



LIGHTHOUSE UTILITIES COMPANY

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PORT ST. JOE, FLORIDA 32457

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MAR 18 1999

Florida Public Service Commission
Division of Water and Wastewater

March 17, 1999

Mr. Charles H. Hill, Division Director
Florida Public Service Commission
Division of Water and Wastewater
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Dear Mr. Hill,

In response to your letter of February 22, 1999 referencing the negative response from the Florida Department of Community Affairs, I would like to make the following counterpoints.

First, it has always been the policy of this company to seek additional territories to service when we are at the limits of our present service area in relation to the lines that we have installed in said service area(s), as we currently are now.

Second, we feel that this request is warranted as we are in an area of increased growth that is located near the coast. I would like to cite the recent transformation of the St. Joe Company into a bona fide real estate conglomerate that will most certainly change the landscape of our present service area as well as the territory we are presently seeking. I would like to solidify this point by informing you that the St. Joe Company as of last week announced that they would auction off some 800,000 acres throughout the Florida panhandle, many of which are very close to the proposed territories.

Third, should this development occur sooner or later, Lighthouse Utilities Company, Inc. is the logical choice for serving said territories. This can be evidenced by noting that we are the only privately owned public water utility in Gulf County and that our facilities are adjacent to said territories. I might also add should development occur it would be much more economically feasible for this company to extend its lines or upgrade its infrastructure rather than a new company come into existence to serve these areas.

Fourth, I would urge you to consider this company's record with your agency as well as the Florida Department of Environmental Protection and the Northwest Florida Water Management District. In your research of our company's record I am sure it will also reflect the good consumer relations that we have.

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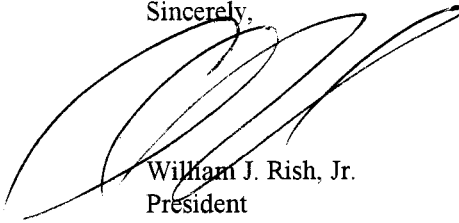
REGULATORY REPORTING

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In conclusion, I would add that this company seeks the additional territory in an effort to be prepared for the anticipated growth that will surely occur. By having the ability to serve the proposed territories, this company can better serve the public as well as alleviate any unnecessary delays that might occur by revisiting this issue when a development is actually in the planning stage.

If you have any questions, or if you would like for me to address these issues in further detail at a hearing, do not hesitate to contact me.

Sincerely,

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

William J. Rish, Jr.
President