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May 24, 1996

VIA HAND DELIVERY

Blanca Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

Re: Buccaneer Water Service
Our File No. 30097.01

960133-WU

Dear Ms. Bayo:

We are in receipt of the Staff Audit Report sent to the utility on May 14, 1996. While we have no substantial objection to the adjustments proposed by the Staff, we do believe that one utility expense which was not booked to the utility should be taken into consideration in determining the cost applicable to the provision of water service in the Buccaneer utility system.

Billing Costs - The utility utilizes the services of MRI Software for stuffing envelopes, postage and preparing the utility bills themselves. As discussed in my letter of May 20, 1996 to you on the related party, the Colonies water system, these services are utilized for both Buccaneer and Colonies and both are shown on the invoices from MRI Software. As indicated on the attached invoice for August of 1995, these specifically high-lighted charges relate solely to the provision of utility services. No recognition of these costs are provided for in the Staff Audit. The utility and its parents are now making arrangements to insure that these are properly booked in the future as being solely related to the Buccaneer system. While the amount of the bills vary slightly from month-to-month, the \$442.16 charge for the Buccaneer system for the month of August, 1995 is representative of an average for such monthly charges from the outside contractor, MRI Software. Therefore, a total charge in the amount of \$5,305.92 per year should be charged to the Buccaneer system as related to its cost of billing for its water services. If the Staff requires any further documentation in this regard, we will be happy to provide that.

CK
FA 1
PP
JAF
CMU
CTR
EAG
LEG 1
LIN 5
OPC
RCH
SEC 1
WAS 1
OTH

DOCUMENT NUMBER - DATE

05808 MAY 24 1996

FPSC-RECORDS/REPORTING

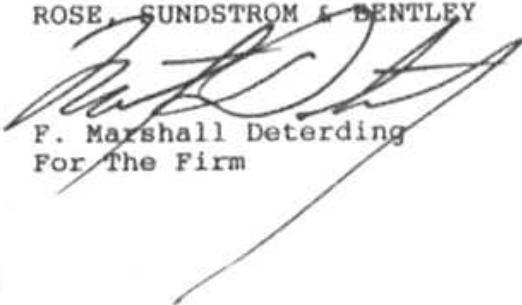
Blanca Bayo, Director
May 24, 1996
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Other than this addition to the findings in the Audit Report, the utility is generally in agreement with the auditor's conclusions.

Should any members of the Staff require any further information with regard to the proposed adjustment discussed above, please let me know.

Sincerely,

ROSE, SUNDSTROM & BENTLEY



F. Marshall Deterding
For The Firm

FMD/lts
Encl.
cc: Ellen Kelleher, Esquire
Marguerite Nader
Paul Seavey

Vendor # 14981-001

Descr: 875 MRI

URED HOME COMMUNITIES, INC. 8/95
REVERSIDE PLAZA
ALLIANCE SQUARE

5000-30 Corp
6440-15-PKS
5070-90-CORP
6440-15-PKS
6445-30

4410-15
5000-90 CORP
199-30
199-30

6445-30

199-30

5000-90 CORP
6445-30

UNIT	CLIENT NAME	UNIT	EXPENSE	RENT	STUFFING	POSTAGE	LABELS	SMPC	TIPS	AUGL CONTR SERVICES	SEPT CONTR SERVICES	FUGAST UTILITIES	SEPTEMBER UTILITIES	ONE-TIME SETUP FEE	RENT CONTR	CONDO CONTR	INVOICE TOTAL
1	999 GENERAL OFFICE	35100		19.61											6.68	57.27	81.48
	304 INCHIO VALLEY	110	34.50		4.93	45.12					78.00		14.00				166.53
	510 LAMPLIGHTER VILLAGE	270	17.25	12.50	9.10	82.20					135.00		27.00				285.85
	508 HICKORY DE VALENCIA	365	36.50		25.16	270.00					183.00		36.69			91.70	681.12
	511 COCONO CHOCOROE	263	33.50		9.50	99.50					111.50		28.20			38.84	341.80
	543 CENTRAL PARK	253	12.25					225.00	200.00		195.50		29.20	219.75			632.00
	568 PALM SPRINGS	294	12.25					225.00	200.00		147.00			229.50			681.75
	569 BROADWAY PARK	274	32.50								137.00						214.62
	575 SUNSHINE HIGHLANDS	200	30.50								190.00						295.87
	601 THE HERONS	353	67.00		26.21						156.50		29.20			56.31	385.34
	604 CENTRO NADA	396	35.50								190.00						233.50
	606 AVILLO VILLAGE	211	32.50								185.50					62.75	298.75
	609 DEERIA PALM SPRINGS CC.	538	84.00		25.66						253.00		52.00			91.92	524.38
	610 THE PARK	329	67.00		12.14						154.50		20.70			87.63	364.17
	611 MERRON SANTA CRUZ	190	54.25		14.83						97.00		19.00			119.87	386.93
	999 INC., THE WESTERN REGION		99.25												644.81		744.89
	514 ELDRIDGE VILLAGE	227	12.25					225.00	200.00		113.50			170.25			721.00
	537 KIRKVILLE VILLAGE	491	17.25		17.11	156.48					245.50		49.10			191.82	596.56
	539 LAKE HUGH	379	16.25								189.50					47.89	252.84
	542 EAST BAY DRYS	329									164.50			246.75			411.25
	545 COUNTRY PLACE	270	16.25								135.00						151.25
	571 OAK HEND	189	12.25					225.00	200.00		94.50			196.50			728.25
	573 THE HERITAGE	214	29.25		8.85						187.00		29.10			92.32	290.82
	577 LAKEWOOD VILLAGE	349	16.25								176.50					53.77	244.52
	579 HERITAGE VILLAGE	436	17.25								216.00					118.32	293.57
	581 PALM VILLAGE	502	12.25					225.00	200.00		261.00			391.50			1,009.75
	585 PINE LAKES	405	12.25					225.00	200.00		242.50			649.50			1,329.25
	586 LAKE FRANKS	953									477.50			716.25			1,193.75
	602 MID-FLORIDA LAKES	1196	21.00								590.00						619.00
	607 BUCKNER	971	33.50								485.50					129.87	1,091.83
	608 COLONIES OF WAREHO	819	22.75								489.50					100.87	982.91
	999 INC., INC-SOUTHERN REGION		91.75				14.50								817.84		922.87

31.80 311.41
29.30 259.50

17.18
81.90

\$442¹⁶ per month
\$367⁸⁰ per month

MHC EXEC. & ASSET MGMT.

FRY-17-1996 16:14