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REPLY TO ALTAMONTE SPRINGS

MARTIN S. FRIEDMAN, P.A.
VALERIE L. LORD, *OF COUNSEL*
(LICENSED IN TEXAS ONLY)

June 10, 2003

HAND DELIVERY

030517-82
RECEIVED FPSC
JUN 10 PM 3:57
COMMISSION CLERK

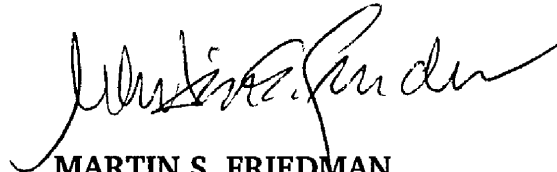
Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket No. _____; Application of North Fort Myers Utility, Inc., for Approval of New Rate for Bulk Wastewater Service Agreement with the City of Cape Coral
Our File No.: 16319.29

Dear Ms. Bayo:

Enclosed for filing is an original and four (4) copies of North Fort Myers Utilities, Inc.'s, Application for Approval of New Rate for Bulk Wastewater Service Agreement with the City of Cape Coral.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

Orig Tariff forwarded to ECR

MSF/dmp
Enclosure

- cc: Mr. Ray Judah, Chairman, Lee County Board of County Commissioners (w/enc.)
- Mr. Tony Reeves (w/enc.)
- Mr. Jack Schenkman (w/enc.)
- Dr. Joel Schenkman (w/enc.)
- Dr. Michael Schenkman (w/enc.)

DOCUMENT NUMBER-DATE
05132 JUN 10 03
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application of
NORTH FORT MYERS UTILITY, INC.
for approval of new rate for
bulk wastewater service agreement
with the City of Cape Coral

Docket No. **030517-SU**

APPLICATION FOR APPROVAL OF
NEW RATE FOR BULK WASTEWATER SERVICE AGREEMENT
WITH THE CITY OF CAPE CORAL

NORTH FORT MYERS UTILITY, INC. ("NFMU"), by and through its undersigned attorneys, and pursuant to Section 367.091, Florida Statutes, and Rule 25-9.004, Florida Administrative Code, files this Application for Approval of New Rate for Bulk Wastewater Service Agreement with the City of Cape Coral, and in support thereof states:

1. The exact name of the Company and the address of its principal business office is:

NORTH FORT MYERS UTILITY, INC.
Post Office Box 2547
Fort Myers, Florida 33902

2. The name and address of the person authorized to receive notices and communications in respect to this application is:

Martin S. Friedman, Esquire
Rose, Sundstrom & Bentley, LLP
600 South North Lake Boulevard, Suite 160
Altamonte Springs, Florida 32701
(850) 877-6555
(850) 656-4029 fax
mfriedman@rsbattorneys.com

DOCUMENT NUMBER DATE

05132 JUN 10 8

FPSC-COMMISSION CLERK

3. The Applicant and the City of Cape Coral, Florida ("City"), have agreed to enter into a written agreement pursuant to which, among other matters, the Applicant will provide bulk wastewater service to the City ("Agreement"), which the City will re-sell to the RealMark Group, which is developing in Section 21, Township 42 South, Range 24 East, in the City of Cape Coral, Lee County, Florida. A true and correct copy of the Agreement will be provided and attached to this Application as Exhibit "A".

4. The purpose of the Agreement is to provide wastewater service to this new development within the City. The City is currently unable to provide wastewater services to the development.

5. The Agreement provides that City will pay the Applicant for wastewater service based on the quantity of water supplied by Lee County to the City under a separate contract for this development, measured at the bulk water meter installed at the point of connection of Lee County's systems to the City's systems. The customers to be served with water through this bulk water meter are identical to the wastewater customers being provided with bulk service by the Applicant.

6. The rate to be paid by the City pursuant to the Agreement is \$3.45 per 1,000 gallons of water used, which is 84% of \$4.08 per 1,000 gallons of water used, the rate approved by the Commission in Authority No. WS-03-0011. Pursuant to Section 367.091(6), a cost justification is attached to this Application as Exhibit "C".

7. The developer plans to build between 1,500 and 1,700 homes in this development.

8. Pursuant to the Agreement, the Applicant will provide wastewater service for up to 0.5 MGD. The Applicant has sufficient capacity to supply the City's requirements.

9. Connection to the Applicant's system and facilities will not require curtailment or disruption of wastewater service to the Applicant's existing customers. The costs of connection will be borne by the City. There will be no material impact on the Applicant's capital structure.

10. The Applicant will not be responsible for the maintenance and upkeep of the meter. Lee County will be responsible for reading the meter monthly and the Applicant will obtain that information as it does for all of its customers.

11. The provision of this service to the City will not cause any material impact on the Applicant's monthly rates or service availability charges.


12. Attached as Exhibit "C" to this Application are the original and two copies of the revised tariff sheets reflecting the provision of wastewater service to the City.

13. Attached as Exhibit "D" is an affidavit that the notice of actual application was given in accordance with Section 367.091(2), Florida Statutes, by regular mail to the chief

executive officer of the governing body of each county within the service area included in this request.

Respectfully submitted on this
10th day of June, 2003, by:

ROSE, SUNDSTROM & BENTLEY, LLP
600 South North Lake Boulevard
Suite 160
Altamonte Springs, Florida 32701
Tel.: (407) 830-6331
Fax: (407) 830-8522
mfriedman@rsbattorneys.com

By: 
MARTIN S. FRIEDMAN

nfmu\water service agt\agt.app

Bulk Wastewater Service Agreement

To be Late Filed

Exhibit "A"

Cost Justification

Exhibit "B"

NORTH FT. MYERS UTILITY, INC.
 CALCULATION OF BULK WASTEWATER RATE
 YEAR ENDED DECEMBER 31, 2002

COSTS UNRELATED TO BULK SERVICE

CUSTOMER ACCOUNTS EXPENSE

SALARIES & WAGES - CUSTOMER ACCOUNTS	\$ 45,756
PURCHASED POWER	1,602
OFFICE RENT	6,013
BAD DEBT EXPENSE	10,324
POSTAGE, SUPPLIES & MISCELLANEOUS EXPENSE	<u>18,032</u>
	<u>81,727</u>

ADMINISTRATIVE & GENERAL EXPENSES

ENGINEERING	41,584
TRANSPORTATION EXPENSE	4,742
WORKMAN'S COMPENSATION INSURANCE	<u>13,408</u>
	<u>59,734</u>

COSTS UNRELATED TO BULK RATE SERVICE	141,461
DIVIDE BY REGULATORY ASSESSMENT FEE EXPANSION FACTOR	<u>0.955</u>

REVENUE UNRELATED TO BULK RATE SERVICE	<u>\$ 148,127</u>
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DIVIDE BY TOTAL GALLONS TREATED (000)	<u>233,979</u>
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REVENUE PER 1,000 GALLONS UNRELATED TO BULK SERVICE	<u>\$ 0.63</u>
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PROPOSED BULK RATE

PRESENT RETAIL RATE PER 1,000 GALLONS (PER INDEX FILING)	\$ 4.08
LESS REVENUE PER 1,000 GALLONS UNRELATED TO BULK SERVICE	<u>(0.63)</u>

PROPOSED BULK RATE	<u>\$ 3.45</u>
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PROPOSED BULK RATE AS A PERCENTAGE OF THE RETAIL RATE	<u>84%</u>
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Revised Tariff Sheets

orig forwarded to ECP

Exhibit "C"

GENERAL SERVICE

RATE SCHEDULE GS

AVAILABILITY - Available to the City of Cape Coral, Florida pursuant to contract dated _____, 2003.

APPLICABILITY - For wastewater service pursuant to contract dated _____, 2003.

LIMITATIONS - Subject to contract, all of the Rules and Regulations of this Tariff and the General Rules and Regulations of the Commission.

RATE -

<u>Meter Size</u>	<u>Rate</u>
Not applicable	
Gallonage Charge: per 1,000 gallons	\$3.45

BASE FACILITY CHARGE - Not applicable

TERMS OF PAYMENT - Per contract

EFFECTIVE DATE -

TYPE OF FILING - By Application Docket No.

Jack Schenkman
ISSUING OFFICER

President
TITLE

Notice and Affidavit

Exhibit "D"

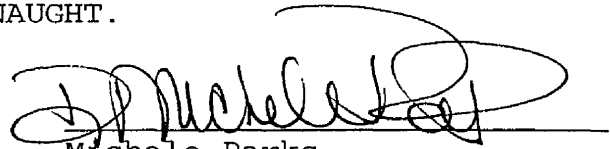
AFFIDAVIT OF MAILING

STATE OF FLORIDA

COUNTY OF SEMINOLE

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared Michele Parks, who, after being duly sworn on oath, did depose on oath and say that she is the secretary of Martin S. Friedman, attorney for North Fort Myers Utility, Inc. and that on June 9th, 2003, she did send by regular U.S. mail, a copy of the Application attached to this Affidavit to the governmental bodies required by Section 367.091(2), Florida Statutes.


FURTHER AFFIANT SAYETH NAUGHT.


Michele Parks

Sworn to and subscribed before me this 9th day of June, 2003, by Michele Parks, who is personally known to me.



Martin S. Friedman
MY COMMISSION # CC928326 EXPIRES
August 16, 2004
BONDED THRU TROY FAIN INSURANCE, INC.


Print Name
NOTARY PUBLIC

My Commission Expires:

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application of
NORTH FORT MYERS UTILITY, INC.
for approval of new rate for
bulk wastewater service agreement
with the City of Cape Coral

Docket No.

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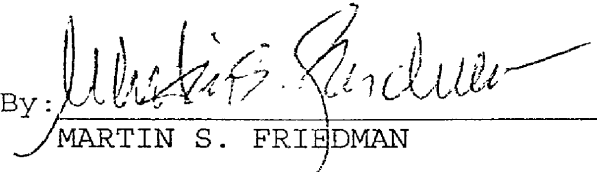
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executive officer of the governing body of each county within the service area included in this request.

Respectfully submitted on this
10th day of June, 2003, by:

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Tel.: (407) 830-6331
Fax: (407) 830-8522
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By: 
MARTIN S. FRIEDMAN

nfmw\water service agt\agt.app