

FLORIDA CITIES WATER COMPANY

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March 20, 1998

Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 961231-WS
Order No. PSC-97-0019-FOF-WS, Issued 1/6/97

Dear Ms. Bayo:

Enclosed is the semi-annual earnings report for the year ended December 31, 1997, for wastewater in Florida Cities Water Company's South Ft. Myers Division required to be filed per the order referenced above.

Please contact me for any inquiries.

Sincerely,



Joseph Schifano, CPA
Controller

ACK _____

AFA _____

APP _____

CAF _____

CMU _____ JS/Ish

CTR _____

EAG _____ enclosure

LEG _____

LIN _____ cc: K. Gatlin

OPC _____ L. Coel

RCH _____ R. Ytterberg/B. Dick

SEC _____

WAS _____ FLORIDA CITIES WATER COMPANY

OTH _____ 4837 SWIFT RD. SUITE 100

(941) 925-3088

DOCUMENT NUMBER-DATE

03633 MAR 27 98

FPSC-RECORDS/REPORTING

Hillman\Wdata\Joe\Earnings psc

FLORIDA CITIES WATER COMPANY
SOUTH FT MYERS - WASTEWATER
SCHEDULE OF RATE BASE AND RATE OF RETURN
For the Year Ended December 31, 1997

Acct. No. (a)	Account Name (b)	Wastewater Utility (c)
	RATE BASE	
101 & 105	Utility Plant In Service & Construction Work In Progress	\$30,700,997
	Less:	
	Nonused & Useful Plant (1)	1,577,000
108.1	Accumulated Depreciation	10,659,315
110.1	Accumulated Amortization	970
271	Contributions In Aid of Construction (CIAC)	16,372,789
252	Advances for Construction	0
	Subtotal	<u>2,090,943</u>
	Additions:	
272	Accumulated Amortization of CIAC	5,671,704
	Subtotal	<u>7,762,647</u>
	Plus or Minus:	
114	Acquisition Adjustments (2)	0
115	Accumul. Amortization of Acquisition Adj.(2)	0
	Working Capital Allowance (3)	195,951
	Other (Specify): Allocation of General Office Net Plant	57,306
		0
		0
	0
	RATE BASE	<u>8,015,904</u>
	UTILITY OPERATING INCOME (4)	<u>\$937,965</u>
	ACHIEVED RATE OF RETURN	<u>11.70%</u>

NOTES:

- (1) Estimated if not known.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculate using the formula approach (1/8 of O & M Expenses)
- (4) Utility Operating Income of \$937,965 includes Lee County revenue of \$248,710 from treatment of Lee County wastewater under agreement dated July 10, 1996 and amended August 28, 1996. This revenue is non-recurring. (Docket No. 961231-WS, Order No. PSC-97-0019-WS issued January 6, 1997).