

LAW OFFICES  
ROSE, SUNDBSTROM & BENTLEY, LLP

2548 BLAIRSTONE PINES DRIVE  
TALLAHASSEE, FLORIDA 32301

(850) 877-6055

ORIGINAL  
FILE COPY

CHRIS H. BENTLEY, PA  
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. SUNDBSTROM, PA  
DIANE D. TREMOR, PA  
JOHN L. WHARTON

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

TELECOPIER (850) 856-4029

August 4, 1997

VIA HAND DELIVERY

Ralph Jaeger, Esquire  
Division of Legal Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399

Re: K.W. Resort Utilities Corporation; PSC Docket No. 970229-SU  
Limited Proceeding/Reuse Water Rate Increase  
Our File No. 20779.04

Dear Ralph:

In accordance with our conversation this morning, I am writing to state the position of K.W. Resort Utilities with regard to delaying further action on the application of the Utility in the above referenced case. As stated in recent correspondence from me and from the Golf Course's counsel, the parties are currently involved in negotiations which involve the potential sale of the Utility and as long as that is proceeding at a pace satisfactory to the applicant in this proceeding, we are in favor of the Commission delaying further action. However, we are also concerned that if settlement is not proceeding in a timely manner, that we would like the Commission to move forward with processing of this case.

As expressed to you by phone this morning, K.W. Resort Utilities takes the position that the Commission should delay further action in the above referenced case until September 3, 1997. At that time, or very soon thereafter, K.W. Resort will report to the Commission concerning the status of the ongoing settlement negotiations and state whether or not the Utility is in favor of any further delays. If satisfactory progress has not been made with regard to negotiations of settlement by that date, K.W. Resort will ask that the Commission immediately resume processing and approval of the application in this application after that date.

DOCUMENT NUMBER-DATE

07872 AUG-4 97

FPSC-RECORDS/REPORTING

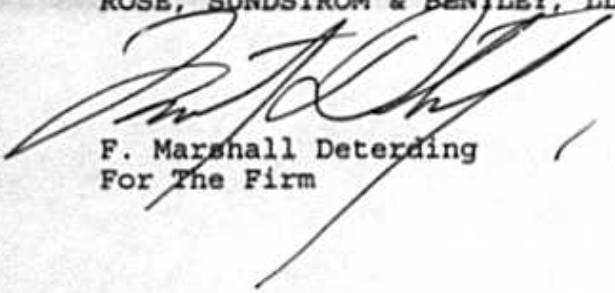
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We will report back to you in accordance with this schedule. Should you have any further questions in this regard, please let me know.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP



F. Marshall Deterding  
For The Firm

FMD/lts

cc: Ms. Blanca Bayo  
Mr. Charles H. Hill  
Ms. Joann Chase  
Mr. Gerard Staudt  
Ben Girtman, Esquire