

E. LEON JACOBS, JR.,
CHAIRMAN

STATE OF FLORIDA



ORIGINAL
CAPITAL CIRCLE OFFICE CENTER
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Tallahassee, FL 32399-0850
(850) 413-6046

Public Service Commission

August 24, 2001

Mr. David B. Erwin
Attorney At Law
127 Riversink Road
Crawfordville, Florida 32327

Re: Docket No. 011073-WS - application for Increased water and Wastewater Rates for Ferncrest Utilities, Inc. in Broward County - Test Year Approval

Dear Mr. Erwin:

We have received your letter dated August 9, 2001 requesting test year approval for Ferncrest Utilities, Inc.. (Ferncrest or utility). Your letter states that the utility is requesting to use a historic test year ending December 31, 2000, for interim and final rates. Further, you state that the utility will file its application using the Proposed Agency Action (PAA) provision in Section 367.081(8), Florida Statutes. The utility's test year request as outlined above is hereby approved. You should also be aware that prefiled direct testimony must be filed with the minimum filing requirements (MFRs) if you do not elect to request the PAA process.

For administrative purposes only, Docket No. 011073-WS has been assigned to the forthcoming case. Your petition will be deemed filed on the date that the Division of the Commission Clerk and Administrative Services receives the complete petition, revised tariff sheets, the MFRs, testimony (if not requesting PAA), and the filing fee. To minimize any regulatory lag that may occur, we request that you file the above no later than November 26, 2001. Because of the difficulty in scheduling hearing dates it is not anticipated that an extension of this filing date will be granted.

Under the file and suspend law, the time period for processing the request will begin on the date that all of the required data is completely filed. If not complete, the official filing date will be the date the complete corrections to the deficiencies are filed. The utility is instructed to file all information it wishes the Commission to consider when arriving at a decision on its rate case application with its original filing. Because of the time limitations contained in Section 367.081, Florida Statutes, and the lengthy auditing and investigation required, there is a possibility that information filed at a later time will not be considered. Lastly, the utility should be prepared to

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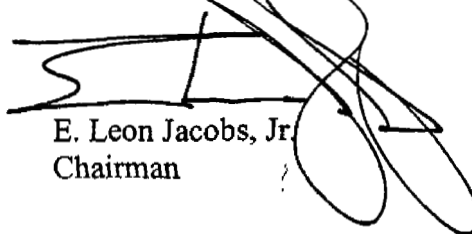
Mr. David B. Erwin

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justify its requested test year operation and maintenance expenses, particularly those which have increased above the level of customer growth and inflation for the five years preceding the requested historic test year.

Sincerely,

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned over the typed name and title.

E. Leon Jacobs, Jr.
Chairman

ELJ:pwm

cc: William Talbott, Executive Director
Dr. Mary Bane, Deputy Executive Director/Technical
✓ Division of the Commission Clerk and Administrative Services
Division of Economic Regulation (Willis, Merchant, S. Jones)
Division of Legal Services (Gervasi, Harris)