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DIVISION OF LEGAL SERVICES  
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# Public Service Commission

March 2, 1998

B. Kenneth Gatlin, Esquire  
Gatlin, Shiefelbein & Cowdery, P.A.  
3301 Thomasville Rd., Ste. 300  
Tallahassee, Florida 32312

RE: Docket No. 970991-SU - Investigation into rates and charges of Florida Cities Water Company - Lee County Division (South Ft. Myers Wastewater System) for potential overearnings.

Dear Mr. Gatlin:

By letter dated January 21, 1998 (attached), Staff requested certain information and schedules. By letter dated February 4, 1998, you have questioned: (1) Staff's need for this information; and (2) its right to require that such information either be provided or be provided in the form requested. Also, you have stated that it would be impossible to provide the information by the date requested.

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- LIM \_\_\_\_\_
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC \_\_\_\_\_
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

First, Staff is using the test year 1997 to determine whether there are overearnings. Rule 25-30.433(4), Florida Administrative Code, requires the Commission to use the 13-month average for calculating rate base and cost of capital. Therefore, the figures for a 13-month average are necessary.

Secondly, Rule 25-30.110(2), Florida Administrative Code, requires the utility to provide "the Commission with any information concerning the utility's facilities or operation that the Commission may request and require for determining rates", and "at such time and in such forms as the Commission may require". Therefore, Staff requests that you provide the information as requested. If you are unable to timely put the information in the format requested, please provide staff with the information which would enable it to create the schedules requested.

DOCUMENT NUMBER-DATE

02906 MAR-5 88

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Finally, staff now requests (as I advised you by telephone on February 26, 1998) that you provide such information, no later than March 31, 1998. Your attention in this matter is greatly appreciated. If you have any questions, please contact me as soon as possible.

Sincerely,



Ralph R. Jaeger  
Senior Attorney

RRJ/dr

cc: **Division of Records and Reporting**  
**Division of Water and Wastewater (Willis, Merchant, Moniz, Rendell)**