

STATE OF FLORIDA

Commissioners:
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DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

July 24, 1998

Mr. and Mrs. Theodore Dowd
16791 San Carlos Blvd.
P.O. Box 08164
Ft. Myers, FL 33908-8164

Re: Docket No. 971663-WS - Petition of Florida Cities Water Company (FCWC) for a limited proceeding to recover environmental litigation costs for its North and South Ft. Myers Division in Lee County and Barefoot Bay Divisions in Brevard County.

Dear Mr. and Mrs. Dowd:

Thank you for your letter concerning FCWC's request to recover litigation costs. The Commission held a customer service hearing at 1:30 p.m. and 6:30 p.m. on July 15, 1998 in Ft. Myers. This customer service hearing permitted customers to provide testimony to the Commission, which became part of the official record for this case. The Commission will benefit from the testimony and evidence offered by the customers at this service hearing.

In addition to this customer service hearing, the Commission will hold a technical hearing in Tallahassee for the purpose of hearing testimony and evidence from various expert witnesses sponsored by the parties to this proceeding, including the Office of Public Counsel which has intervened on behalf of the citizens. The technical hearing is scheduled for August 12 through 14, 1998. The Commission's technical hearing will also be open to the public, but testimony will be limited to the parties' witnesses.

Your second concern was that FCWC had higher rates than those of Arlington, Virginia. In response to this concern, the Commission is prohibited from utilizing rate comparative analysis of water and wastewater utilities, within Florida or in other states, for purpose of setting a utility's rates. The Commission is bound by law to consider every rate request made by utilities under its jurisdiction. Pursuant to Section 367.081 (2) (a), Florida Statutes, the commission shall, either upon request or upon its motion, fix rates which are just, reasonable, compensatory, and not unfairly discriminatory. In every such proceeding, the Commission shall consider the value and quality of the service and the cost of providing the service.

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Lastly, your letter has been placed on the correspondence side of the docket file, where it will be available for review. Thank you again for communicating your concerns with us.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Lowe".

Bill Lowe
Assistant Director

BL:sbf

cc: Division of Water and Wastewater (Fletcher)
Division of Records and Reporting