

ORIGINAL

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COX & REYNOLDS
A PARTNERSHIP OF PROFESSIONAL ASSOCIATIONS
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December 11, 1998

FAXED
(12-71)
Via Facsimile (850) 413-6687

REC'D
MAIL ROOM
98 DEC 14 AM 10:04
SERVICE CENTER

John D. Williams
Chief, Bureau of Policy Development
State of Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RE: Docket No. 961321-WS, Application of Point Water & Sewer, Inc. for Transfer of water and wastewater facilities in Clay County to Clay County Utility Authority

Dear Mr. Williams:

We are in receipt of your letter dated December 7, 1998, and wish to respond to same paragraph by paragraph as follows:

1. Notice Withdrawing Protest: The Point Property Owners Association ("PPOA") will respond to same.
2. Transfer Prior to Acknowledgment:

First, Point Water & Sewer has always strived to abide by all PSC rules and regulations. At all times the PSC and its staff were fully advised of the ongoing negotiations and the conclusion of the settlement over the past year. At all times we were advised by the PSC that approval was a matter of right pursuant to Section 367.041(4)(a) as set forth in your letter. At **no** time were we advised that prior acknowledgment was necessary. In addition because of the complexity of the transaction and the parties involved, consent could not have been acquired from the PPOA until the transaction was consummated. Accordingly, we were required to close the transaction before the PPOA would withdraw its protest to certification.

3. Retained Assets:
 - a) Point Water & Sewer will not operate after the "Connection Date" with Clay County Utility Authority, nor does it intend to use the excluded easement to discharge into the St. John's River.

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FPSC-RECORDS/REPORTING

- b) Not applicable.
- c) Not applicable.
- d) Not applicable.

Please do not hesitate to contract me if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Douglas H. Reynolds', with a stylized, wavy line for the surname.

DOUGLAS H. REYNOLDS

DHR/rab

Cc: Point Water & Sewer (w/enclosures)
James Yonge (with enclosures)