

JULIA L. JOHNSON
CHAIRMAN

CAPITAL CIRCLE OFFICE CENTER
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0854
(850) 413-6044



Public Service Commission

February 16, 1998

Mr. James L. Ade
Martin, Ade, Birchfield & Mickler, P.A.
P.O. Box 59
Jacksonville, Florida 32201

Re: Docket No. 980214-WS, Application of United Water Florida Inc. for Increased Water and Wastewater Rates in Duval, Nassau and St. Johns Counties - Test Year Approval

Dear Mr. Ade:

We have received your letter dated February 4, 1998, requesting approval to use a projected test year ended December 31, 1999, utilizing an intermediate test year ended December 31, 1998 and a historical base year ended December 31, 1997. The letter also indicates that you wish to use the same base year as a test year in the event that the utility decides to request interim rates. Your test year request as outlined above is hereby approved. You should also be aware that prefiled direct testimony must be filed with the minimum filing requirements if you do not elect to request the proposed agency action process.

For administrative purposes only, Docket No. 980214-WS has been assigned to the forthcoming case. Your petition will be deemed filed on the date that the Division of Records and Reporting receives the complete petition, revised tariff sheets, the minimum filing requirements, testimony (if not requesting PAA) and the filing fee. To minimize any regulatory lag that may occur, we request that you file the above no later than July 20, 1998. Because of the difficulty in scheduling hearing dates it is not anticipated that an extension of this filing date will be granted.

Under the file and suspend law, the time period for processing the request will begin on the date that all of the required data is completely filed. If not complete, the official filing date will be the date the complete corrections to the deficiencies are filed. 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 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

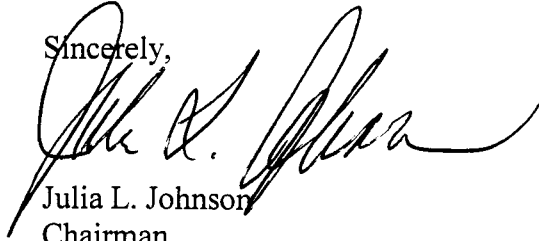
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inflation from the historic year ended December 31, 1995, which is the base year used in the utilities last rate case.

Sincerely,

A handwritten signature in black ink, appearing to read "Julia L. Johnson". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Julia L. Johnson
Chairman

JLJ/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