

FLORIDA CITIES WATER COMPANY

ORIGINAL

July 16, 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

980000

Dear Ms. Bayo:

Enclosed is the semi-annual earnings report for the year ended June 30, 1998, 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 _____ JS/sk

CAF _____

CMU _____ enclosure

CTR _____

EAG _____ cc: K. Gatlin

LEG _____ L. Coel

LIN _____ R. Ytterberg/B. Dick

OPC _____

RCH _____ FLORIDA CITIES WATER COMPANY
4837 SWIFT RD. SUITE 100

SEC 1 SARASOTA, FL 34231
(941) 925-3088

WAS 1 _____

OTH _____

DOCUMENT NUMBER-DATE

07588 JUL 20 98

FPS (Florida Public Service Commission) REPORTING

FLORIDA CITIES WATER COMPANY
SOUTH FT MYERS - WASTEWATER
SCHEDULE OF RATE BASE AND RATE OF RETURN
For the Year Ended June 30, 1998

Acct. No. (a)	Account Name (b)	Wastewater Utility (c)
RATE BASE		
101	Utility Plant In Service	\$30,995,998
Less:		
	Nonused & Useful Plant (1)	1,488,000
108.1	Accumulated Depreciation	11,330,915
110.1	Accumulated Amortization	970
271	Contributions In Aid of Construction (CIAC)	16,520,946
252	Advances for Construction	0
	Subtotal	1,655,167
Additions:		
272	Accumulated Amortization of CIAC	6,013,704
	Subtotal	7,668,871
Plus or Minus:		
114	Acquisition Adjustments (2)	0
115	Accumul. Amortization of Acquisition Adj. (2)	0
	Working Capital Allowance (3)	200,498
	Other (Specify): Allocation of General Office Net Plant	59,325
		0
		0
	RATE BASE	7,923,694
	UTILITY OPERATING INCOME (4)	\$909,548
	ACHIEVED RATE OF RETURN	11.47%

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 \$909,548 includes Lee County revenue of \$210,921 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.