

STATE OF FLORIDA

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Commissioners:
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DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(904) 413-6900

Public Service Commission

April 21, 1997

Mr. D. Bruce May
Holland & Knight, LLP
P.O. Drawer 810
Tallahassee, FL 32302

Re: Docket No. ~~970164~~-WU, Application for Increased Water Rates by Hobe Sound Water Company (HSWC) in Martin County.

Dear Mr. May:

Our letter dated April 14, 1997, stated that the minimum filing requirements submitted on April 3, 1997, were found to be deficient. Upon your request, we have provided a detailed description of the deficiency.

Rule 25-30.437 (3), Florida Administrative Code, for projected test years requires an explanation justifying each method or basis used to project each test year. The following justifications were missing from the minimum filing requirements

1. The justification for the method or basis used for all projections made to each account included in the working capital allowance calculation.
2. The justification for the method used to restructure salaries for the 1998 test year
3. The justification for the method used to escalate purchased power, building rent, office supplies and computer supplies, for the new office for 1997 and 1998
4. The method or basis used to project long and short term debt, common equity and deferred taxes for 1997 and 1998.

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Mr. D. Bruce May
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As stated in the original letter, these corrections should be submitted no later than May 2, 1997.
Your petition will not be deemed filed until we have received the above-mentioned information

Sincerely,


Charles H. Hill
Director

CHH:shm

cc: **Division of Records and Reporting**
Division of Legal Services (Jaber)
Division of Water and Wastewater (Willis, Merchant)