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DIVISION OF LEGAL SERVICES
NOREEN S. DAVIS
DIRECTOR
(904) 413-6199

Public Service Commission

January 15, 1997

Arthur Jacobs, Esquire
P. O. Box 1110
Fernandina Beach, FL 32035-1110

Re: Docket No. 961529-WU - Request for approval of agreement with City of Fernandina Beach, which will revise tariff to allow for discontinuance of water service to any customer owing unpaid sewer bills to City pursuant to Section 159.18(2), F.S., by Florida Public Utilities Company (Fernandina Beach System).

Dear Mr. Jacobs:

I am writing this letter to confirm our telephone conversation on January 9, 1997. We agreed that Florida Public Utilities (FPU) would send a written withdrawal of the tariff filed with the Public Service Commission (PSC) on December 24, 1996 in the docket referenced above.

In addition, while the above-referenced docket filing included a copy of the City Ordinance along with the proposed tariff sheets, it did not include a copy of the agreement between the City of Fernandina Beach and the utility. Therefore, we agreed that you would send me a copy of this agreement regarding FPU's discontinuance of water supply to City customers who fail to pay their wastewater bills to the City. Normally, during our review of a request of this nature, staff would consider the need for and benefits derived from such an arrangement with the City. Staff would consider not only the benefits for the utility but also for the utility's customer base and any potential effect such an arrangement would have on the utility and its customers. The legal authority and validity of the agreement will also be analyzed by PSC staff counsel.

ACK _____ In addition, we spoke of a rule waiver request that FPU would be submitting regarding the proposed
AFA _____ arrangement with the City of Fernandina Beach. Please also file a copy of the withdrawal, agreement and
APP _____ rule waiver request with the PSC's Division of Records and Reporting. Thank you for your time. If you have
CAF _____ any questions, please feel free to contact me at (904) 413-6230.

Sincerely,

Kathleen M. Johnson
Kathleen M. Johnson
Staff Counsel

LIN _____
OPC _____ KMJ/mw

ROH _____ cc: Division of Records & Reporting ✓
SEC _____ Division of Water & Wastewater (Galloway)

DOCUMENT NUMBER - DATE
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FPSC-RECORDS/REPORTING