-92-0035WATER AND WASTEWATER DIVISION TARIFF APPLICATION (WSTA)

Reviewed/Approved By:

(Indx/Pthu Only)

(Indx/Pthu Only)

Supervisor ACBur. Chief Legal Asst. Dir.

Section I.

Docket#: 920174-WU Tariff Filing Rec'd: 3/15/93 Ofcl. Filing 2/25/92Company/System Name: Lake Utility Services, Inc. Sys. No.: N/AFiling Assigned to: (Bureau) Certification (OTC) Richard Redemann

Section II.

Hearing: Recm.: 10/22/92 Agenda: 11/3/92 Ant.Eff.: 4/30/93

Type of Tariff Filing: [check one]

CCER CIAC CORR DTER ECER X GCER INDX IVGT LIMP LPC MSC NCHG NCS OCER PTHU RC-I RC-F SA SARC TCER TGOV TMOC

Description of Tariff Filing Application:

Docket No. 920174-WU. Application for amendment of Certificate No. 496-W in Lake County, Florida by Lake Utility Services, Inc.

Section III.

Final Action By: Staff Commission XFinal Disposition: Approved as filed X Approved as Modified *Denied Application Withdrawn *

* See "Additional Comment" section for explanation

Effective Date of Tariff: April 2, 1993 Order Number: PSC-92-1369-FOF-WU

This document is a true and correct copy of the original document maintained in the records of the Division of Water and Wastewater, Florida Public Service Commission.

Custodian of Records for Tariffs,
Division of Water and Wastewater,
Florida Public Service Commission

Section IV.

Revenue Increase/(Decrease) Amount:

INDX - Water \$ _____ Wastewater \$ _____

PTHU - Water \$ _____ Wastewater \$ _____

LIMP - Water \$ _____ Wastewater \$ _____

RC - Water \$ _____ Wastewater \$ _____

SARC - Water \$ _____ Wastewater \$ _____

Percentage Increase to Existing Rates: _____

Section V.

Additional Comments: _____

Section VI. For information not included in this WS file, go to DWAS:

Certificate File Cancelled Certificate File _____Cancelled Tariff File _____ Docket File Map File

Order File _____ WS File _____

Commissioners:

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



DIVISION OF WATER &
 WASTEWATER
 CHARLES HILL
 DIRECTOR
 (904) 488-8482

Public Service Commission

April 5, 1993

Mr. Carl Wenz, Director
 Utilities, Inc. of Florida
 2335 Sanders Road
 Northbrook, IL 60062

WS File Number: WS-92-0035

Dear Mr. Wenz:

Subject: Docket No. 920174-WU, Application for Amendment of Certificate No. 496-W in Lake County, Florida by Lake Utilities Services, Inc.

The following tariff sheets have been approved effective April 2, 1993:

WATER TARIFF

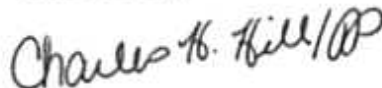
Fifth Revised Sheet No. 2.0
 First Revised Sheet No. 3.0-A
 First Revised Sheet No. 3.0-B
 First Revised Sheet No. 3.0-C
 First Revised Sheet No. 3.0-D
 First Revised Sheet No. 3.0-E
 First Revised Sheet No. 3.0-F
 First Revised Sheet No. 3.0-G
 First Revised Sheet No. 3.0-H
 First Revised Sheet No. 3.0-I
 First Revised Sheet No. 3.0-K
 Fifth Revised Sheet No. 4.0
 Seventh Revised Sheet No. 18.0
 Seventh Revised Sheet No. 19.0
 Fourth Revised Sheet No. 20.0
 First Revised Sheet No. 22.1
 Sixth Revised Sheet No. 24.0
 Third Revised Sheet No. 26.0
 Third Revised Sheet No. 27.2
 Third Revised Sheet No. 27.3
 Fourth Revised Sheet No. 27.4
 Third Revised Sheet No. 27.5

Mr. Carl Wenz
April 2, 1993
Page two

Please incorporate these tariff sheets into the approved tariff on file at the Utility's office.

If you have any questions concerning this filing, please contact Richard Redemann at 904/488-8482.

Sincerely,



Charles H. Hill
Director

CHH/RR/jn (920035.RR)
Enclosures

cc: Mr. Don Rasmussen, Regional Director
200 Weathersfield Avenue, Altamonte Springs, FL 32714-4027

Mr. Ben E. Girtman
1020 E. Lafayette St., Suite 207, Tallahassee, FL 32301-4552

Division of Water and Wastewater (Redemann, WS-92-0035)

LAKE UTILITY SERVICES, INC.

WATER TARIFF

Table of Contents

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Rates and Charges Schedules.....	17.0-24.0
Service Availability Policy and Fees.....	25.0-31.0
Tax Impact of CIAC.....	32.0-35.0
Standard Forms	36.0-40.0

Patrick J. O'Brien
Vice President, Finance

Florida Public Service Commission

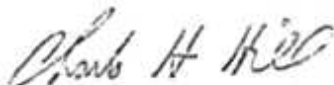
APPROVED

Authority No. WS-92-0035

Docket No. 920174-WU

Order No. PSC-92-1369-FOF-WU

Effective April 2, 1993



Director
Division of Water and Sewer

LAKE UTILITY SERVICES, INC.
Water TariffTERRITORY SERVEDCERTIFICATE NUMBER 496WCOUNTY LAKECOMMISSION ORDERS APPROVING TERRITORY SERVED

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
11459	12/17/82	820821-W	Original Certificate
18469	11/24/87	370998-WU	Extension of Certificate
18469	11/24/87	870999-WU	Extension of Certificate
18508	12/08/87	870057-WU	Amendment
18605	12/24/87	871080-WU	Original Certificate
19100	04/05/88	870057-WU	Consummating Order
21304	06/01/89	890334-WU	Transfer of Majority Stock Ownership
19482	06/10/89	880549-WU	Extension of Certificate
21555	07/17/89	890335-WU	Extension of Certificate
21909	09/19/89	891019-WU	Corrective Order
23839	12/07/90	900645-WU	Amendment
24957	08/21/91	900989-WU	Amendment
25286	11/01/91	910760-WU	Amendment
PSC-92-1369-FOF-WU	11/24/92	920714-WU	Amendment

Patrick J. O'Brien
Vice President, Finance

Florida Public Service Commission

APPROVED

Authority No. WS-92-0035

Docket No. 920174-WU

Order No. PSC-92-1369-FOF-WU

Effective April 2, 1993

Char H. Hill

Director
Division of Water and Sewer

LAKE UTILITY SERVICES, INC.
Water Tariff

(Continued from Sheet No. 3.0)

DESCRIPTION OF TERRITORY SERVEDOrder No. PSC-92-1369-FOF-WUSOUTH CLERMONT REGION

This order combined the following orders and developments:

Order No. 11459-Clermont, I	Order No. 18469-The Oranges & Lake Ridge Club
Order No. 17445 & 17445-A & 18508 & 21909-Highland Point,	Order No. 18605 - Crescent Bay.
Order No. 19482 - Clermont II & Vistas I & II	Order No. 21555- Crescent West
Order No. 21909 & 19100 & 18508 - Amber Hill	Order No. 24957 - Lake Crescent Hills

Township 22 South, Range 25 East, Lake County

ALL OF SECTION 35, LESS LAKE MINNEHAHA
ALL OF SECTION 36, LESS LAKE MINNEHAHA

Township 22 South, Range 26 East, Lake County

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

Township 23 South, Range 26 East, Lake County

ALL OF SECTION 1, LESS LAKE MINNEHAHA, AND LAKE SUSAN.
ALL OF SECTION 2, LESS LAKE MINNEHAHA, AND CRESCENT LAKE.
ALL OF SECTION 11, LESS CRESCENT LAKE, AND SAW MILL LAKE
ALL OF SECTION 12, LESS CRESCENT LAKE, FLORENCE LAKE, AND RALPH LAKE.ALL OF SECTION 13, LESS LAKE NELLIE
ALL OF SECTION 14, LESS SAW MILL LAKE AND LEE GLONA
ALL OF SECTION 23, LESS LAKE NELLIE, AND LAKE GARY
ALL OF SECTION 23, LESS LAKE NELLIE

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 SECTION 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

(Continued to Sheet No. 3.0-B)

Patrick J. O'Brien
Vice President, Finance

Florida Public Service Commission

APPROVED

Authority No. WS-92-0035

Docket No. 920174-WU

Order No. PSC-92-1369-FOF-WU

Effective April 2, 1993

Charb H Hill

Director
Division of Water and Sewer

LAKE UTILITY SERVICES, INC.
Water Tariff

(Continued from Sheet No. 3.0-A)

DESCRIPTION OF TERRITORY SERVED

Order No. 23839

HARBOR OAKS AND FOUR LAKES SUBDIVISIONS

Harbor Oaks

Township 22 South, Range 26 East
Section 2:

The South 1/2 of the South West 1/4 of the South West 1/4

Section 11:

Four Lakes

The North 1/2 of the NW 1/4 of the NW 1/4 and the SW 1/4 of the NW 1/4 of the NW 1/2 and the West 133 feet more or less of the SE 1/4 of the NW 1/4 of the NW 1/4, all being in said Section 11.

Also:

From a point of beginning at the NW corner of the NE 1/4 of the NW 1/4 run due South along the West boundary of said NE 1/4 of the NW 1/4 a distance of 480 feet more or less to a point on said boundary then North 30 degrees 43' 40" East a distance of 100 feet, then North 49 degrees East a distance of 460 feet more or less to the shore of Lake Florence, then meander the shoreline of said Lake Florence Northwesterly to the intersection with the North Boundary of said Section 11, then due West along said boundary a distance of 165 feet more or less to the Point-of-Beginning.

(Continued to Sheet 3.0-C)

Patrick J. O'Brien
Vice President, Finance

Florida Public Service Commission

APPROVED

Authority No. WS-92-0035

Docket No. 920174-WU

Order No. PSC-92-1369-FOF-WU

Effective April 2, 1993

Charles H. Hill

Director
Division of Water and Sewer

FIRST REVISED SHEET NO. 3.0-C
CANCELS ORIGINAL SHEET NO. 3.0-C

LAKE UTILITY SERVICES, INC.
Water Tariff

(Continued from Sheet No. 3.0-B)

DESCRIPTION OF TERRITORY SERVED

Order No. 25286

LAKE SAUNDERS ACRES SUBDIVISION

From the west one-quarter section corner of Section 27, Township 19 South, Range 26 East, Lake County, Florida, run east along the south line of the north 1/2 of said Section 27, a distance of 1980 feet, more or less to the centerline of Merry Road, (County District Road 3-4355) and the point of beginning of this description; from said point of beginning, continue east along the south line of the north 1/2 of said Section 27, a distance of 1200 feet; more or less to the waters of Lake Saunders and a point hereby designated as Point A: Return to the point beginning and run north along the centerline of Merry Road 665.07 feet; thence east 190.00 feet; thence north 120.00 feet; thence west 190.00 feet; to the centerline of said Merry Road; thence north along said centerline 280.00 feet to the north line of the said Lake Saunders Acres; thence east 740 feet, more or less to the waters of Lake Saunders; thence southerly along and with said waters to the aforescribed Point A.

(Continued to Sheet No. 3.0-D)

Patrick J. O'Brien
Vice President, Finance

Florida Public Service Commission

APPROVED

Authority No. WS-92-0035

Docket No. 920174-WU

Order No. PSC-92-1369-FOF-WU

Effective April 2, 1993

Charles H. Hill

Director
Division of Water and Sewer

FIRST REVISED SHEET NO. 3.0-D
CANCELS ORIGINAL SHEET 3.0-D

LAKE UTILITY SERVICES, INC.
WATER TARIFF

(Continued from Sheet No. 3.0-C)

HELD FOR FUTURE USE

(Continued to Sheet 3.0-E)

Patrick J. O'Brien
Vice President, Finance

Florida Public Service Commission

APPROVED

Authority No. WS-92-0035

Docket No. 920174-WU

Order No. PSC-92-1369-FOF-WU

Effective April 2, 1993

Charles H. Hill

Director
Division of Water and Sewer

LAKE UTILITY SERVICES, INC.
WATER TARIFF

(Continued from Sheet No. 3.0-D)

HELD FOR FUTURE USE

(Continued to Sheet 3.0-F)

Patrick J. O'Brien
Vice President, Finance

Florida Public Service Commission

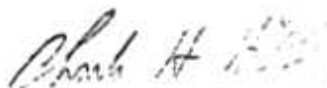
APPROVED

Authority No. WS-92-0035

Docket No. 920174-WU

Order No. PSC-92-1369-FOF-WU

Effective April 2, 1993



Director
Division of Water and Sewer

LAKE UTILITY SERVICES, INC.
WATER TARIFF

(Continued from Sheet No. 3.0-E)

HELD FOR FUTURE USE

(Continued to Sheet 3.0-G)

Patrick J. O'Brien
Vice President, Finance

Florida Public Service Commission

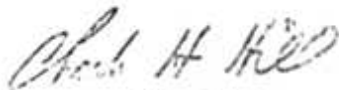
APPROVED

Authority No. WS-92-0035

Docket No. 920174-WU

Order No. PSC-92-1369-FOF-WU

Effective April 2, 1992



Director
Division of Water and Sewer

FIRST REVISED SHEET NO. 3.0-G
CANCELS ORIGINAL SHEET 3.0-G

LAKE UTILITY SERVICES, INC.
WATER TARIFF

(Continued from Sheet No. 3.0-F)

HELD FOR FUTURE USE

(Continued to Sheet 3.0-E)

Patrick J. O'Brien
Vice President, Finance

Florida Public Service Commission

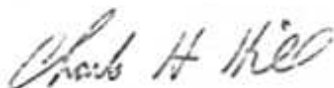
APPROVED

Authority No. WS-92-0035

Docket No. 920174-WU

Order No. PSC-92-1369-FOF-WU

Effective April 2, 1993



Director
Division of Water and Sewer

LAKE UTILITY SERVICES, INC.
WATER TARIFF

(Continued from Sheet No. 3.0-F)

HELD FOR FUTURE USE

(Continued to Sheet 3.0-E)

Patrick J. O'Brien
Vice President, Finance

FIRST REVISED SHEET NO. 3.0-I
CANCELS ORIGINAL SHEET 3.0-I

LAKE UTILITY SERVICES, INC.
WATER TARIFF

(Continued from Sheet No. 3.0-H)

HELD FOR FUTURE USE

(Continued to Sheet 3.0-E)

Patrick J. O'Brien
Vice President, Finance

Florida Public Service Commission

APPROVED

Authority No. WS-92-0035

Docket No. 920174-WU

Order No. PSC-92-1369-FOF-WU

Effective April 2, 1993

Charl H. [Signature]

Director
Division of Water and Sewer

FIRST REVISED SHEET NO. 3.0-J
CANCELS ORIGINAL SHEET 3.0-J

LAKE UTILITY SERVICES, INC.
WATER TARIFF

(Continued from Sheet No. 3.0-I)

HELD FOR FUTURE USE

(Continued to Sheet 3.0-H)

Patrick J. O'Brien
Vice President, Finance

Florida Public Service Commission

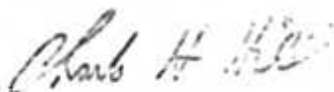
APPROVED

Authority No. WS-92-0035

Docket No. 920174-WU

Order No. PSC-92-1369-FOF-WU

Effective April 2, 1993



Director
Division of Water and Sewer

FIRST REVISED SHEET NO. 3.0-K
CANCELS ORIGINAL SHEET 3.0-K

LAKE UTILITY SERVICES, INC.
WATER TARIFF

(Continued from Sheet No. 3.0-J)

HELD FOR FUTURE USE

(Continued to Sheet 3.0-E)

Patrick J. O'Brien
Vice President, Finance

Florida Public Service Commission

APPROVED

Authority No. WS-92-0035

Docket No. 920174-WU

Order No. PSC-92-1369-FOF-WU

Effective April 2, 1993



Director
Division of Water and Sewer

FIFTH REVISED SHEET NO. 4.0
 CANCELS FOURTH SHEET 4.0

LAKE UTILITY SERVICES, INC.
 Water Tariff

COMMUNITIES SERVED LISTING

<u>County Name</u>	<u>Development Name</u>	<u>Rate Schedules Available</u>	<u>Sheet No.</u>
Lake	Amber Hill Clermont I-Four Winds Clermont II Crescent West Highland Point Lake Ridge Club Oranges, The Vista I & II Lake Crescent Hills	General Service Residential Service Multi-Residential	18.1 19.2 20.1
	Harbor Oaks & Four Lakes	Residential Service	19.1
	Crescent Bay Lake Saunders Acres and all other areas for which no other schedule applies	General Service Residential Service Multi-Residential	18.0 19.0 20.0

Patrick J. O'Brien
 Vice President, Finance

Florida Public Service Commission

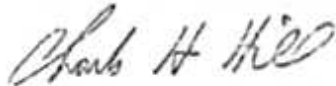
APPROVED

Authority No. WS-92-0035

Docket No. 920174-WU

Order No. PSC-92-1369-FOF-WU

Effective April 2, 1993



Director
Division of Water and Sewer

NAME OF COMPANY Lake Utility Services, Inc.

WATER TARIFF

GENERAL SERVICERATE SCHEDULE GS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - To any customer in the Crescent Bay and Lake Saunders Acres and any area 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 MONTH)

<u>Meter Size</u>	<u>Base Facility Charge</u>
5/8" x 3/4"	\$ 14.69
3/4"	22.01
1"	36.69
1 1/2"	73.39
2"	117.41
3"	234.83
4"	366.92
Gallage Charge Per 1,000 gallons	\$ 1.65

MINIMUM CHARGE - Base Facility Charge

TERM 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- April 2, 1993

TYPE OF FILING - Territory Amendment.

Patrick J. O'Brien
ISSUING OFFICER
Vice President, Finance
TITLE

Florida Public Service Commission

APPROVED

Authority No. WS-92-0035

Docket No. 920174-WU

Order No. PSC-92-1369-FOF-WU

Effective April 2, 1993

Charles A. King

Director
Division of Water and Sewer

NAME OF COMPANY Lake Utility Services, Inc.

WATER TARIFF

RESIDENTIAL SERVICERATE SCHEDULE RS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - To any customer in the Crescent Bay and Lake Saunders Acres and any area 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 MONTH)

<u>Meter Size</u> 5/8" x 3/4"	<u>Base Facility Charge</u> \$ 14.69
Gallage Charge Per 1,000 gallons	\$ 1.65

MINIMUM CHARGE - Base Facility Charge

TERM 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- April 2, 1993

TYPE OF FILING - Territory Amendment.

Patrick J. O'Brien
ISSUING OFFICER
Vice President, Finance
TITLE

Florida Public Service Commission

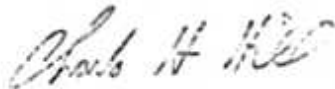
APPROVED

Authority No. WS-92-0035

Docket No. 920174-WU

Order No. PSC-92-1369-FCF-WU

Effective April 2, 1993



Director
Division of Water and Sewer

LAKE UTILITY SERVICES, INC.
Water TariffMULTI-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 and Lake Saunders Acres and any area for which no other schedule applies, 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 not paid within twenty (20) days. After five (5) working days written notice, service may then be discontinued.

EFFECTIVE DATE- April 2, 1993

TYPE OF FILING - Territory Amendment

Patrick J. O'Brien
ISSUING OFFICER
Vice President, Finance
TITLE

Florida Public Service Commission

APPROVED

Authority No. WS-92-0035

Docket No. '920174-WU

Order No. PSC-92-1369-FOF-WU

Effective April 2, 1993

Charles H. Hill

Director
Division of Water and Sewer

LAKE UTILITY SERVICES, INC.
WATER TARIFFSCHEDULE OF CUSTOMER DEPOSITSCrescent Bay Subdivision and that Additional Territory Approved in
Order #PSC-92-1369-FOF-WU

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 request.
- (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" x 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

EFFECTIVE- April 2, 1993

Territory Amendment

Patrick J. O'Brien
Vice President, Finance

LAKE UTILITY SERVICES, INC.
Water TariffMISCELLANEOUS SERVICE CHARGES

ALL AREAS - EXCEPT HARBOR OAKS AND FOUR LAKES 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 - April 2, 1993

TYPE OF FILING - Territory Amendment

Patrick J. O'Brien
Vice President, Finance

Florida Public Service Commission

APPROVED

Authority No. WS-92-0035

Docket No. 920174-WU

Order No. PSC-92-1369-FOF-WU

Effective April 2, 1993

Charles H. Hill

Director
Division of Water and Sewer

LAKE UTILITY SERVICES, INC.
Water TariffSERVICE AVAILABILITY SCHEDULE OF FEES AND CHARGESThis 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 1/2"	\$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

Florida Public Service Commission

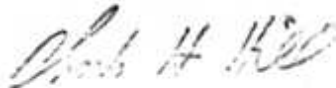
APPROVED

Authority No. WS-92-0035

Docket No. 920174-WU

Order No. PSC-92-1369-FOF-WU

Effective April 2, 1993



Director
Division of Water and Sewer

LAKE UTILITY SERVICES, INC.
Water Tariff

SERVICE AVAILABILITY AND MAIN EXTENSION POLICY

WATER

Crescent Bay Subdivision and that Additional Territory Approved in
Order #PSC-92-1369-FOF-WU

10 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.

20 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.

30 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 right-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: April 2, 1993

Territory Amendment

Patrick J. O'Brien
Vice President, Finance

Florida Public Service Commission

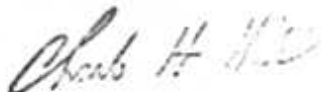
APPROVED

Authority No. WS-92-0035

Docket No. 920174-WU

Order No. PSC-92-1369-FOF-WU

Effective April 2, 1993



Director
Division of Water and Sewer

LAKE UTILITY SERVICES, INC.
Water TariffCrescent Bay Subdivision and that Additional Territory Approved in
Order #PSC-92-1369-FOF-WU40 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, engineerings, 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)	\$506.00
Allowance for Funds Prudently Invested	See Sheet No. 25.1-25.1-A

Effective: April 2, 1993

Territory Amendment

Patrick J. O'Brien
Vice President, Finance

Florida Public Service Commission

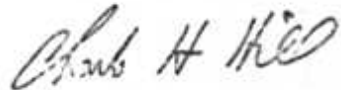
APPROVED

Authority No. WS-92-0035

Docket No. 920174-WU

Order No. PSC-92-1369-FOF-WU

Effective April 2, 1993



Director
Division of Water and Sewer

Florida Public Service Commission

APPROVED

Authority No. WS-92-0035

Docket No. 920174-WU

Order No. PSC-92-1369-FOF-WU

Effective April 2, 1993



Director
Division of Water and Sewer

LAKE UTILITY SERVICES, INC.
Water TariffCrescent Bay Subdivision and that Additional Territory Approved in
Order #PSC-92-1369-FOF-WU90 RESERVE CAPACITY CHARGE - Applies Only to the Crescent Bay Subdivision

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 and supply and/or treatment facilities in order to assure the Contributor that there will be available sufficient plant capacity.

100 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(7) F.A.C.

Effective: April 2, 1993

Territory Amendment

Patrick J. O'Brien
Vice President, Finance

Florida Public Service Commission

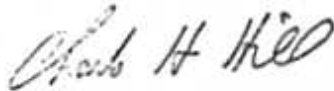
APPROVED

Authority No. WS-92-0035

Docket No. 920174-WU

Order No. PSC-92-1369-FOF-WU

Effective April 2, 1993



Director
Division of Water and Sewer