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May 23, 2003

VIA HAND DELIVERY

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MARTIN S. FRIEDMAN, P.A. VALERIE L. LORD, OF COUNSEL (LICENSED IN TEXAS ONLY)

Ms. Pat Brady Division of Regulatory Oversight Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

Re: Service Management Systems, Inc.; PSC Docket No. 020091-WS Application for TMOC <u>Our File No. 36082.01</u>

Dear Pat:

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As a result of our conversations over the last few days, I am writing to address your concerns with the continuing operation and management of the utility system. As you know, Jim Bates has operated and managed the system under a management contract for quite a few years. Mr. Bates operated the system under the prior owners and continues to do so under the current ownership. While his annual contract has not been renegotiated and as a result he is currently operating on a month to month contract, that situation has been in effect for over a year and there are no immediate plans to change it. Mr. Bates continues to be an officer and director of Service Management Systems, Inc.

However, to the extent that owners determine that they wish to change oversight on management of the utility system, the utility will continue to retain other persons with both the technical and regulatory background, and experience in operation of the utility systems to enable it to provide service in conformance with all rules and regulations of the Public Service Commission and the environmental regulatory agencies. Management assures me they will always have such personnel involved in the utility operations as long as they own the systems.

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| | | If you have any questions | concer | rning this matter, please do not nesitate to contact | í. |
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| AUS CAF COM CTR ECR GCL OPC SEC DTH | | | | Sincerely, | |
| | | | • | ROSE, SUNDSTROM & BENTLEY, LLP F. Marshall Deterding For The Firm | |
| | | tms Patti Daniel Blanca Bayo Ralph Jaeger Robert Frazier, Jr., Esq. Martin Sadkin James Bates | | DOCUMENT NUMBER-DAT D 4678 MAY 23 & FPSC-COMMISSION CLEF | 5 |

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CHRIS H. BENTLEY, P.A. ROBERT C. BRANNAN DAVID F. CHESTER F. MARSHALL DETERDING JOHN R. JENXINS, P.A. STEVEN T. MINDLIN, P.A. DAREN L. SHIPPY WILLIAM E. SUNDSTROM, P.A. JOHN L. WHARTON

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