



May 1, 1997

ORIGINAL FILE COPY

Ms. Blanca Bayó, Director
Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

by U.S. mail

Re: Docket No. 960907-WS -- Application for Amendment of
Certificates Nos. 306-W and 255-S in Charlotte/Lee
Counties by Southern States Utilities, Inc.

Dear Ms. Bayó:

I write in response to the April 29, 1997, letter of Mr. Richard P.
Redemann, wherein Mr. Redemann requested I answer specific
questions and verify certain items regarding the transaction
between Florida Water Service Corporation ("Florida Water") and the
Burnt Store R.O. Association, Inc. (the "Association"). An
original and fifteen copies of this letter are enclosed for filing
in this docket.

Mr. Redemann asked how Florida Water intends to record the
referenced transaction on its books. Assuming the transaction is
consummated as presently contemplated, Florida Water would the
following booking entries: (1) the estimated original cost of the
Association's distribution assets, approximately \$71,687 as set
forth in an original cost evaluation, will be booked to plant-in-
service; (2) an equal amount will be recorded as contributions-in-
aid-of-construction ("CIAC"); (3) \$25,987 will be booked to
accumulated depreciation to reflect depreciation on the
distribution assets since 1982, the original installation date; and
(4) a corresponding entry for accumulated amortization of CIAC will
be booked.

Mr. Redemann is correct that Florida Water's agreement with the
Association provides that the Association will bear the cost of
interconnecting the Association's distribution lines with Florida
Water's main. The Association's estimated cost for the
interconnect is between \$10,000 and \$15,000.

The agreement, however, does not contemplate that individual lot
dwellers will pay Florida Water directly for any hook-up charges.
Rather, the agreement is that the Association will pay Florida
Water the meter installation and initial connection charges
referenced in Mr. Redemann's letter for all lots in the park, and

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no other service availability charges. Once hook-ups occur, individual lot dwellers will pay Florida Water the monthly service rates in effect for the Burnt Store service area. At this time, Florida Water contemplates collecting meter installation and initial connection charges from the Association only for occupied lots in the mobile home park. In the future, as unoccupied lots become occupied and require connection, Florida Water will assess the Association the meter installation and initial connection charges for each new connection, but, again, no other service availability charges. I was informed today that the number of unoccupied lots is closer to 45.

I hope the above is sufficient for Mr. Redemann's purposes. If you have any questions or comments regarding the foregoing, please call me at (407) 880-0058, ext. 260.

Sincerely yours


Matthew Feil, Esq.
Staff Attorney

c: Richard Redemann (by fax)