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OF COUNSEL  
THOMAS F. WOODS

September 18, 1997

**HAND DELIVERY**

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

RE: Docket No. ~~980329~~-WS  
Application of GULF UTILITY COMPANY for  
an increase in Wastewater Rates, approval of a decrease in  
Water Rates and approval of Service Availability Charges in  
Lee County, Florida

Dear Ms. Bayo:

Enclosed for filing are an original and fifteen copies of a  
Request for Administrative Notice, in reference to the above  
docket.

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.

- ACK \_\_\_\_\_
- AFA   1
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_ BKG/met
- EAC \_\_\_\_\_ Enclosures
- LE   1

Very truly yours,  
*B. Kenneth Gatlin*  
B. Kenneth Gatlin

cc: Tim Vaccaro, Division of Legal Services  
Stephen C. Reilly, Office of Public Counsel

W.

DOCUMENT NUMBER-DATE  
**09522 SEP 18 97**  
FPC-RECORDS/REPORTING

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

URIC...  
FM, C...

In re: Application of GULF UTILITY)  
COMPANY for an increase in )  
Wastewater Rates, approval of a )  
decrease in Water Rates and )  
approval of service availability )  
charges in Lee County, Florida )

Docket No. 960329-WS

In Re: Application for increase in)  
rates and service availability )  
charges in Lee County by Gulf )  
Utility Company )

Docket No. 960234-WS

Filed: September 18, 1997

**REQUEST FOR ADMINISTRATIVE NOTICE**

Gulf Utility Company (Gulf) files this its Request for Administrative Notice, and states:

1. Gulf requests that the Commission take administrative notice of the letter dated September 16, 1997 addressed to Mr. James Moore, President of Gulf Utility Company from the engineering firm of Montgomery Watson (attached as Appendix A). The Commission may administratively notice this letter pursuant to Section 90.202(12) and Section 90.203 of the Florida Evidence Code.

2. The facts stated in Appendix A should be administratively noticed because they are capable of accurate and ready determination by the Commission and its Staff. The Office of Public Counsel is being given this timely written notice of this request for administrative notice.

3. Montgomery Watson is an engineering firm. Montgomery Watson is the design and supervising engineer for the construction of the one million gallon reject holding tank (tank). In this proceeding, Gulf seeks the inclusion of this investment in its

DOCUMENT NUMBER-DATE

09522 SEP 18 97

FPSC-RECORDS/REPORTING

approved rate base. The proper rate making treatment of this investment is shown on Appendix "B" attached hereto. This is the same Appendix B attached to Gulf's Motion for Reconsideration filed in this docket on July 30, 1997.

4. In its Motion for Reconsideration filed in this docket Gulf brought to the Commission's attention that Mr. James W. Moore, Gulf's president, had testified that construction of the tank would be completed by September, 1997. The attached Montgomery Watson letter (Appendix A) confirms that the tank will be "started up the week of Sept. 22, 1997 and will be in full operation by Sept. 30, 1997." The reference in the Montgomery Watson letter to Contracts A and B is to the contracts for the construction of the tank. The contracts are attached to Gulf's Motion for Reconsideration filed herein on July 30, 1997 as Appendix C.

5. This docket is currently scheduled for consideration by the Commission at its October 7, 1997 agenda conference. Prior to October 7, 1997 the Commission Staff and the Office of Public Counsel may make appropriate verification concerning the tank. The law is well established that the Commission should not ignore an existing fact which establishes a cost that will effect future rates. See Gulf Power Company v. Bevis, 289 So.2d 401 (1974) and Marco Island Utilities, a Division of Deltona Utilities, Inc. v. Public Service Commission, 566 So.2d 1325 (1st DCA 1990).

WHEREFORE, Gulf Utility Company requests that the Commission:

1. Take administrative notice of the letter from Montgomery Watson dated September 16, 1997 and the facts stated therein;
2. Include in Gulf Utility Company's rate base the investment in the one million gallon reject holding tank and approve rates for the recovery of and return on the investment; and
3. Such other relief as may be appropriate.

DATED this 18th day of September, 1997.

Respectfully submitted,



---

B. Kenneth Gatlin  
Fla. Bar #0027966  
Gatlin, Schiefelbein & Cowdery, P.A.  
1709-D Mahan Drive  
Tallahassee, Florida 32308  
(904) 877-5609

Attorneys for  
GULF UTILITY COMPANY

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by hand delivery to Mr. Tim Vaccaro, Esquire, Division of Legal Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, and to Mr. Stephen C. Reilly, Esquire, Office of Public Counsel, 111 W. Madison Street, Tallahassee, Florida 32399-1400, on this 18th day of September, 1997.



---

B. Kenneth Gatlin



**MONTGOMERY WATSON**

September 16, 1997

Mr. James Moore, President  
Gulf Utility Company  
19910 S. Tamiami Trail  
Estero, FL 33928

**SUBJECT: Reuse System Improvements Project  
Substantial Completion**

Dear Mr. Moore:

This letter is written in response to your request to verify the construction status of the Concentrate and Effluent Reuse System Improvements project (Contract "A" and Contract "B").

Based on Montgomery Watson's assessment of work progress to date, both Contract A and B have progressed to the point where they are substantially complete. The system improvements are scheduled to be started up the week of September 22, 1997 and will be in full operation by September 30, 1997.

Very truly yours,

**MONTGOMERY WATSON AMERICAS, INC.**

Jonathan A. Dietrich, P.E.  
Project Manager

cc: Geoff Hart, PTN-1

APPENDIX A

1324022.1A11  
Titusville Center  
Suite 201  
2501 Del Prado Boulevard  
Cocoa Beach, Florida 32909

Tel: 841 647 6500  
Fax: 841 642 1004

*Serving the World's Environmental Needs*

GULF UTILITY COMPANY  
WATER OPERATION  
HOLDING TANK  
USED AND USEFUL INVESTMENT

Line	Description (1)	Used and Useful			
		Flows (2)	(3)	Net Investment (4)	(5)
1	Flows	3.439 MG (a)			
2	Less Capacity of San Carlos WTP	2.416			
3	Balance- Corkscrew WTP	<u>1.023</u>			
4	% Used & Useful(Line 3/ 3.0MGD)	34%			
5	Amount(b)		Plant	Dep Res	Net Plant
6	Tank(.34 x \$445,455 & \$11,138)		\$ 151,455	\$ 3,788	\$ 147,667
7	Pumps, Controls, Etc.		254,545	10,177	244,368
8	Total		<u>\$ 406,000</u>	<u>\$ 13,965</u>	<u>\$ 392,037</u>

(a) Source : Appendix D

(b) Source: Exhibit 8 Sch. A-1(3), Page 9

GUC-87  
BA70..BN102

GULF UTILITY COMPANY  
WATER OPERATION  
ALLOCATION OF SFMWD GRANT

Appendix B  
Page 2 of 2  
Docket No. 960329 - WS

	Description (1)	Plant (2)	Allocation CIAC (3)	Amortz CIAC (4)	CIAC(Net) (5)
1	Reuse Line	\$ 200,000	\$ 46,154 (a)	1,403	\$ 44,751
2	Holding Tank				
3	Used & Useful	408,000	147,231	4,478	142,756
4	Nonused & Useful	294,000	108,615	3,241	103,374
5		<u>700,000</u>	<u>253,846</u>	<u>7,717</u>	<u>246,129</u>
6	Total	<u>\$ 900,000</u>	<u>\$ 300,000</u>	<u>\$ 9,120</u>	<u>\$ 290,880</u>

(a) Page 36 of Order No. PSC-87-0847-FOF-WS