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ORIGINAL
FILE COPY

March 20, 1996

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RE: Docket No. 950387-SU

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket are the original and 15 copies of amended exhibits to be made to the prefiled direct testimony of Cheryl Walla. With respect to Exhibit CW-5 of Ms. Walla's testimony, the percentages in the far right column are not set forth clearly. Hence, I enclosed a replacement page which should reflect the numbers more clearly.

With further reference to Ms. Walla's direct testimony, the two pages comprising Exhibit CW-10 were included in error. The two pages herewith enclosed should replace both pages of CW-10. The two new pages are copies of pages 128 and 129 of the exhibit to the direct testimony of utility witness Larry N. Coel.

If you have questions concerning these matters, please call the undersigned.

Please indicate the time and date of receipt on the enclosed duplicate of this letter (plus exhibits) and return it to our office.

Sincerely,

Harold McLean
Associate Public Counsel

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HM/bgm
Enclosures

cc: All parties of record

DOCUMENT NUMBER-DATE

03289 MAR 20 1996

FPSC-RECORDS/REPORTING

CERTIFICATE OF SERVICE
DOCKET NO. 950387-SU

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U.S. Mail or by *Hand-delivery to the following party representatives on this 20th day of March, 1996:

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Harold McLean
Associate Public Counsel

July 19, 1995

FACT SHEET
REQUEST FOR WASTEWATER RATE INCREASE
IN
NORTH FORT MYERS

- New facilities at Florida Cities Water Company's Waterway Estates Wastewater Treatment facility are required for the following reasons:

Expansion of Plant from 1.0 MGD to 1.25 MGD - The plant is presently operating at its rated capacity of 1.0 Million Gallons a Day (MGD) on an annual basis. Prudent facility management as well as the Florida Department of Environmental Protection (FDEP) Capacity Analysis require a plant expansion to accommodate increased volume. Under FDEP rules, the wastewater treatment plant must be expanded immediately. The expansion will be completed by October 1, 1995.

Improvements at the wastewater treatment plant in 1992 were for treatment and process improvements only as required by state and federal regulations. The capacity of the plant was not increased at that time.

Sludge stabilization - The increased wastewater processing capacity of the plant requires improvements to ensure that the larger volume of sludge produced by the plant would continue to meet standards for sludge treatment. Modifications were made to the sludge holding tank and a lime silo is needed to ensure proper lime stabilization. The addition of the lime silo will also allow the Company to realize a significant cost reduction for the bulk purchase of lime. These cost savings are included in this rate request. All of these improvements are being made in accordance with the United States Environmental Protection Agency's standards for sewage sludge and the FDEP Construction Permit.

Disinfection of reclaimed water - Additional discharge into the Caloosahatchee River is not permitted. Therefore, the reclaimed water produced by the plant must be disinfected for reuse irrigation according to FDEP regulations. Reclaimed water facilities are required by the South Florida Water Management District's Water Use Permit, Lee County ordinance, and FDEP regulation. FCWC has executed a reuse agreement with Lochmoor Country Club to provide it reclaimed water for irrigation.

July 19, 1995

FACT SHEET (Continued)

Improvements in odor, noise, and aerosol drift - The expansion also requires process improvements to control odor, noise, and aerosol drift according to FDEP regulation.

- All costs associated with the operation and maintenance of Florida Cities Water Company's North Fort Myers system are shared by the 2,600 customers in North Fort Myers only.
- Florida Cities Water Company does not foresee the need for any large capital improvement projects in the near future. This current expansion is based on projected growth through 2001.
- The plant expansion is necessitated by growth in North Fort Myers. Our 1987 records show the plant serving 2,270 customers. In 1995 it is serving 2,600 customers.
 - Potential for development exists along Skyline Drive and Hancock Bridge Parkway. In addition there are 171 individual lots that could be connected to service immediately.
 - All new connections to the wastewater system are subject to a one time connection charge. A separate rate application has been filed to increase the connection charge from \$350 to \$1,800 per Equivalent Residential Connection. These charges are to help pay for growth in the utility system.
- There is no connection between Florida Cities Water Company's ongoing litigation with the USEPA and this rate case for North Fort Myers. There are no litigation expenses included in this rate case.
 - EPA filed a civil action against FCWC on October 1, 1993.
 - The complaint alleges that FCWC's wastewater treatment plant in North Fort Myers violated the Clean Water Act pertaining to the discharge of finished water. FCWC is vigorously contesting the case.
 - Under current Florida Public Service Commission policy fines are not passed on to customers.

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Percent water used by wastewater customers = 4590 ERC/5580 ERC = 82.26%

Month	Water Sold (Gal)	Estimated Water Use By Wastewater Customers (82.26% of Water Sold) (Gal.)	Wastewater Treated At Plant (Gal.)	Wastewater as a Percentage of water Use (%)	I & I Above Allowable 20% (%)	TTL I & I (%)
Jan. 94	21,112	22,170	21,342	121.70	21.70	41.7
Feb. 94	26,152	21,513	24,976	116.09	16.09	36.0
Mar. 94	26,257	21,599	27,652	128.02	28.02	48.0
Apr. 94	32,430	26,677	26,880	100.76	.76	20.7
May 94	25,358	20,859	24,552	117.70	17.70	37.7
Jun 94	28,290	23,271	24,510	105.32	5.32	25.3
Jul 94	27,187	22,364	29,233	130.71	30.71	50.7
Aug 94	21,576	17,748	31,403	176.94	75.94	96.9
Sep 94	24,420	20,068	35,250	175.48	75.48	95.4
Oct 94	23,467	19,304	32,581	168.78	68.78	88.7
Nov. 94	24,360	20,039	29,160	145.52	45.52	65.5
Dec. 94	26,443	21,752	30,318	139.38	39.38	59.3
Average for each column 1994	26,104	25,768	28,655	135.53	35.53	55.5
Jan 95	29,016	23,869	34,968	146.50	46.50	66.50
Feb 95	26,488	21,789	23,366	130.04	30.04	50.04
Mar 95	26,753	22,007	23,427	129.17	29.17	49.17
Apr 95	29,220	24,036	26,190	108.96	8.96	28.96
May 95	26,071	21,446	26,784	124.89	24.89	44.89
Jun 95	28,890	23,765	35,310	148.58	48.58	68.58
Jul 95	22,971	18,896	39,525	209.17	109.17	129.17
Average for each Column 1995	27,058	22,258	31,362	142.47	42.27	62.27

** All Gallonage figures omit 000's

OFFICE OF PUBLIC COUNSEL

ATT: HAROLD McCLAIN

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