

Susan F. Clark
Chairman

State of Florida



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Public Service Commission

September 18, 1995

RECEIVED
SEP 19 1995

Mr. B. Kenneth Gatlin
Gatlin, Woods & Carlson
1709-D Mahan Drive
Tallahassee, Florida 32308

FPSC-RECORDS/REPORTING

Re: Docket No. 951056-WS, Application of Palm Coast Utility Corporation for Increased Water and Wastewater Rates in Flagler County - Test Year Approval

Dear Mr. Gatlin:

We have received your letter dated September 1, 1995, requesting approval to use a partially projected test year ended December 31, 1995, and a historical base year ended December 31, 1994. Staff has also confirmed by telephone that you are also requesting to use the base year ended December 31, 1994, as an interim test year. Your test year request as outlined above is hereby approved. You should also be aware that prefiled direct testimony must be filed with the minimum filing requirements if you do not elect to request the proposed agency action process.

For administrative purposes only, Docket No. 951056-WS has been assigned to the forthcoming case. Your petition will not be deemed filed until we have received the petition, revised tariff sheets, the minimum filing requirements and the filing fee. To minimize any regulatory lag that may occur, we request that you file the above no later than December 31, 1995. Because of the difficulty in scheduling hearing dates, it is not anticipated that an extension of this filing date will be granted.

Under the file and suspend law, the time period for processing the request will begin when all of the required data is filed and accepted as complete. If not complete, the official filing date will be the date the corrections to the deficiencies are accepted. The utility is instructed to file all information it wishes the Commission to consider when arriving at a decision on its rate case application with its

DOCUMENT TO BE FILED DATE

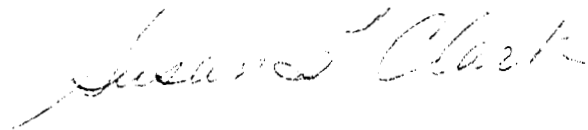
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FPSC-RECORDS/REPORTING

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September 11, 1995
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original filing. Because of the time limitations contained in Section 367.081, Florida Statutes, and the lengthy auditing and investigation required, information not filed with the original application may not be considered. Lastly, the utility should be prepared to justify all increased operation and maintenance expenses, particularly those in excess of customer growth and inflation since the company's last rate case.

Sincerely,



Susan F. Clark
Chairman

SFC/MWW

cc: Commissioners
Mr. Talbott
Dr. Bane
Nanette Fisher
Division of Records and Reporting
Division of Legal Services (Jaber)
Division of Water and Wastewater (Willis)
Jack Shreve, Office of Public Counsel