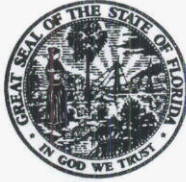


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Commissioners:  
JULIA L. JOHNSON, CHAIRMAN  
SUSAN F. CLARK  
J. TERRY DEASON  
JOE GARCIA  
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DIVISION OF LEGAL SERVICES  
NOREEN S. DAVIS  
DIRECTOR  
(904) 413-6199

# Public Service Commission

April 7, 1997

Jack Shreve, Public Counsel  
Office of Public Counsel  
c/o The Florida Legislature  
111 W. Madison Street, #812  
Tallahassee, Florida 32399-1400

Re: Docket No. 930256-WS - Petition for limited proceeding to implement water conservation plan in Seminole County by Sanlando Utilities Corporation.

Dear Mr. Shreve:

This letter is a follow-up to the February 20, 1997, telephone conference held by the Commission Staff in this docket. During that conference, the parties and Staff discussed the March 15, 1996, tax ruling in response to Sanlando's request, the impact of the recent amendment of Section 118 of the Internal Revenue Code, and the status of the tax opinion request that Public Counsel will file with the Internal Revenue Service (IRS). As indicated during the telephone conference, Staff anticipates filing a recommendation with the Commission regarding the status of this docket, and the additional time needed in order for your office to seek a letter ruling from the IRS.

Staff has formulated the following inquiries in order to advise the Commission of the status of this case:

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- LIN \_\_\_\_\_
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC 1
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

Please advise Staff of the status of the preparation of the letter ruling request, and indicate when the letter ruling will be filed.

Does the Office of Public Counsel intend to provide Staff with a copy of the letter ruling request prior to its submission to the IRS?

Please indicate your position regarding the impact of the Small Business Job Protection Act of 1996 (which provided for the non-taxability of CIAC collected by water and wastewater utilities after June 12, 1996) on the feasibility of the non-profit corporation proposed by the stipulation.

03603-97

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Mr. Jack Shreve  
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Please respond to this request by April 25, 1997. Staff will make similar inquiries of all of the parties in this docket, and will file a recommendation once the information has been received and reviewed. Please contact me if you have any questions about these inquiries.

Sincerely,



Margaret E. O'Sullivan  
Senior Attorney

cc: All parties of record  
Division of Water and Wastewater (Chase, Rendell, Starling, VonFossen, Willis)  
Division of Auditing and Financial Analysis (Casseaux)  
Division of Records and Reporting