

State of Florida

Susan F. Clark
Chairman



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Public Service Commission

April 18, 1995

**ORIGINAL
FILE COPY**

Ms. Kathryn G.W. Cowdery
Gatlin, Woods, Carlson & Cowdery
The Mahan Station
1709-D Mahan Drive
Tallahassee, Florida 32308

Re: Docket No. 950387-SU, Application of Florida Cities Water
Company - N. Ft. Myers Division for Increased Wastewater
Rates in Lee County - Test Year Approval

Dear Ms. Cowdery:

ACK _____ We have received your letter dated April 6, 1995, requesting
AFA _____ approval to use a projected test year ended December 31, 1995, with
APP _____ an historic base year ended December 31, 1994. It is also our
CAF _____ understanding that the company will not be requesting interim
CMU _____ rates. Your test year request as outlined above is hereby
CTR _____ approved. You should also be aware that prefiled direct testimony
_____ must be filed with the minimum filing requirements if you elect to
_____ not use the proposed agency action process.

EAG _____ For administrative purposes only, Docket No. 950387-SU has
LEG _____ been assigned to the forthcoming case. Your petition will not be
LIN _____ deemed filed until we have received the petition, revised tariff
OPC _____ sheets, the minimum filing requirements and the filing fee. To
ROM _____ minimize any regulatory lag that may occur, we request that you
SEC / _____ file the above no later than August 11, 1995. Because of the
_____ difficulty in scheduling hearing dates it is not anticipated that
_____ an extension of this filing date will be granted.

WAS _____ Under the file and suspend law, the time period for processing
QTH _____ 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 original filing. Because of the time
_____ limitations contained in Section 367.081, Florida Statutes, and the

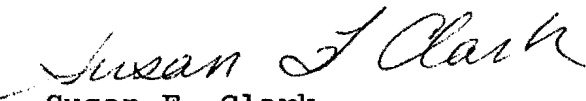
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03880 APR 19 1995

Ms. Kathryn G.W. Cowdery
April 18, 1995
Page Two

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 Utility's most recent 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