

10:55 am

GATLIN, WOODS, CARLSON & COWDERY  
Attorneys at Law  
a partnership including a professional association

The Mahan Station  
1709-D Mahan Drive  
Tallahassee, Florida 32308

TELEPHONE (904) 877-7191  
TELECOPIER (904) 877-9031

B. KENNETH GATLIN, P.A.  
THOMAS F. WOODS  
JOHN D. CARLSON  
KATHRYN G.W. COWDERY  
WAYNE L. SCHIEFELBEIN

May 17, 1995

Blanca S. Bayo, Director  
Division of Records & Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, FL 32399-0850

HAND DELIVERY

Re: Docket No. 950387-SU  
Application for Increased Wastewater Rates by FLORIDA CITIES  
WATER COMPANY - N. Ft. Myers Division in Lee County.

Dear Ms. Bayo:

Enclosed on behalf of Florida Cities Water Company (FCWC) for  
filing in the above docket are sixteen copies of this response to  
Mr. Hill's May 11, 1995 deficiency letter. Please be advised that:

1. Page 2 of the enclosed revised Schedule A-2 reflects the 13-month average rate base calculation. Further, page 2 of the enclosed revised Schedule A-17 reflects 13-month average working capital.
2. FCWC hereby withdraws its request for approval of a premises visit charge for both business and after hours. Thus, there is no need to provide the documentation requested in Mr. Hill's letter.
3. FCWC intends to file its application for increased wastewater plant capacity fees with the Commission on or about May 19, 1995.

Please acknowledge receipt of the foregoing by stamping the enclosed extra copy of this letter and returning same to my attention. Thank you for your assistance.

Sincerely,  
*Wayne L. Schiefelbein*  
Wayne L. Schiefelbein

WLS/ldv  
Enclosures

cc:w/o encl.: Chuck Hill  
Lila Jaber, Esq.  
Ralph Jaeger, Esq.  
Marshall Willis  
Trish Merchant  
Bob Crouch  
Troy Rendell

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE  
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FPSC-RECORDS/REPORTING

Schedule of Sewer Rate Base

Florida Public Service Commission

File: NFMA.wk1

Company: Florida Cities Water Co. - N Ft Myers Div.

Schedule: A-2

Docket No.: 950387-SU

Page 1 of 2

Test Year Ended: 12/31/95

Preparer: Coel

Interim [ ] or Final [x]

Historic [ ] or Projected [x]

Explanation: Provide the calculation of 13-month average rate base for the test year, showing all adjustments. All non-used and useful items should be reported as Plant Held For Future Use. Use the balance sheet method approach to determine working capital.

Line No.	(1) Description	(2) Balance Per Books 12/31/94	(3) Utility Adjustments	(4) Projected Test Year Balance 12/31/95	(5) Supporting Schedule(s)
1	Utility Plant in Service (Excl. Land)	\$11,649,007	\$1,728,332	\$13,377,339	
2	Utility Land & Land Rights	5,000	0	5,000	
3	Total Utility Plant in Service	11,654,007	1,728,332	13,382,339	A-4,A-6
4	Less: Non-Used & Useful Plant	0	0	0	A-7
5	Construction Work in Progress	91,345	(91,345)	0	-
6	Less: Accumulated Depreciation	2,558,856	584,542	3,143,398	A-8,A-10
7	Less: CIAC	3,183,270	136,760	3,320,030	A-11,A-12
8	Accumulated Amortization of CIAC	1,159,806	172,988	1,332,794	A-13,A-14
9	Acquisition Adjustments	0	0	0	-
10	Accum. Amort. of Acq. Adjustments	0	0	0	-
11	Less: Advances For Construction	0	0	0	A-16
12	Working Capital Allowance	0	124,774	124,774	A-17
13	Other: Allocation of General Office	0	27,799	27,799	A-3
14	Total Rate Base	<u>\$7,163,032</u>	<u>\$1,241,246</u>	<u>\$8,404,278</u>	

Schedule of Sewer Rate Base

File: NFMA.wk1

Company: Florida Cities Water Co. - N Ft Myers 13-Month Average

Docket No.: 950387-SU

Test Year Ended: 12/31/95

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Florida Public Service Commission

Schedule: A-2 13-Month Average

Page 2 of 2

Preparer: Coel

Interim [ ] or Final [x]

Historic [ ] or Projected [x]

Explanation: Provide the calculation of 13-month average rate base for the test year, showing all adjustments. All non-used and useful items should be reported as Plant Held For Future Use. Use the balance sheet method approach to determine working capital.

Line No.	(1) Description	(2) Balance Per Books 12/31/94	(3) Utility Adjustments	(4) Projected Test Year Balance 12/31/95 13-Month Average	(5) Supporting Schedule(s)
1	Utility Plant in Service (Excl. Land)	\$11,649,007	\$135,668	\$11,784,675	
2	Utility Land & Land Rights	5,000	0	5,000	
3	Total Utility Plant in Service	11,654,007	135,668	11,789,675	A-4,A-6
4	Less: Non-Used & Useful Plant	0	0	0	A-7
5	Construction Work in Progress	91,345	(91,345)	0	-
6	Less: Accumulated Depreciation	2,558,856	271,265	2,830,121	A-8,A-10
7	Less: CIAC	3,183,270	68,380	3,251,650	A-11,A-12
8	Accumulated Amortization of CIAC	1,159,806	86,494	1,246,300	A-13,A-14
9	Acquisition Adjustments	0	0	0	-
10	Accum. Amort. of Acq. Adjustments	0	0	0	-
11	Less: Advances For Construction	0	0	0	A-16
12	Working Capital Allowance	0	83,716	83,716	A-17
13	Other: Allocation of General Office	0	27,799	27,799	A-3
14	Total Rate Base	<u>\$7,163,032</u>	<u>(\$97,312)</u>	<u>\$7,065,720</u>	

Calculation of Working Capital Allowance  
 Balance Sheet Method  
 File: NFMA.wk1  
 Company: Florida Cities Water Co. - N Ft Myers Div.  
 Docket No.: 950387-SJ  
 Test Year Ended: 12/31/95

Florida Public Service Commission

Schedule: A-17  
 Page 1 of 2  
 Preparer: Coel

Explanation: Provide the calculation of working capital using the balance sheet method.

Line No.	Working Capital Balance Sheet Accounts	Base Year		Test Year		13-Month Ave Balance 12/31/95	Notes		
		Balance @ 12/31/94	Adjustments	Base Year Balance 12/31/94	Balance @ 12/31/95			Test Year Balance 12/31/95	
1	Cash	\$95,250	\$0	\$95,250	\$157,720	\$0	\$157,720	\$152,915	
2	Cash - Restricted	49,258	0	49,258	45,373	0	45,373	45,672	
3	Accts Receivable - Customer	1,752,072	0	1,752,072	1,806,121	0	1,806,121	1,801,963	
4	Unbilled revenues	1,152,417	0	1,152,417	1,152,417	0	1,152,417	1,152,417	
5	Accts Receivable - Other	176,146	0	176,146	236,743	0	236,743	232,082	
6	Allowance for Bad Debts	(21,409)	0	(21,409)	(17,006)	0	(17,006)	(17,345)	
7	Accts Receivable - Intercompany	51,532	0	51,532	96,078	0	96,078	92,651	
8	Materials & Supplies	189,852	0	189,852	168,253	0	168,253	169,914	
9	Prepayments	326,157	0	326,157	454,566	0	454,566	444,688	
10	Unamort Rate Case Exp	714,515	0	714,515	712,118	0	712,118	712,302	
11	Clearing Accounts	5,334	0	5,334	46,526	0	46,526	43,357	
12	Other Deferred Debits (Maintenance Accruals)	9,443,073	(8,908,086)a.	534,987	9,317,116	(8,530,251)a.	786,865	607,637	a. Less: Carrying Charges on Capacity Fees in N & S Ft Myers Divisions (Account No. 186.30). These are NOT cash related and should NOT be included in working capital. See Schedule A-17, Pg 2 of 2, Note A for adjustment calculation.
13	Subtotal	\$13,934,197	(\$8,908,086)	\$5,026,111	\$14,176,025	(\$8,530,251)	\$5,645,774	\$5,438,254	
15	Less:								
16	Accounts Payable - Trade	\$687,109	0	687,109	687,108	0	687,108	632,430	
17	Intercompany Payables	2,013,371	154,291 b.	2,167,662	2,165,507	(2,067,500)c.	98,007	36,640	b. Less: Preferred Stock Div. Accrued (Account No. 233.18). See Schedule A-17, Pg 2 of 2, Note B for adjustment calculation.
18	State Income Tax	0	0	0	29,051	0	29,051	26,816	
19	Federal Income tax	0	0	0	163,877	0	163,877	151,271	
20	Taxes Other Than Income	873,211	0	873,211	873,211	0	873,211	987,506	
21	Accrued Interest	283,310	0	283,310	295,966	0	295,966	381,797	
22	Other Current Liabil.	2,108,036	0	2,108,036	1,608,036	0	1,608,036	1,953,364	c. Less: Preferred Stock Div. Accrued (Account No. 233.18). See Schedule A-17, Pg 2 of 2, Note B for adjustment calculation. And Less: \$2,000,000 for Intercompa Notes Payable with Consolidated Water Company (CWC)
23	Subtotal	\$5,965,037	\$154,291	\$6,119,328	\$5,822,756	(\$2,067,500)	\$3,755,256	\$4,169,825	
24	Net Working Capital (Sets to zero if negative)	\$7,969,160	(\$9,062,377)	\$0	\$8,353,269	(\$6,462,751)	\$1,890,518	\$1,268,430	

a. Less: Carrying Charges on Capacity Fees in N & S Ft Myers Divisions (Account No. 186.30). These are NOT cash related and should NOT be included in working capital. See Schedule A-17, Pg 2 of 2, Note A for adjustment calculation.

b. Less: Preferred Stock Div. Accrued (Account No. 233.18). See Schedule A-17, Pg 2 of 2, Note B for adjustment calculation.

c. Less: Preferred Stock Div. Accrued (Account No. 233.18). See Schedule A-17, Pg 2 of 2, Note B for adjustment calculation. And Less: \$2,000,000 for Intercompa Notes Payable with Consolidated Water Company (CWC)

FDWC Net Working Capital Allocated to the N Ft Myers Division.....  
 (N Ft Myers O&M Expenses / Total FDWC O&M x FDWC Working Capital) @ 12/31/94

	N Ft Myers O&M Expenses	Total FDWC O&M Expenses	% Allocation	Balance @ 12/31/94	Adjustments	Base Year Balance @ 12/31/94	Balance @ 12/31/95	Adjustments	Test Year Balance @ 12/31/95	13-Month Ave Balance 12/31/95
37	Water	N/A \$13,970,841	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38	Wastewater	919,804	6.6%	525,965	(598,117)	0	551,316	(426,542)	124,774	83,716
40	Total O & M	\$919,804	6.6%	\$525,965	(\$598,117)	\$0	\$551,316	(\$426,542)	\$124,774	\$83,716

Recap Schedules: A-1,A-2

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Calculation of Working Capital Allowance  
 Balance Sheet Method  
 File: NFMA.wk1  
 Company: Florida Cities Water Co. - N Ft Myers Div.  
 Docket No.: 950387-SJ  
 Test Year Ended: 12/31/95

Florida Public Service Commission

Schedule: A-17  
 Page 2 of 2  
 Preparer: Coel

Explanation: Provide the calculation of working capital using the balance sheet method.

Line No.	Notes/Description	Base Year			Test Year				
		Year/Month	Base Year Balances Thru 12/31/94	Annual/Monthly Changes	Test Year Adjustments 12/31/94	Year/Month	Test Year Balances Thru 12/31/95	Annual/Monthly Changes	Test Year Adjustments 12/31/95
1	Note A								
2	Carrying Charges on Capacity Fees				1993 Dec	\$9,285,921			
3	(Account No. 186.30)								
4		1993 Dec	\$9,285,921		1994 Dec	\$8,908,086	(377,835)		
5		1994 Jan	9,284,906	(1,015)	1995 Jan	8,876,600	(31,486)		
6		Feb	9,205,902	(79,004)	Feb	8,845,114	(31,486)		
7		Mar	9,173,949	(31,953)	Mar	8,813,627	(31,486)		
8		Apr	9,143,039	(30,910)	Apr	8,782,141	(31,486)		
9		May	9,084,618	(58,421)	May	8,750,655	(31,486)		
10		Jun	9,074,678	(9,940)	Jun	8,719,169	(31,486)		
11		Jul	9,012,992	(61,686)	Jul	8,687,682	(31,486)		
12		Aug	8,987,991	(25,001)	Aug	8,656,196	(31,486)		
13		Sep	8,936,828	(51,163)	Sep	8,624,710	(31,486)		
14		Oct	8,927,201	(9,627)	Oct	8,593,224	(31,486)		
15		Nov	8,909,295	(17,906)	Nov	8,561,737	(31,486)		
16		Dec	8,908,086	(1,209)	Dec	8,530,251	(31,486)		
17									
18		13-Month Ave	9,071,954		13-Month Ave	8,719,169			
19		Begin-End Ave	9,097,004		Begin-End Ave	8,719,169			
20		Year End Bal	\$8,908,086		Year End Bal	\$8,530,251		\$8,530,251	
21									
22	Note B								
23	Preferred Stock Dividends Accrued				1993 Dec	\$205,701			
24	(Account No. 233.18)								
25		1993 Dec	205,701		1994 Dec	(154,291)	(359,992)		
26		1994 Jan	273,201	67,500	1995 Jan	67,500	221,791		
27		Feb	340,701	67,500	Feb	67,500	0		
28		Mar	67,500	(273,201)	Mar	67,500	0		
29		Apr	135,000	67,500	Apr	67,500	0		
30		May	0	(135,000)	May	67,500	0		
31		Jun	67,500	67,500	Jun	67,500	0		
32		Jul	135,000	67,500	Jul	67,500	0		
33		Aug	202,500	67,500	Aug	67,500	0		
34		Sep	67,500	(135,000)	Sep	67,500	0		
35		Oct	135,000	67,500	Oct	67,500	0		
36		Nov	202,500	67,500	Nov	67,500	0		
37		Dec	(154,291)	(356,791)	Dec	67,500	0		
38									
39		13-Month Ave	129,062		13-Month Ave	50,439			
40		Begin-End Ave	25,705		Begin-End Ave	(43,396)			
41		Year End Bal.	(\$154,291)		Year End Bal.	\$67,500		\$67,500	
42									

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