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October 22, 1997

VIA HAND DELIVERY

561475-54

Ms. Shannon Austin
Division of Water & Wastewater
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida

Re: Forest Hills Utilities, Inc.
Show Cause on Customer Deposits
Our File No. 29062.02

Dear Shannon:

As a result of our conversations this morning and the Commission's action at its Agenda Conference, I am in need of information concerning those customers that the Staff believes were entitled to refunds in 1995 and for which no refund was made. As I stated to you (and at the Agenda Conference), that the company believes it gave refunds to all of those entitled to them during 1995 and continues on a going-forward basis to do so. You indicated that you thought there was somewhere around 20 customers who did not receive refunds that the Staff felt were entitled to them. I have indicated to you and to the Commissioners that the discrepancy appeared to be the result of our outside programmers mistake that resulted in our utilizing the wrong list in deciding who should get refunds. However, I would like to check this out further in order to provide you with any information you need on this issue.

We at the Utility do not believe we should be fined for the minor errors which occurred in coming into compliance with the Commission rules when we were notified of that non-compliance. I agreed with Commissioner Kiesling that we probably should have let the Commission know that there were some errors in our original calculations, however, the bottom line is that we believe that we have come into compliance with the rule with some minor exceptions.

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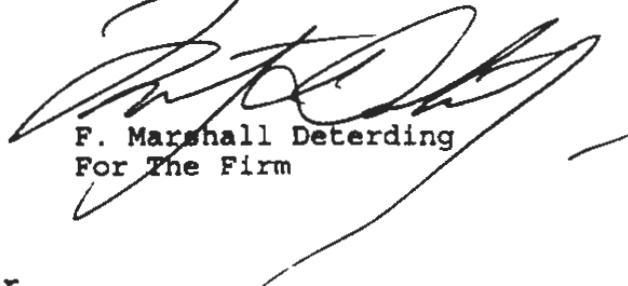
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We would like to provide the Staff anything it needs in order to verify what was done with these refunds. Therefore, if you have any further questions in this regard, please let me know. Otherwise, I look forward to receiving the list outlined above as soon as possible.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP



F. Marshall Deterding
For The Firm

FMD/lts

cc: Ms. Blanca Bayo
Mr. Robert Dreher
Mr. Gary Deremer
Michael Allen, Esquire
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