

May 18, 1998

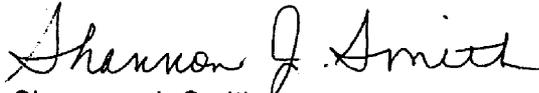
Ms. Blanca Bayo, Director
Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Application by United Water Florida Inc. for Rate Increase in Duval,
Nassau and St. Johns Counties, Docket No. 980214-WS ("Application").

Dear Ms. Bayo:

In reference to the above application, enclosed is a copy of the "Application" of
United Water Florida Inc. for Rate Adjustment which was filed with the
Commission today. Also enclosed are copies of letters that were sent to the
other official parties.

Sincerely,



Shannon J. Smith
Administrative Assistant

sjs

Enclosures

- ACK
- AFA cc: Scott Schildberg, Esquire (w/enclosures)
- APP
- CAF
- CMU
- CTR
- EAG
- LEG
- LIN
- OPC
- RCH
- SEC
- WAS
- OTH

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FPSC-RECORDS/REPORTING

United Water



May 18, 1998

United Water Florida

1400 Millcoe Road
PO Box 8004
Jacksonville, FL 32239-8004
telephone 904 721 4600
facsimile 904 721 4680

Mayor, Town of Baldwin
10 U.S. 90 West
Baldwin
FL, 32234-1832

Dear Sir or Madam:

In accordance with the rules of the Florida Public Service Commission, enclosed is a copy of the Application of United Water Florida Inc. For Increased Water and Wastewater Rates in Duval, Nassau and St. Johns Counties, Docket No. 980214-WS.

A copy of the minimum filing requirements ("MFRs"), when accepted by the Florida Public Service Commission, can be obtained from United Water Florida Inc. upon request. Please address your request to me at the following address:

Mr. Munipalli Sambamurthi
United Water Florida Inc.
P.O. Box 8004
Jacksonville, Florida 32239-8004

together with a copy to:

Scott G. Schildberg, Esquire
Martin, Ade, Birchfield & Mickler, P.A.
3000 Independent Square
Jacksonville, Florida 32202

Sincerely yours,

Munipalli Sambamurthi
General Manager

MS/msa
Enclosure

cc: Scott G. Schildberg, Esquire
Florida Public Service Commission

United Water



May 18, 1998

United Water Florida

1400 Millcoe Road
PO Box 8004
Jacksonville, FL 32239-8004
telephone 904 721 4600
facsimile 904 721 4680

Mayor, City of Neptune Beach
116 First Street
Neptune Beach
FL, 32266-6140

Dear Sir or Madam:

In accordance with the rules of the Florida Public Service Commission, enclosed is a copy of the Application of United Water Florida Inc. For Increased Water and Wastewater Rates in Duval, Nassau and St. Johns Counties, Docket No. 980214-WS.

A copy of the minimum filing requirements ("MFRs"), when accepted by the Florida Public Service Commission, can be obtained from United Water Florida Inc. upon request. Please address your request to me at the following address:

Mr. Muniipalli Sambamurthi
United Water Florida Inc.
P.O. Box 8004
Jacksonville, Florida 32239-8004

together with a copy to:

Scott G. Schildberg, Esquire
Martin, Ade, Birchfield & Mickler, P.A.
3000 Independent Square
Jacksonville, Florida 32202

Sincerely yours,

A handwritten signature in dark ink, appearing to read 'Muniipalli Sambamurthi', written in a cursive style.

Muniipalli Sambamurthi
General Manager

MS/msa
Enclosure

cc: Scott G. Schildberg, Esquire
Florida Public Service Commission

United Water



May 18, 1998

United Water Florida

1400 Millcoe Road

PO Box 8004

Jacksonville, FL 32239-8004

telephone 904 721 4600

facsimile 904 721 4680

Mayor, City of Jacksonville Beach
City Hall
11 North 3rd Street
Jacksonville Beach, FL 32250-6930

Dear Sir or Madam:

In accordance with the rules of the Florida Public Service Commission, enclosed is a copy of the Application of United Water Florida Inc. For Increased Water and Wastewater Rates in Duval, Nassau and St. Johns Counties, Docket No. 980214-WS.

A copy of the minimum filing requirements ("MFRs"), when accepted by the Florida Public Service Commission, can be obtained from United Water Florida Inc. upon request. Please address your request to me at the following address:

Mr. Munipalli Sambamurthi
United Water Florida Inc.
P.O. Box 8004
Jacksonville, Florida 32239-8004

together with a copy to:

Scott G. Schildberg, Esquire
Martin, Ade, Birchfield & Mickler, P.A.
3000 Independent Square
Jacksonville, Florida 32202

Sincerely yours,

Munipalli Sambamurthi
General Manager

MS/msa

Enclosure

cc: Scott G. Schildberg, Esquire
Florida Public Service Commission



May 18, 1998

United Water Florida
1400 Millcoe Road
PO Box 8004
Jacksonville, FL 32239-8004
telephone 904 721 4600
facsimile 904 721 4680

Mayor, City of Jacksonville
City Hall
117 W. Duval Street, Suite 400
Jacksonville, FL 32202

Dear Sir or Madam:

In accordance with the rules of the Florida Public Service Commission, enclosed is a copy of the Application of United Water Florida Inc. For Increased Water and Wastewater Rates in Duval, Nassau and St. Johns Counties, Docket No. 980214-WS.

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United Water Florida Inc.
P.O. Box 8004
Jacksonville, Florida 32239-8004

together with a copy to:

Scott G. Schildberg, Esquire
Martin, Ade, Birchfield & Mickler, P.A.
3000 Independent Square
Jacksonville, Florida 32202

Sincerely yours,

Munipalli Sambamurthi
General Manager

MS/msa
Enclosure
cc: Scott G. Schildberg, Esquire
Florida Public Service Commission

United Water



May 18, 1998

United Water Florida

1400 Millcoe Road
PO Box 8004
Jacksonville, FL 32239-8004
telephone 904 721 4600
facsimile 904 721 4680

Mayor, City of Atlantic Beach
800 Seminole Road
Atlantic Beach
FL, 32233-5400

Dear Sir or Madam:

In accordance with the rules of the Florida Public Service Commission, enclosed is a copy of the Application of United Water Florida Inc. For Increased Water and Wastewater Rates in Duval, Nassau and St. Johns Counties, Docket No. 980214-WS.

A copy of the minimum filing requirements ("MFRs"), when accepted by the Florida Public Service Commission, can be obtained from United Water Florida Inc. upon request. Please address your request to me at the following address:

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United Water Florida Inc.
P.O. Box 8004
Jacksonville, Florida 32239-8004

together with a copy to:

Scott G. Schildberg, Esquire
Martin, Ade, Birchfield & Mickler, P.A.
3000 Independent Square
Jacksonville, Florida 32202

Sincerely yours,

Munipalli Sambamurthi
General Manager

MS/msa

Enclosure

cc: Scott G. Schildberg, Esquire
Florida Public Service Commission

United Water



May 18, 1998

United Water Florida

1400 Millcoe Road

PO Box 8004

Jacksonville, FL 32239-8004

telephone 904 721 4600

facsimile 904 721 4680

President, Consolidated Government, Council Members, Duval County
117 W. Duval Street
Suite 425
Jacksonville, FL 32202

Dear Sir or Madam:

In accordance with the rules of the Florida Public Service Commission, enclosed is a copy of the Application of United Water Florida Inc. For Increased Water and Wastewater Rates in Duval, Nassau and St. Johns Counties, Docket No. 980214-WS.

A copy of the minimum filing requirements ("MFRs"), when accepted by the Florida Public Service Commission, can be obtained from United Water Florida Inc. upon request. Please address your request to me at the following address:

Mr. Munipalli Sambamurthi
United Water Florida Inc.
P.O. Box 8004
Jacksonville, Florida 32239-8004

together with a copy to:

Scott G. Schildberg, Esquire
Martin, Ade, Birchfield & Mickler, P.A.
3000 Independent Square
Jacksonville, Florida 32202

Sincerely yours,

Munipalli Sambamurthi
General Manager

MS/msa

Enclosure

cc: Scott G. Schildberg, Esquire
Florida Public Service Commission

United Water



May 18, 1998

United Water Florida

1400 Millcoe Road
PO Box 8004
Jacksonville, FL 32239-8004
telephone 904 721 4600
facsimile 904 721 4680

Mayor, Town of Hilliard
P.O. Box 249
Hilliard
FL, 32046-0249

Dear Sir or Madam:

In accordance with the rules of the Florida Public Service Commission, enclosed is a copy of the Application of United Water Florida Inc. For Increased Water and Wastewater Rates in Duval, Nassau and St. Johns Counties, Docket No. 980214-WS.

A copy of the minimum filing requirements ("MFRs"), when accepted by the Florida Public Service Commission, can be obtained from United Water Florida Inc. upon request. Please address your request to me at the following address:

Mr. Munipalli Sambamurthi
United Water Florida Inc.
P.O. Box 8004
Jacksonville, Florida 32239-8004

together with a copy to:

Scott G. Schildberg, Esquire
Martin, Ade, Birchfield & Mickler, P.A.
3000 Independent Square
Jacksonville, Florida 32202

Sincerely yours,

Munipalli Sambamurthi
General Manager

MS/msa
Enclosure

cc: Scott G. Schildberg, Esquire
Florida Public Service Commission

United Water

May 18, 1998

United Water Florida
1400 Millcoe Road
PO Box 8004
Jacksonville, FL 32239-8004
telephone 904 721 4600
facsimile 904 721 4680

Mayor, Town of Callahan
P.O. Box 5016
Callahan
FL, 32011-5016

Dear Sir or Madam:

In accordance with the rules of the Florida Public Service Commission, enclosed is a copy of the Application of United Water Florida Inc. For Increased Water and Wastewater Rates in Duval, Nassau and St. Johns Counties, Docket No. 980214-WS.

A copy of the minimum filing requirements ("MFRs"), when accepted by the Florida Public Service Commission, can be obtained from United Water Florida Inc. upon request. Please address your request to me at the following address:

Mr. Munipalli Sambamurthi
United Water Florida Inc.
P.O. Box 8004
Jacksonville, Florida 32239-8004

together with a copy to:

Scott G. Schildberg, Esquire
Martin, Ade, Birchfield & Mickler, P.A.
3000 Independent Square
Jacksonville, Florida 32202

Sincerely yours,



Munipalli Sambamurthi
General Manager

MS/msa
Enclosure

cc: Scott G. Schildberg, Esquire
Florida Public Service Commission

United Water



May 18, 1998

United Water Florida

1400 Millcoe Road
PO Box 8004
Jacksonville, FL 32239-8004
telephone 904 721 4600
facsimile 904 721 4680

Mayor, City of Fernandina Beach
P.O.Box 668
Fernandina Beach
FL, 32034-0668

Dear Sir or Madam:

In accordance with the rules of the Florida Public Service Commission, enclosed is a copy of the Application of United Water Florida Inc. For Increased Water and Wastewater Rates in Duval, Nassau and St. Johns Counties, Docket No. 980214-WS.

A copy of the minimum filing requirements ("MFRs"), when accepted by the Florida Public Service Commission, can be obtained from United Water Florida Inc. upon request. Please address your request to me at the following address:

Mr. Munipalli Sambamurthi
United Water Florida Inc.
P.O. Box 8004
Jacksonville, Florida 32239-8004

together with a copy to:

Scott G. Schildberg, Esquire
Martin, Ade, Birchfield & Mickler, P.A.
3000 Independent Square
Jacksonville, Florida 32202

Sincerely yours,

Munipalli Sambamurthi
General Manager

MS/msa
Enclosure

cc: Scott G. Schildberg, Esquire
Florida Public Service Commission



May 18, 1998

United Water Florida
1400 Millcoe Road
PO Box 8004
Jacksonville, FL 32239-8004
telephone 904 721 4600
facsimile 904 721 4680

Clerk, Board of County Commissioners, Nassau County
P.O. Box 456
Fernandina Beach
FL, 32034-5456

Dear Sir or Madam:

In accordance with the rules of the Florida Public Service Commission, enclosed is a copy of the Application of United Water Florida Inc. For Increased Water and Wastewater Rates in Duval, Nassau and St. Johns Counties, Docket No. 980214-WS.

A copy of the minimum filing requirements ("MFRs"), when accepted by the Florida Public Service Commission, can be obtained from United Water Florida Inc. upon request. Please address your request to me at the following address:

Mr. Muniipalli Sambamurthi
United Water Florida Inc.
P.O. Box 8004
Jacksonville, Florida 32239-8004

together with a copy to:

Scott G. Schildberg, Esquire
Martin, Ade, Birchfield & Mickler, P.A.
3000 Independent Square
Jacksonville, Florida 32202

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Muniipalli Sambamurthi".

Muniipalli Sambamurthi
General Manager

MS/msa
Enclosure

cc: Scott G. Schildberg, Esquire
Florida Public Service Commission



May 18, 1998

United Water Florida
1400 Millicoe Road
PO Box 8004
Jacksonville, FL 32239-8004
telephone 904 721 4600
facsimile 904 721 4680

Mayor, Town of St. Augustine Beach
370 A1A Beach Blvd.
St. Augustine
FL, 32084-5944

Dear Sir or Madam:

In accordance with the rules of the Florida Public Service Commission, enclosed is a copy of the Application of United Water Florida Inc. For Increased Water and Wastewater Rates in Duval, Nassau and St. Johns Counties, Docket No. 980214-WS.

A copy of the minimum filing requirements ("MFRs"), when accepted by the Florida Public Service Commission, can be obtained from United Water Florida Inc. upon request. Please address your request to me at the following address:

Mr. Munipalli Sambamurthi
United Water Florida Inc.
P.O. Box 8004
Jacksonville, Florida 32239-8004

together with a copy to:

Scott G. Schildberg, Esquire
Martin, Ade, Birchfield & Mickler, P.A.
3000 Independent Square
Jacksonville, Florida 32202

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Munipalli Sambamurthi'.

Munipalli Sambamurthi
General Manager

MS/msa

Enclosure

cc: Scott G. Schildberg, Esquire
Florida Public Service Commission

United Water

May 18, 1998

United Water Florida
1400 Millcoe Road
PO Box 8004
Jacksonville, FL 32239-8004
telephone 904 721 4600
facsimile 904 721 4680

Mayor, Town of Marineland
9507 Ocean Shore Blvd.
Marineland
FL, 32086-9602

Dear Sir or Madam:

In accordance with the rules of the Florida Public Service Commission, enclosed is a copy of the Application of United Water Florida Inc. For Increased Water and Wastewater Rates in Duval, Nassau and St. Johns Counties, Docket No. 980214-WS.

A copy of the minimum filing requirements ("MFRs"), when accepted by the Florida Public Service Commission, can be obtained from United Water Florida Inc. upon request. Please address your request to me at the following address:

Mr. Munipalli Sambamurthi
United Water Florida Inc.
P.O. Box 8004
Jacksonville, Florida 32239-8004

together with a copy to:

Scott G. Schildberg, Esquire
Martin, Ade, Birchfield & Mickler, P.A.
3000 Independent Square
Jacksonville, Florida 32202

Sincerely yours,



Munipalli Sambamurthi
General Manager

MS/msa
Enclosure

cc: Scott G. Schildberg, Esquire
Florida Public Service Commission



May 18, 1998

United Water Florida
1400 Millcoe Road
PO Box 8004
Jacksonville, FL 32239-8004
telephone 904 721 4600
facsimile 904 721 4680

Mayor, Town of Hastings
P.O.Box 427
Hastings
FL, 32145-0427

Dear Sir or Madam:

In accordance with the rules of the Florida Public Service Commission, enclosed is a copy of the Application of United Water Florida Inc. For Increased Water and Wastewater Rates in Duval, Nassau and St. Johns Counties, Docket No. 980214-WS.

A copy of the minimum filing requirements ("MFRs"), when accepted by the Florida Public Service Commission, can be obtained from United Water Florida Inc. upon request. Please address your request to me at the following address:

Mr. Munipalli Sambamurthi
United Water Florida Inc.
P.O. Box 8004
Jacksonville, Florida 32239-8004

together with a copy to:

Scott G. Schildberg, Esquire
Martin, Ade, Birchfield & Mickler, P.A.
3000 Independent Square
Jacksonville, Florida 32202

Sincerely yours,

A handwritten signature in black ink, appearing to read "Munipalli Sambamurthi".

Munipalli Sambamurthi
General Manager

MS/msa
Enclosure

cc: Scott G. Schildberg, Esquire
Florida Public Service Commission

United Water



May 18, 1998

United Water Florida

1400 Millcoe Road
PO Box 8004
Jacksonville, FL 32239-8004
telephone 904 721 4600
facsimile 904 721 4680

Mayor, City of St. Augustine
P.O. Drawer 210
St. Augustine
FL, 32085-0210

Dear Sir or Madam:

In accordance with the rules of the Florida Public Service Commission, enclosed is a copy of the Application of United Water Florida Inc. For Increased Water and Wastewater Rates in Duval, Nassau and St. Johns Counties, Docket No. 980214-WS.

A copy of the minimum filing requirements ("MFRs"), when accepted by the Florida Public Service Commission, can be obtained from United Water Florida Inc. upon request. Please address your request to me at the following address:

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United Water Florida Inc.
P.O. Box 8004
Jacksonville, Florida 32239-8004

together with a copy to:

Scott G. Schildberg, Esquire
Martin, Ade, Birchfield & Mickler, P.A.
3000 Independent Square
Jacksonville, Florida 32202

Sincerely yours,

Munipalli Sambamurthi
General Manager

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Enclosure

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Florida Public Service Commission



United Water Florida

1400 Millcoe Road
PO Box 8004
Jacksonville, FL 32239-8004
telephone 904 721 4600
facsimile 904 721 4680

May 18, 1998

Clerk of Court, St. Johns County
P.O. Drawer 300
St. Augustine
FL, 32085-0300

Dear Sir or Madam:

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3000 Independent Square
Jacksonville, Florida 32202

Sincerely yours,

Munipalli Sambamurthi
General Manager

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cc: Scott G. Schildberg, Esquire
Florida Public Service Commission

Statutes (1997). The Applicant's single system provides service that transverses county boundaries such that the Commission has exclusive jurisdiction over the Applicant in St. Johns County, in addition to Duval and Nassau Counties, pursuant to Section 367.171(7), Florida Statutes (1997). See Order No. PSC-97-0929-FOF-WS, Docket No. 970210-WS, issued August 4, 1997. See also Schedule I.

3. United Water Florida's requested rate increases are being primarily driven by capital investments. As shown in Schedules A-1 and A-2, United Water Florida will be investing approximately Thirty Two Million Dollars (\$32,000,000.00) in capital improvements in 1998 and 1999. The 1998/1999 strategic capital expenditure program for United Water Florida provides for water and wastewater additions to meet the needs of the company in several key areas: to improve customer service, to comply with environmental, health and safety regulations and other related mandates, to replace aging infrastructure, facilities, and equipment, to improve productivity and to expand source, treatment, or transmission capacity to meet growth requirements. These additions more specifically include projects of the following nature: expansions of existing or construction of new water and wastewater treatment plants, upgrades and improvements to existing water and wastewater plants, construction of new water storage tanks, construction of treatment systems to improve water quality, installation of new wells, installation of ultraviolet disinfection facilities at wastewater plants, replacements of existing undersized, maintenance-intensive

water mains and services, replacements of old wastewater collection mains and service laterals and construction of an effluent reuse system. United Water Florida employs its best practices to ensure efficient and cost-effective project design, development, management and implementation. In addition, United Water Florida has policies and procedures in place to accurately track and effectively control capital spending throughout the life cycle of each project.

4. The Applicant is a Class "A" Utility for purposes of this Application.

5. The historic base year, intermediate test year, and the projected test year adopted by the Company for use in this proceeding are the twelve (12) month periods ended December 31, 1997 (hereinafter referred to as the "Base Year"), ending December 31, 1998 (hereinafter referred to as the "Intermediate Test Year"), and December 31, 1999 (hereinafter referred to as the "Test Year"), respectively.

6. For the Test Year, Schedule B-1, page 1 of 6, and Schedule B-2, page 1 of 3, which reflect pro forma adjustments and present rates, show that the Applicant will realize the following operating revenue, incur the following operating expenses and income taxes, and earn the following utility operating income in its water and wastewater operations:

	<u>Water</u>	<u>Wastewater</u>
Operating Revenues	\$10,443,674	\$ 18,708,229
LESS:		
Operating Expenses	(\$ 8,160,478)	(\$ 14,413,259)

Income Taxes	(\$ <u>281,528</u>)	(\$ <u>656,203</u>)
Utility Operating Income	\$ 2,001,668	\$ 3,638,767
Rate Base	\$38,047,730	\$ 62,758,972
Rate of Return on Rate Base	5.26%	5.80%

7. In order to allow the Applicant to earn a fair, just, reasonable and compensatory rate of return on its investment, Schedule B-1, page 1 of 6, and Schedule B-2, page 1 of 3, show that the Applicant should be allowed to realize the following operating revenues, incur the following operating expenses and income taxes, and earn the following utility operating income in its water and wastewater operations during the Test Year:

	<u>Water</u>	<u>Wastewater</u>
Operating Revenues	\$12,648,447	\$ 21,775,369
LESS:		
Operating Expenses	(\$ 8,273,414)	(\$14,570,367)
Income Taxes	(\$ <u>1,068,686</u>)	(\$ <u>1,751,247</u>)
Utility Operating Income	\$ 3,306,347	\$ 5,453,755
Rate Base	\$ 38,047,730	\$ 62,758,972
Rate of Return on Rate Base	8.69%	8.69%

8. The Applicant has determined that its water and wastewater facilities are one hundred percent (100%) used and useful. In the event that the Commission determines that any of the Applicant's facilities are not one hundred percent (100%) used and useful, the Applicant requests that it be allowed to charge and collect an Allowance for Funds Prudently Invested ("AFPI") in an

amount sufficient to cover all water and wastewater plant amounts that are determined by the Commission not to be used and useful.

9. In accordance with Rules 25-30.433, 25-30.436, 25-30.437, 25-30.4385, and 25-30.440 of the FAC, the Applicant provides the following general information:

(a) The exact name of the Applicant and the address of its principal place of business are United Water Florida Inc., 1400 Millcoe Road, Jacksonville, Florida 32225.

(b) United Water Florida was incorporated under the laws of the State of Florida on June 5, 1937. United Waterworks Inc. owns one hundred percent (100%) of the capital stock of United Water Florida. United Waterworks Inc.'s address is 200 Old Hook Road, Harrington Park, New Jersey 07640-1799.

(c) The names and addresses of persons authorized to receive notices and communications with respect to this Application are as follows:

Munipalli Sambamurthi
1400 Millcoe Road
Jacksonville, Florida 32225

Jack Schreyer
200 Old Hook Road
Harrington Park, New Jersey 07640-1799

James L. Ade
Scott G. Schildberg
Martin, Ade, Birchfield & Mickler, P.A.
3000 Independent Square
Jacksonville, Florida 32202

(d) The Applicant is proceeding under and requests this proceeding to be governed by the provisions of Sections

367.081(2), (3), (5), (6), (7), and (8), and Section 367.0816, Florida Statutes (1997).

(e) The Commission granted the Certificates to the Applicant in Order No. 7023 in Docket Nos. 74452-S and 74453-W.

(f) The current rates of the Applicant were established in its last general rate case in Docket No. 960451-WS, Order Nos. PSC-97-0618-FOF-WS and PSC-1146-FOF-WS. The Applicant's rates were approved for the former service areas of Sunray Utilities-Nassau, Inc. and Sunray Utilities-St. Johns, Inc., in Order Nos. PSC-0928-FOF-WS and PSC-0929-FOF-WS.

(g) A copy of this Application will be available for customer inspection within the service area of the Applicant at 1400 Millcoe Road, Jacksonville, Florida 32225.

(h) The Applicant is not requesting less than compensatory permanent rates.

(i) The Applicant requests that the case be processed using the proposed agency action procedure outlined in Section 367.081(8), Florida Statutes (1997).

10. In accordance with Sections 25-30.436(h), 25-30.437, 25-30.4385 and 25-30.440 of the Florida Administrative Code, the Applicant provides the required information in Schedules A-1 through A-19, B-1 through B-15, C-1 through C-10, D-1 through D-7, E-1 through E-14, F-1 through F-10, G-1 through G-53, H-1 through H-12, and I.

11. There are no known deviations from the policies, procedures and guidelines prescribed by the Commission in relevant rules or in the Applicant's last rate case.

12. The capital structure of the Applicant does not contain zero or negative equity.

13. In accordance with Rule 25-30.436(4)(h), FAC, the Applicant has filed Schedule G-53.

14. In accordance with Rule 25-30.436(4)(i), FAC, copies of the deeds, easements and leases to land upon which utility treatment facilities are located acquired by the Applicant subsequent to the 1995 base year in Applicant's last rate case when rate base was last established are submitted as Schedule H-12.

15. The schedules describing in detail all methods and bases of projection, explaining the justification for each method or basis employed and required by Rule 25-30.437(3), FAC, are submitted herewith as Schedules G-1 through G-53 or are described on the appropriate schedules.

16. An affidavit of Munipalli Sambamurthi, as Vice President of the Applicant, stating that the Applicant will comply with Rule 25-22.0407, FAC, is attached hereto as Attachment 1.

17. A filing fee in the amount of \$9,000.00 has been enclosed with this Application.

18. One map identifying the territory which the Applicant is certified to serve is submitted as Schedule H-1.

19. One detailed map is submitted as Schedule H-2. Said detailed map shows the location and size of the Applicant's

distribution and collection lines as well as its treatment facility sites, and the location and respective classification of the Applicant's customers.

20. In accordance with Rule 25-30.440, FAC, two copies of the following engineering information are submitted to the Commission:

(a) A list of chemicals used by the Applicant for water and wastewater treatment, by type, showing the dollar amount and quantity purchased, the unit prices paid and the dosage rates utilized is submitted as Schedule H-3.

(b) A copy of the most recent chemical analyses of the finished water for each water treatment facility conducted by a certified laboratory covering the inorganic, organic turbidity, microbiological, radionuclide, secondary and unregulated contaminants specified in Chapter 17-550, FAC, is submitted as Schedule H-4.

(c) Copies of all water and wastewater plant operating reports for 1996 and 1997 are submitted as Schedule H-5.

(d) A copy of the most recent sanitary survey for each water treatment facility and inspection report for each wastewater treatment facility conducted by the health department or the Department of Environmental Protection (hereinafter referred to as the "DEP") is submitted as Schedule H-6.

(e) Copies of all health department and DEP construction and operating permits are submitted as Schedule H-7.

(f) Copies of any Notices of Violation, Consent Orders, Letters of Notice, or Warning Notices from the health department or the DEP since July 30, 1996, are submitted as Schedule H-8.

(g) A list of all field employees, their duties, responsibilities, and certificates held, and an explanation of each employees' salary allocation method to Applicant's capital or expense accounts is submitted as Schedule H-9.

(h) A list, by serial number and description, of all vehicles owned or leased by the Applicant showing the original cost or annual lease expenses, who the vehicle is assigned to, and the method of allocation to the Applicant is submitted as Schedule H-10.

(i) A list by customer of all complaints received in 1997 with an explanation of how each complaint was resolved is submitted as Schedule H-11.

21. Proposed revised and original Tariff Sheets are attached as Schedule G-52.

WHEREFORE, Applicant, United Water Florida Inc., respectfully requests the Commission:

A. To assume jurisdiction over this proceeding pursuant to Sections 367.081(2), (3), (5), (6), (7), and (8), Section 367.0816, and 367.171(7), Florida Statutes (1997);

B. To find that United Water Florida's facilities and land used or useful in providing service are functionally related such that they form a single system within the meaning of Section 367.021(11), Florida Statutes (1997);

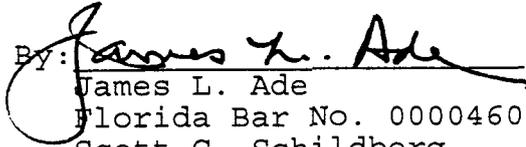
C. To find that United Water Florida's single system provides service that transverses county boundaries such that the Commission has exclusive jurisdiction over United Water Florida in St. Johns County, in addition to Duval and Nassau Counties, pursuant to Section 367.171 (7), Florida Statutes (1997); and

D. To enter an order pursuant to Section 367.081, Florida Statutes (1997), authorizing the Applicant to charge its customers the rates proposed in Schedule E-1 as permanent rates so as to enable the Applicant to obtain a fair, just, reasonable and compensatory rate of return on its investment.

WHEREFORE, Applicant requests that the Commission approve each of the requests made in this Application.

DATED this 18th day of May, 1998.

MARTIN, ADE, BIRCHFIELD &
MICKLER, P.A.

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Attorneys for United Water
Florida Inc.

VERIFICATION TO
APPLICATION FOR ADJUSTMENT OF RATES

STATE OF FLORIDA)

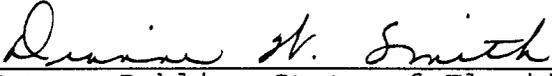
COUNTY OF DUVAL)

I, MUNIPALLI SAMBAMURTHI, Vice President of United Water Florida Inc., am acquainted with the facts stated in the foregoing Application for Adjustment of Rates and the items filed as Schedules thereto and do hereby solemnly swear that said facts as set forth therein are true and correct.


MUNIPALLI SAMBAMURTHI

Sworn to and subscribed before me
this 15th day of May, 1998.

Affiant produced MS14-780-35-348-0 FL D/L
as identification and did take an oath.


Notary Public, State of Florida
Printed DIANNE W. SMITH

My commission expires:
Commission No.:



DIANNE W. SMITH
MY COMMISSION # CC448361 EXPIRES
March 26, 1999
BONDED THRU TROY FAIN INSURANCE, INC.

