

LAW OFFICES

ROSE, SUNDSTROM & BENTLEY

A PARTNERSHIP INCLUDING PROFESSIONAL ASSOCIATIONS

2548 BLAIRSTONE PINES DRIVE

TALLAHASSEE, FLORIDA 32301

(904) 877-6555

MAILING ADDRESS
POST OFFICE BOX 1567
TALLAHASSEE, FLORIDA 32302-1567

TELECOPIER (904) 898-4029

CHRIS H. BENTLEY, PA.
JENNIFER S. BRUBAKER
F. MARSHALL DETERDING
BRIAN L. DOSTER
MARTIN S. FRIEDMAN, PA.
JOHN R. JENKINS, PA.
STEVEN T. MINDLIN, PA.
ROBERT M. C. ROSE
DAREN L. SHIPPY
WILLIAM E. SUNDSTROM, PA.
DIANE D. TREMOR, PA.
JOHN L. WHARTON

September 5, 1996

VIA HAND DELIVERY

Charles H. Hill, Director
Division of Water & Wastewater
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida

Re: Rolling Oaks Utilities, Inc.; PSC Docket No. 960965-WS
Cancellation of Authority to Gross-up CIAC
Our File No. 16622.13

Dear Mr. Hill:

As a result of the Commission's action at Tuesday's Agenda Conference, I am writing as a follow-up to Rolling Oaks' letter requesting cancellation of its gross-up tariffs.

As I mentioned at the Agenda and as you will recall from recent Commission action, Rolling Oaks Utilities is currently involved in the filing of a private letter ruling on its behalf by a developer, Morrison Homes (f/k/a/ George Wimpey of Florida, Inc.) to determine whether a bulk service arrangement entered into at the beginning of this year constitutes an effective contribution to the Utility of the lines on the customer side of the bulk meter. That private letter ruling request was just recently filed and until an answer is received, we will not know whether or not gross-up is payable on that "contribution". We are hopeful that it will not be. However, the gross-up is currently maintained in an escrow

ACK — account pending the outcome of the private letter ruling request.
AFA — It is also expected that the Utility will receive additional
APP — connections and facilities behind those bulk meters in the coming
CAF — months pursuant to those same developer agreements entered into
CMU — prior to the June 12th effective date of the new tax law. It is
CTR — unclear at this time what effect those will have and therefore the
EAG — Utility needs to retain the authority to charge gross-up only as to
LEG — those contributions received pursuant to this bulk service
arrangement with Morrison Homes over the next several months. As
far as individual connection fees and other charges, the Utility
does not believe it needs to collect any further gross-up.

LIN — With regard to any collections of CIAC gross-up since June
OPC — 12th, the Utility is agreeable to refunding any such monies.

DOCUMENT NUMBER-DATE

09445 SEP-5 96

FPSC-RECORDS/REPORTING

RCH —

SEC — 1

W^S —

OT —

Charles H. Hill, Director
September 5, 1996
Page 2

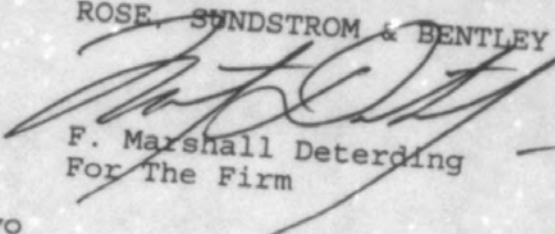
However, we would prefer to do this along with our general report to the Commission on gross-up collections for the entire year rather than piecemeal.

Please consider this letter as our request for "variance" or other relief from the general provisions of the order to be issued as a result of the Commission's action in the above referenced docket on September 3rd.

Should you have any questions in this regard, please let me know.

Sincerely,

ROSE, SUNDSTROM & BENTLEY


F. Marshall Deterding
For The Firm

FMD/lts

cc: Ms. Blanca S. Bayo
Mr. Dale Miller
Mr. Don Phillips
Mr. Ron Collins
John Williams, CPA