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May 16, 1997

ORIGINAL
FILE COPY

HAND DELIVERY

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

RE: Docket No. 960258-WS
Petition of the FLORIDA WATERWORKS ASSOCIATION to Adopt
Rules on Margin Reserve and Imputation of Contributions-in
Aid-of-Construction on the Margin Reserve Calculation

Dear. Ms. Bayo:

Enclosed for filing are an original and fifteen copies of a
Response to a Letter Dated May 6, 1997 from Senator Anna P. Cowin
to Chairman Johnson, on behalf of the Florida Waterworks
Association, in reference to the above docket.

ACK _____
AFA Causseaux Please acknowledge receipt of the foregoing by stamping the
APP More enclosed extra copy of this letter and returning same to my
attention.

CAF _____

CMU _____

CTR _____

EAG _____

LEG _____ BKG/met

LIN _____ Enclosures

PC _____ cc: Parties of Record

POH Harlow

REC 1
RECEIVED & FILED

WAS _____

WTH cy to Kay
FPSC-BUREAU OF RECORDS

Carole
Purvis-FyI

Very truly yours,

B. Kenneth Gatlin

B. Kenneth Gatlin

DOCUMENT NUMBER-DATE

04907 MAY 16 97

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of the Florida) Docket No. 960258-WS
Waterworks Association to Adopt)
Rules on Margin Reserve and) Filed: May 16, 1997
Imputation of Contributions-in-)
Aid-of-Construction on the Margin)
Reserve Calculation)

**ORIGINAL
FILE COPY**

**RESPONSE TO A LETTER DATED MAY 6, 1997
FROM SENATOR ANNA P. COWIN TO CHAIRMAN JOHNSON**

The Florida Waterworks Association ("FWA") hereby files this its response to a letter dated May 6, 1997, from Senator Anna P. Cowin to Chairman Johnson, and states:

1. The Office of Public Counsel (OPC) was created by the Legislature. The Public Counsel is appointed by the Legislative Auditing Committee. The Legislature has delegated to OPC the responsibility of representing the citizens of Florida before the Florida Public Service Commission (Section 350.0611, F.S.). Pursuant to Section 350.0613, Florida Statutes, OPC is furnished with copies of initial pleadings filed with the Commission and granted authority to intervene in any proceeding before the Commission. The Legislature has provided OPC with sufficient funds to maintain a highly trained and experienced professional staff.

2. The Commission has been formally considering used and useful, including margin reserve, in rule making, since 1991. This most recent rule making proceeding was noticed as required by Florida Statute. Notice of rulemaking was served on July 26, 1996. The notice was published in FAW on August 2, 1996.

DOCUMENT NUMBER-DATE
04907 MAY 16 5
FPSC-RECORDS/REPORTING

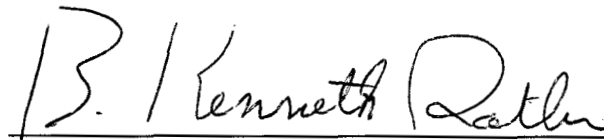
3. OPC has participated fully in this docket. OPC filed written comments prior to the hearing, attended and participated in the December 1996 hearing, cross-examined witnesses, and filed post-hearing comments stating its position on the proposed rule. Additionally, Mr. Twomey, an attorney, who is one of the Senator's advisors attended the December hearing but did not participate.

4. The Commission scheduled this docket for consideration at its April 24, 1997 agenda. This docket was taken off that agenda, not considered, and as of this date not scheduled for another agenda.

5. It is not appropriate to further delay this proceeding. The citizens of Florida through OPC have been vigorously represented. There has been no allegation that any new relevant evidence or testimony could be produced for the Commission's consideration.

DATED this 16th day of May, 1997.

Respectfully submitted,



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Attorneys for
FLORIDA WATERWORKS ASSOCIATION

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by hand delivery to **CHRISTIANA T. MOORE, ESQ.**, Office of General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, and by regular U.S. Mail on this 16th day of May, 1997, to the following:

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Matthew J. Feil, Esq.
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