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October 24, 1996

VIA FEDERAL EXPRESS

Ms. Blanco Bayo, Director
Department of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Building, Room 110
Tallahassee, Florida 32399-0850

RE: Application by United Water Florida Inc. for
Adjustment of Rates, Docket No. 960451-WS,
("Adjustment")

Dear Ms. Bayo:

This letter is provided pursuant to Rosanne Capeless's request
for such a letter during my telephone conversation with her earlier
today.

In the October 17, 1996 memorandum, from the Division of Water
and Wastewater, Division of Legal Services, and Division of
Auditing and Financial Analysis containing the Staff's
recommendation on interim rates for the October 29, 1996 Agenda
Conference, the memorandum states that a bond is the appropriate
security from United Water Florida Inc. in connection with the
collection of interim rates. United Water Florida prefers to use
a corporate undertaking instead of a bond. Ms. Capeless advised
me yesterday that the Staff has determined that United Water
Florida should be permitted to utilize a corporate undertaking.
Accordingly, the Staff intends to amend its recommendation at the
October 29, 1996 Agenda Conference.

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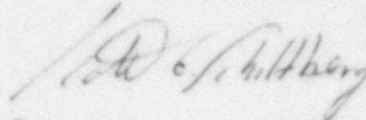
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Ms. Blanco Bayo, Director
October 24, 1996
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If you have any questions or comments regarding this matter,
please do not hesitate to call.

Sincerely yours,



Scott G. Schildberg

SGS:msa

cc: Mr. David E. Chardavoyne
Mr. Walton F. Hill
Mr. Robert J. Iacullo
Mr. Richard A. Hensch
Mr. Frank J. McGuire
Mr. Munipalli Sambamurth
Mr. James L. Ade
Ms. Rosanne Capeless (by facsimile)