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April 24, 1996

VIA FACSIMILE AND U.S. MAIL

Kay Greenbury, President
Arrowsmith Corporation
23811 Telegraph Road
Southfield, Michigan 48037

960229-SU

Re: Forest Utilities, Inc.
Application Before Florida Public Service Commission for
Territory Extension
Our File No. 25052.07

Dear Ms. Greenbury:

I am writing as a follow-up to our telephone conversation yesterday, your letter of March 25, 1996, to the Florida Public Service Commission, and our agreement as to settlement of your concerns.

As I stated to you by phone, your letter is the only "protest" to our certificate application which was filed during the protest period authorized by Commission rule. If that letter is treated as a protest, this matter will proceed to formal hearing during which you will be required, as the protestant, to prepare and prefile testimony and exhibits in written form; to attend several conferences and the live hearing itself either on your own behalf or represented by counsel; and to prepare various pre and post hearing documents, including a post-hearing brief.

It was apparent from our conversation and from review of your letter that you misunderstood the purpose of the territorial extension application filed by Forest Utilities, Inc. and the notice which you received. The Utility is not proposing to require that all septic systems currently within the proposed extension territory connect to the Forest central utility system. Forest has no intent of requiring connection of such existing septic systems operating in accordance with regulatory agency requirements, so long as they continue to operate in an acceptable manner to those agencies, and so long as no required hook-up is imposed by any of those regulatory agencies, or by law. The intent is simply to provide that to the extent central sewer services are provided

DOCUMENT NUMBER-DATE

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Kay Greenbury, President
April 24, 1996
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within this area, Forest Utilities, Inc. will be the appropriate service provider.

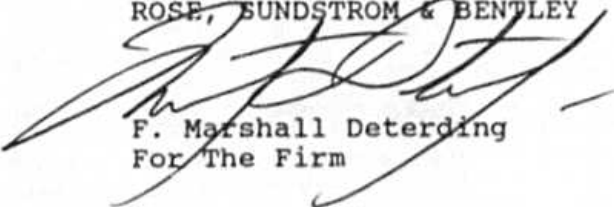
This application for extension of service territory resulted from the fact that several larger and new businesses within the proposed territory have specifically requested that Forest provide them with central sewer service and are eager to obtain such services.

By copy of this letter, I am informing the Florida Public Service Commission Staff Analyst and Counsel assigned to this case and official records keeper (the Director of the Division of Records and Reporting) that based upon the assurances of the intention of the extension application as outlined above, you will withdraw your protest to our extension filing. A letter to the Commission stating your willingness to withdraw your protest (and restating the basis for that withdrawal as outlined above, if you like), will be sufficient. In order to allow the Staff to go forward with the processing of this application expeditiously, I request that you provide a letter of that nature by May 8, 1996.

If you have any questions whatsoever concerning this matter or wish to discuss your withdrawal further, please let me know.

Sincerely,

ROSE, SUNDSTROM & BENTLEY



F. Marshall Deterding
For The Firm

FMD/lts

cc: Blanca S. Bayo, Director (Div. of Records & Reporting)
Pat Brady, Regulatory Analyst (Div. of Water & Wastewater)
Ms. Alice Crosby, (Div. of Legal Services)