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ORIGINAL
FILE COPY

May 8, 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. 951056-WS

Dear Ms. Bayo:

Enclosed for filing in the above-captioned proceeding on behalf of the Citizens of the State of Florida are the original and 15 copies of the Citizens' Response to Palm Coast Utility Corporation's Motion for Temporary Protective Order and for Protective Order.

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

Sincerely,

Stephen C. Reilly
Associate Public Counsel

- ACK _____
- AFA 1 _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG Edmonds _____
- LIN 3 _____
- OPC _____
- RCH _____
- SEC 1 _____
- WAS _____
- OTH _____

SCR/bgm
Enclosures

RECEIVED & FILED
MAY 8 1996
BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
05178 MAY-8 96
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for a rate)
increase in Flagler County by)
PALM COAST UTILITY CORPORATION)

Docket No. 951056-WS
Filed: May 8, 1996

THE CITIZENS' RESPONSE TO PALM COAST UTILITY CORPORATION'S MOTION
FOR TEMPORARY PROTECTIVE ORDER AND FOR PROTECTIVE ORDER

The Citizens of the State of Florida "Citizens" by and through their undersigned attorney, file this response to Palm Coast Utility Corporation's (PCUC) Motion for Temporary Protective Order and for Protective Order and would state:

1. Request for Production No. 4. The Citizens' have no objection to PCUC producing the requested documents pursuant to a Temporary Protective Order and to PCUC's request that the documents in question be viewed at their office at a time mutually convenient to the parties. The Citizens' would note for the record, that a simple phone call could have resolved PCUC's concerns without the need for a lengthy motion for a protective order.

2. Request for Production No. 2. The Citizens' have no objection to PCUC not producing alleged "proprietary confidential business information" developed by Mr. Guastella. The Citizens would note again, that a simple phone call could have resolved PCUC's concerns without the need for a lengthy motion for a protective order.

3. Request for Production No. 12. The Citizens believe that the information requested is reasonably calculated to lead to

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176

FPSC-RECORDS/REPORTING

admissible evidence in this rate case. The Commission is setting rates for this utility on a going forward basis and the pending sale of PCUC could have a significant impact on the factors examined by the Commission in setting rates. The Citizens understand that a wholly owned subsidiary of the parent company of the same entity that intends to purchase PCUC has already purchased 13,000 acres in PCUC's service territory in anticipation of buying the utility. The Citizens believe that the Company has incurred expenses in the test year related to this sale which it proposes to recover from ratepayers in this rate case. The Citizens intend to file a motion to compel, and at that time address this Request for Production No. 12 in greater detail.

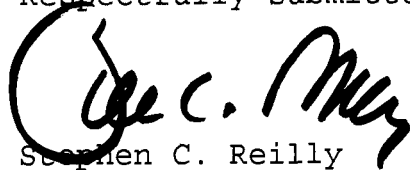
4. Request for Production No. 18. Although PCUC's federal income taxes are calculated on a stand alone basis, PCUC files a consolidated tax return with ITT, as also noted in the Audited Financial Statements, Notes, Income Tax Matters. The tax returns of ITT are relevant and reasonably calculated to lead to admissible evidence in this rate case. The Citizens intend to file a motion to compel, and at that time address this Request for Production No. 18 in greater detail.

5. The Citizens expressly request the Commission to refrain from ruling on PCUC's motion until the Citizens file their Motion to Compel concerning Request for Production Numbers 12 and 18. Our motion to compel will be filed as soon as practical, consistent with the demands placed on our office and consultants by the ongoing Southern States Utilities, Inc. rate case hearing.

WHEREFORE the Commission should deny PCUC's request for a

Temporary Protective Order and Protective Order for the Citizens'
Request for Procution of Document Numbers 12 and 18.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen C. Reilly". The signature is written in a cursive style with a large, prominent initial "S".

Stephen C. Reilly
Associate Public Counsel

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(904) 488-9330

Attorney for the Citizens
of the State of Florida

CERTIFICATE OF SERVICE
DOCKET NO. 951056-WS

I HEREBY CERTIFY that a correct copy of the foregoing has been furnished by U.S. Mail to the following parties on this 8th day of May, 1996.

B. Kenneth Gatlin
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Stephen C. Reilly
Associate Public Counsel