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April 10, 1996

HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-1850

RE: Docket No. 951056-WS
Application by PALM COAST UTILITY CORPORATION
for a rate increase in Flagler County, Florida

Dear Ms. Bayo:

Enclosed on behalf of Palm Coast Utility Corporation for filing in the above docket are an original and fifteen copies of an Affidavit of Notice of Application.

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

WLS/met

1 Enclosures

5 cc:w/encl.: Stephen C. Reilly (hand delivery)

DOCUMENT NUMBER-DATE

04175 APR 10 1996

FPSC-RECORDS/REPORTING

ORIGINAL
FILE COPY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for rate)
increase in Flagler County by Palm)
Coast Utility Corporation)

Docket No. 951056-WS

AFFIDAVIT

STATE OF: FLORIDA

COUNTY OF: FLAGLER

BEFORE ME, the undersigned authority, duly authorized by law to administer oaths and to take acknowledgments, on this day personally appeared James A. Perry, who. After being duly sworn on oath, deposes and says:

1. That the Affiant has personal knowledge of the matter set forth herein;

2. That on March 26, 1996, a copy of the Notice attached hereto was sent by regular U.S. Mail to all customers of record within the service area of Palm Coast Utility Corporation.

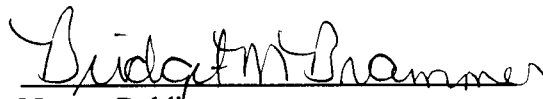
FURTHER AFFIANT SAYS NOT.



Name: James A. Perry

Title: Vice President of Finance

Sworn to and Subscribed before me on this 28 day of March, 1996.



Notary Public



BRIDGET M. BRAMMER
MY COMMISSION # CC449850 EXPIRES
APR 2, 1998
BONDED THROUGH FAIR INSURANCE CO.

DOCUMENT NUMBER-DATE

04175 APR 10 96

FPSC-RECORDS/REPORTING

NOTICE

Palm Coast Utility Corporation has applied to the Florida Public Service Commission for a rate increase for its water and wastewater service in Flagler County, Docket No. 951056-WS. Palm Coast Utility Corporation has also applied to the Commission for approval of an increase in water and wastewater plant capacity charges in Flagler County, Docket No. 951593-WS, separate from the above rate case docket.

A rate increase is necessary to allow the utility to recover the reasonable and prudent costs of providing service and an opportunity to earn a fair and reasonable rate of return.

The following is a comparison of the present rates, proposed interim rates, and the proposed final rates.

WATER SERVICE

<u>Class/Meter Size</u>	<u>Present Rates</u>	<u>Proposed Interim Rates</u>	<u>Proposed Final Rates</u>
<u>Residential</u>			
Base Facility Charge (Monthly Minimum)			
5/8 x 3/4"	\$10.55	\$11.50	\$15.36
Gallonage charge/1000 gallons (No Maximum)	\$3.60	\$3.93	\$4.52
<u>General Service & Multifamily</u>			
Base Facility Charge (Monthly Minimum)			
5/8 x 3/4"	\$10.55	\$11.50	\$15.36
1"	26.34	28.72	38.39
1-1/2"	52.69	57.46	76.79
2"	84.29	91.92	122.86
3"	168.58	183.84	245.71
4"	263.41	287.25	383.93
6"	526.81	574.49	767.84
Gallonage Charge/1000 gallons (No Maximum)	3.60	3.93	4.52
<u>Hammock Dunes Bulk Rate</u>			
Base Facility Charge (Monthly Minimum)			
6"	195.79	213.51	285.64

Gallage Charge/1000 gallons (No Maximum)	1.01	1.10	1.26
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Irrigation Service - All Classes

Base Facility Charge
(Monthly Minimum)

5/8 x 3/4"	\$ 5.27	\$ 5.75	\$ 7.68
1"	26.34	28.72	38.39
1-1/2"	52.69	57.46	76.79
2"	84.29	91.92	122.86
3"	168.58	183.84	245.71
4"	263.41	287.25	383.93
6"	526.81	574.49	767.84

Gallage Charge/1000 gallons (No Maximum)	3.60	3.93	4.52
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Private Fire Protection

(Monthly Charge)

4" Line	87.89	95.73	31.97
6" Line	175.60	191.49	63.87
8" Line	280.95	306.38	102.18
10" Line	403.83	440.38	146.88
12" Line	754.94	823.26	274.58

Public Fire Hydrants

Annual Charge Per Hydrant	100.00	100.00	0.00
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WASTEWATER SERVICE

<u>Class/Meter Size</u>	<u>Present Rates</u>	<u>Proposed Interim Rates</u>	<u>Proposed Final Rates</u>
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Residential

Base Facility Charge
(Monthly Minimum)

5/8 x 3/4"	\$11.10	\$12.75	\$13.46
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Gallage charge/1000 gallons (8000 Gallons Maximum)	\$2.93	\$3.36	\$4.66
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General Service & Multifamily

Base Facility Charge
(Monthly Minimum)

5/8 x 3/4"	\$11.10	\$12.75	\$13.46
1"	27.72	31.83	33.65

1-½"	55.44	63.66	67.31
2"	88.69	101.83	107.69
3"	177.39	203.68	215.38
4"	277.18	318.26	336.53
6"	554.35	636.50	673.05
Gallage Charge/1000 gallons (No Maximum)	3.52	4.04	5.60

Effluent Reuse Service

Gallage charge/1000 gallons	0.00	0.00	.67
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The Commission may modify the proposed rates so as to increase or decrease the proportionate amounts allocated to the base facility charge (the fixed minimum monthly amount regardless of usage) and the gallage charge (which will vary with actual usage). The Commission may also modify the rates so as to allocate revenue among the various customer classes (residential, general service, etc.) in a different manner than that proposed by the Applicant.

The Applicant is proposing to eliminate the Public Hydrant Charge. Public hydrants provide for the public welfare of all customers of the Applicant and the cost of maintaining the hydrants can be absorbed by all customers without any discernible impact. Public fire hydrant revenues represent approximately 1.8% of the requested revenues. Additionally, the administrative costs in maintaining a separate charge and agreement with Flagler County are cost prohibitive.

The Applicant is also proposing to add a new rate class for effluent reuse customers. The revenues associated with providing reuse service have been used to reduce the revenues to be recovered from other wastewater customer classes. The proposed charge for effluent reuse service is \$0.67 per 1000 gallons and is projected to generate annual revenue of \$195,640 on a pro forma basis.

In accordance with Rule 25-30.465, Florida Administrative Code, the Applicant proposes reduction of the Private Fire Protection charge, to one-twelfth of the base facility charge for the equivalent meter size.

CASE SCHEDULE

The following dates have been established to govern the key activities of this case:

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| 1. Agenda Conference on Interim Rates
(Tallahassee) | March 19, 1996 |
| 2. Order on Interim Rates | April 8, 1996 |
| 3. Intervenor Testimony Due | May 15, 1996 |
| 4. Staff Testimony Due | May 29, 1996 |

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| 5. | Prehearing Statements Due | June 3, 1996 |
| 6. | Prehearing Conference (Tallahassee) | June 10, 1996 |
| 7. | Rebuttal Testimony Due | June 12, 1996 |
| 8. | Issuance of Prehearing Order | June 24, 1996 |
| 9. | Hearing (Palm Coast) | July 1-2, 1996 |
| 10. | Briefs Due | July 24, 1996 |
| 11. | Staff Recommendation on Final Rates | September 19, 1996 |
| 12. | Agenda Conference on Final Rates | October 1, 1996 |
| 13. | Commission Order on Final Rates | October 21, 1996 |

This schedule is tentative and subject to change by the Commission.

A copy of the application, minimum filing requirements and synopsis are available for inspection at the Utility's office as follows:

Palm Coast Utility Corporation
 2 Utility Drive
 Palm Coast, Florida 32137
 (904) 445-3311

Business Hours: 8:00 a.m. - 4:30 p.m.
 Monday through Friday

The MFRs are also available for inspection in the reference section during normal library business hours at:

Flagler County Library
 264 Palm Coast Parkway
 Palm Coast, Florida 32137
 (904) 445-2340

Written comments concerning the utility's service or the proposed rate increase should be addressed to the Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, and should reference Docket No. 951056-WS. Complaints regarding service may be made to the Commission's Division of Consumer Affairs at the following toll free number: 1-800-342-3552.

The Commission will be reviewing the utility's service availability charges in the pending rate case and may adjust those charges.

NOTICE issuance date: MARCH 25 , 1996.