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May 6, 1998

John D. Williams
Bureau of Policy & Industry Structure
Division of Water & Wastewater
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

by fax &
Federal Express

Re: Docket No. 980261-WS -- Application of Florida Water
Services Corporation for Amendment of Water and
Wastewater Certificates Nos. 570-W and 496-S in
Charlotte County

Dear Mr. Williams:

I write in response to your letter of April 22, 1998, which
I received on April 29. Because of the time it took for
your letter to reach me, I asked staff counsel, Ms. Reyes,
if it would be acceptable for me to provide a response
after the May 4 date suggested in your letter; she
indicated it would.

Florida Water Services Corporation ("Florida Water") will
have available capacity to serve the proposed territory
addition. On several occasions over the last few weeks, the
Director for Charlotte County Utilities has assured
representatives of Florida Water that the County intends to
withdraw its objection and intends to work with Florida
Water in addressing the disputed capacity reservation and
connection fees such that Florida Water would be able to
serve the proposed territory addition. Florida Water
expects to receive a letter from the County to this effect
within the next few days. Florida Water will forward the
County's letter to the Commission upon receipt. As
asserted in its application for amendment (the
"Application"), Florida Water has the ability to provide
water and wastewater service to the proposed territory
addition.

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The timetable for providing service in the proposed territory addition will be subject to the needs of the prospective customers and the conditions affecting their circumstances. Lot 18 in the proposed territory addition is currently receiving service from Lake Suzy Utilities, Inc. ("Lake Suzy") without Commission authorization. In addition, based on available information, Florida Water believes the current owner of the majority of the lots in the proposed addition, Haus Development, Inc., will sell its holdings to individual lot buyers as soon as practicable and/or will commence initial development planning within the next several months to a year. The service request signed by Haus and Lake Suzy is dated April 1997 -- indication that service may be needed in the near future. Moreover, Exhibit A of Lake Suzy's Application for Amendment, filed June 3, 1997, in Docket No. 970657-WS, represents that once the Commission authorizes service to Haus, Haus desires to enter into a developer's agreement -- further indication that development may soon take place.

Please be advised that the service availability charges and monthly water and wastewater rates listed in your April 22 letter are correct. Under appropriate circumstances, when a developer contributes to the utility the lines needed for serving a development, the main extension charge would be inapplicable.

Florida Water is aware that on March 11 Lake Suzy revised its Application for Amendment/Original Certificates in Docket No. 970657-WS so as to exclude any territory in Section 5, Township 40 South, Range 23 East. Although Florida Water had filed an objection and petition to intervene in that docket before Lake Suzy revised its request, Lake Suzy did not provide Florida Water with a copy of the revision. It was not until late April that Lake Suzy's pleadings in this matter mentioned this revision. The apparent lack of an overlap in territory, however, does not change Florida Water's position in this dispute: Florida Water should be granted the proposed territory addition as set forth in its Application and pleadings.

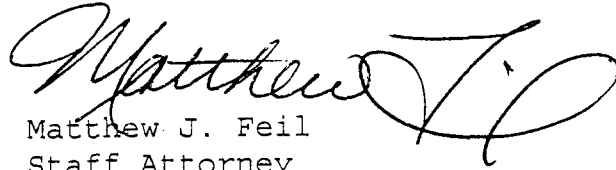
Whether the Commission must act on Lake Suzy's Application for Amendment/Original Certificates in Docket No. 970657-WS within ninety days of any specific event is debatable. Neither Chapter 367 nor the Commission's rules specifically

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address the ninety-day requirement under circumstances such as those present in Docket No. 970657-WS. Florida Water submits its objection should be considered timely.

If you have any questions, please contact me at (407) 880-0058, ext. 260.

Sincerely yours,



Matthew J. Feil
Staff Attorney

cc: Ms. Martha Young Burton (Charlotte County)
Mr. Marty Friedman (Rose, Sundstrom & Bentley)
Ms. Charlotte Sopko (Haus Development)
Ms. Bobbie Reyes (PSC Legal)
Ms. Blanca Bayo (PSC Records & Reporting)