

ORIGINAL
FILE COPY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of FLORIDA)
CITIES WATER COMPANY, NORTH FT.)
MYERS DIVISION, Wastewater)
Operations, for increase in)
Wastewater Rates in Lee County,)
Florida)

Docket No. 950387-SU

Filed: May 2, 1995

APPLICATION FOR RATE INCREASE

FLORIDA CITIES WATER COMPANY, North Ft. Myers Division, ("Applicant"), hereby files its Application for authority to increase its wastewater rates for service in Lee County, Florida, North Ft. Myers Division, and states:

1. Applicant operates as a utility under the Commission's jurisdiction in Lee County, Florida.

2. (a) Florida Cities Water Company is the exact name of the Applicant, and the address of its principal place of business is:

Florida Cities Water Company
4837 Swift Road, Suite 100,
Sarasota, Florida 34231

Applicant is a corporation incorporated in the State of Florida on March 22, 1965.

(b) FCWC Holdings, Inc., a Delaware Corporation, owns all of the common stock of Applicant.

FCWC Holdings, Inc.
255 Alhambra Circle
Coral Gables, Florida 33134

(c) The person authorized to receive notices and communications with respect to this Application is:

DOCUMENT NUMBER-DATE
04281 MAY-28
FPSC-RECORDS/REPORTING
0005

B. Kenneth Gatlin
Gatlin, Woods, Carlson & Cowdery
1709-D Mahan Drive
Tallahassee, Florida 32308
(904) 877-7191

(d) The Application will be available for customers' inspection at the North Fort Myers Division office, at the following address:

Florida Cities Water Company
North Ft. Myers Division
7401 College Parkway
P.O. Box 6549
Ft. Myers, Florida 33911

3. This Application is filed pursuant to Chapter 367.081, Florida Statutes. A material portion of the investment during the projected test year is investment made in the public interest pursuant to Section 367.081(2), F.S., which has been or will be required by agency rule, regulation, order, or other regulatory directive. The supporting data of such investment is set forth in Schedule G9 of the MFRs as required by Commission Rule 25-30.4415, F.A.C.

4. The numbers of the Commission orders which previously considered the Applicant's rates for the systems involved are set forth in the introduction to the MFR's, attached hereto.

5. An affidavit signed by an officer of the utility that states that the utility will comply with Rule 25-22.0407, F.A.C., is attached hereto as Exhibit A and incorporated herein.

6. The detail showing the necessity of the proposed increase in rates and the proposed rates are set forth in the accompanying document entitled "Florida Cities Water Company, North Ft. Myers

Division, Wastewater Operations, Application for Increase in Rates, Test Year Ending: 12/31/95."

7. Two copies of additional engineering information required pursuant to Section 25-30.440, F.A.C., are submitted herewith.

8. By this Application, FCWC seeks to have its rate base determined at year end December 31, 1995 and not based on a 13-month average of investment. The reason is that during the projected test year FCWC will be constructing major additions to its wastewater plant at an approximate cost of \$1,600,000. These additions will be completed on or before October 1, 1995 and will be added to plant in service on FCWC's books in October, 1995. With the investment that will be placed into effect during the projected test year, the rate of return will be deteriorated to the point that FCWC's property will be being confiscated in violation of the federal and state constitutions.

9. The necessity for a wastewater rate increase arises from the fact that projected increases in utility plant investment and operating expenses will result in a rate of return for the test year ending 12/31/95 of 5.68% on year end test year rate base of \$8,404,278 for its wastewater operations. Thus, in order for Applicant to earn a fair and reasonable return of 9.08%, Applicant will need to increase its rates on a permanent basis so as to produce additional revenues of \$480,078 based on the December 31, 1995 projected test year.

10. Applicant will show in this proceeding that a fair and reasonable rate of return on its rate base is 9.08%.

WHEREFORE, Applicant requests as follows:

1. That the Commission take jurisdiction over this Application.

2. That the Commission approve and allow Applicant to place into effect the proposed wastewater rates which will produce total additional operating revenues for its wastewater operation in the amount of \$480,078 based on the year end projected test year ending December 31, 1995.

3. That the Commission allow Applicant to place into effect the Miscellaneous Service Charges as set forth on Schedule E-4 of the MFRs.

4. That the Commission find that a fair and reasonable rate of return on Applicant's rate base of \$8,404,278 is 9.08%, based on the projected test year ending December 31, 1995.

5. That the Commission process this application pursuant to the proposed agency action procedure.

6. That the Commission grant any other relief that is appropriate.

DATED this 2nd day of May, 1995.

Respectfully submitted,



B. Kenneth Gatlin
Fla. Bar #027966
Gatlin, Woods, Carlson & Cowdery
1709-D Mahan Drive
Tallahassee, Florida 32308
(904) 877-7191

Attorneys for
FLORIDA CITIES WATER COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Application for Rate Increase has been furnished by U.S. Mail addressed to Mr. John Albion, Chairman of the Board of County Commissioners of Lee County, 2120 Main Street, Ft. Myers, Florida 33901, and to Mr. Jack Shreve, Public Counsel, Auditor General Bldg., 111 W. Madison Street, Room 801, Tallahassee, Florida 32399-1400, this 2nd day of May, 1995.



B. Kenneth Gatlin

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of)
FLORIDA CITIES WATER COMPANY,)
North Ft. Myers Division,)
for an increase in)
Wastewater Rates)
in Lee County, FL)
_____)

Docket No. 950387-SU


A F F I D A V I T

STATE OF: FLORIDA

COUNTY OF: SARASOTA


BEFORE ME, personally appeared Paul H. Bradtmiller, who, after being duly sworn on oath, deposes and says that pursuant to the requirements of rule 25-30.436(1)f, F.A.C., Florida Cities Water Company will comply with the noticing requirements of Rule 25-22.0407, F.A.C.

FURTHER AFFIANT SAYETH NOT.




Paul H. Bradtmiller
Executive Vice President
Florida Cities Water Company

SWORN TO and SUBSCRIBED BEFORE me on this 27th day of April, 1995.



NOTARY PUBLIC
State of Florida at Large
My Commission Expires:


 PERSONALLY KNOWN BY ME
 PRODUCED I.D. _____