

MEMORANDUM

ORIGINAL

October 21, 1997

TO: DIVISION OF RECORDS AND REPORTING
FROM: DIVISION OF LEGAL SERVICES (GERVASI) *RS*
RE: DOCKET NO. 961321-WS - APPLICATION FOR CERTIFICATES TO
PROVIDE WATER AND WASTEWATER SERVICE IN CLAY COUNTY BY
POINT WATER AND SEWER, INC.

Please file the attached letter dated October 13, 1997, in
the docket file for the above-referenced docket.

RG/dr

Attachment

cc: Division of Water and Wastewater (Brady, Redemann)

ACK _____
AFA _____
APP _____
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OPC _____
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SEC 1
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DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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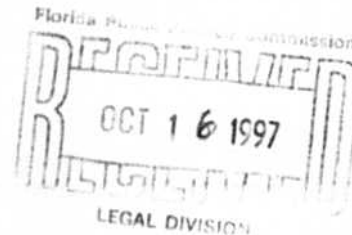
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October 13, 1997

Rosanne Gervasi, Esquire
Staff Counsel
Public Service Commission
Division of Legal Services
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0850



RE: Docket No. 961321-WS - Application for certificates to provide water and wastewater service by Point Water And Sewer Inc. in Clay County
Our File No. 991-147; Client No. 559-3

Dear Ms. Gervasi:

Our firm is co-counsel to The Point Property Owners Association ("PPOA") in the above-referenced proceeding.

In accordance with the requirements of the order entered in this proceeding by Commissioner Joe Garcia, as pre-hearing officer, on September 19, 1997, the purpose of this letter is to present a status report on the progress of settlement negotiations among the parties.

The settlement of the issues which are the subject of this proceeding is inextricably intertwined with the settlement of certain other litigation among the parties, or their family members, including two civil actions pending in the Circuit Court for Clay County, Florida. I am counsel of record for PPOA in both of the civil actions. Douglas Reynolds, Esquire has drafted settlement agreements for both of those cases. The agreements have been reviewed, revised and returned to Mr. Reynolds. Only minor issues remain to be resolved regarding those cases.

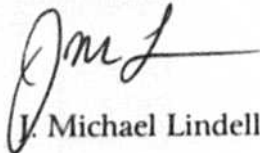
Rosanne Gervasi, Esquire
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We are still awaiting drafts of proposed agreements from Clay County Utility Authority (CCUA) which are being drafted by the County Attorney, Grady Williams, Esquire. Those agreements will implement the sale of the water and wastewater facility in question to CCUA and ultimate connection of the customers to the regional system. The documentation for this part of the overall settlement will be more complex because of the numerous issues being addressed, including surcharges for amortizing the costs of purchase and connection, approval and issuance of a suitable bond to finance the purchase and connection, apportionment of rates between Whitney's Marine and PPOA, removal of existing package plant, construction details, and other pertinent matters. At the present time we are not aware of any hindrances to the settlement going forward.

Although implementation of the settlement appears to be proceeding efficiently, it is anticipated that PPOA will need an additional extension of the current deadline for responding to interrogatories and request for production that are now due to the PSC on November 3, 1997. In this regard, we request extension of the due date for these responses until December 3, 1997.

I hope this letter sufficiently meets the requirements of a status report on the progress of settlement negotiations. If additional information is needed, please let me know right away. I would also appreciate your response for our extension request.

Sincerely yours,



J. Michael Lindell

JML:mcg
cc: Douglas H. Reynolds, Esquire
Scott G. Schildberg, Esquire
The Point Properties Owners Association, Inc.