

ORIGINAL

MEMORANDUM

May 2, 2001

RECORDS/REPORTING
01 MAY -2 PM 1:57
RECEIVED FPSC

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (FUDGE) *[Handwritten initials]*

RE: DOCKET NO. 970409-SU - INITIATION OF LIMITED PROCEEDING TO RESTRUCTURE WASTEWATER RATES FOR FLORIDA WATER SERVICE CORPORATION'S TROPICAL ISLES SERVICE AREA IN ST. LUCIE COUNTY.

Please place the two attached letters from Robert Vandiver and Kenneth A. Hoffman, both dated April 11, 2001, in the above-referenced docket file.

Thank you.

JKF/lw

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DOCUMENT NUMBER-DATE

05549 MAY-20

FPSC-RECORDS/REPORTING



JACK SHREVE
PUBLIC COUNSEL

STATE OF FLORIDA
OFFICE OF THE PUBLIC COUNSEL

c/o The Florida Legislature
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Room 812
Tallahassee, Florida 32399-1400
850-488-9330

April 11, 2001

Harold A. McLean
General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Docket No. 970409-SU - Initiation of limited proceeding to restructure wastewater rates for Florida Water Service Corporation's Tropical Isles service area in St. Lucie County.

Dear Mr. McLean:

Thank you for your letter of March 21, 2001. This office has been following the events surrounding this docket. Quite frankly, we are unable to understand why this matter has not been settled. It was our understanding that agreements on the substance had been reached on all outstanding issues. The parties had only to complete the exchange of certain schedules and procedural documents to complete the entire matter in January. (See Attachment)

If this understanding is in error perhaps the parties actually involved can better speak to these issues. Our office stands ready to assist in any way to resolve this matter as quickly as possible.

Sincerely,

Robert D. Vandiver
Associate Public Counsel

RDV/dsb

cc: Kenneth A. Hoffman, Esquire
Frederick W. Leonhardt
Mr. Robert Simpson
Daniel B. Harrell, Esquire
Mr. Roger Shacket
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PLEASE REPLY TO FORT PIERCE

January 15, 2001

FACSIMILE TRANSMISSION

W. Terry Costolo, Esquire
Lowndes, Drosdick, Doster, Kantor & Reed, P.A.
P.O. Box 2809
Orlando, FL 32802-2809

Re: Wastewater plant at Tropical Isles Mobile Home Park, Fort Pierce, St. Lucie County,
Florida—Sale to not-for-profit corporation

Our File No. 1070-002

Dear Terry:

On December 11, 2000, Roger Shackel and I spoke with Mr. John Tillman of Florida Water Services Corporation and you as its counsel, and I thought reached agreement on the last outstanding issues regarding the above transaction. As a part of that discussion, FWS was to provide a current aged receivables list, and a specifications sheet for the diesel backup generator that is to be included in the transaction. To date, however, we have not received either of those documents. Where are we?

Sincerely,



Daniel B. Harrell

DBH/v

cc: Mr. Roger Shackel

SHA 1070002 Jan Costolo LTR.wpd 1/15/01 3:24 pm

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April 11, 2001

Harold McLean
General Counsel
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2540 Shumard Oak Boulevard
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Re: Docket No. 970409-SU - Initiation of limited proceeding to restructure wastewater rates for Florida Water Service Corporation's Tropical Isles service area in St. Lucie County

Dear Mr. McLean:

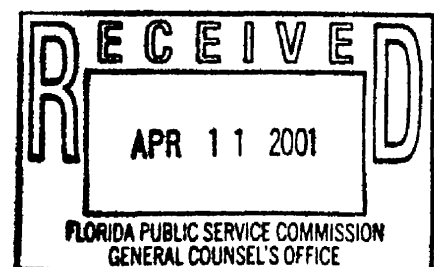
This letter responds to your letter dated March 21, 2001, regarding the above-referenced docket and the status of the sale of the Tropical Isles wastewater facilities to the Tropical Isles customer group. I have been informed by Terry Costolo, the attorney representing Florida Water in the transaction, that the purchase and sale of the facilities is expected to close no later than June 1, 2001. Evidently, the consummation of the transaction has been delayed due to on-going analysis and discussions between the parties regarding the value of the specific accounts receivables that will be purchased by the homeowners association. Please see copy of April 2, 2001 letter from Daniel Harrell, counsel for the homeowners association, to W. Terry Costolo, counsel for Florida Water.

I hope this letter is responsive to your request. Please call if you have any questions regarding this matter.

Sincerely,


Kenneth A. Hoffman

KAH/rl
Enclosure



Page 2

April 11, 2001

cc: Frederick W. Leonhardt, Esq., with enclosure
Robert D. Vandiver, Esq., with enclosure
W. Terry Costolo, Esq., with enclosure
Daniel B. Harrell, Esq., with enclosure

LAW OFFICES
OF
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DANIEL B. HARRELL

April 2, 2001

FACSIMILE TRANSMISSION

W. Terry Costolo, Esquire
Lowndes, Drosdick, Doster, Kantor & Reed, P.A.
P.O. Box 2809
Orlando, FL 32802-2809

Re: Wastewater plant at Tropical Isles Mobile Home Park, Fort Pierce, St. Lucie County, Florida
Our File No. 1070-002

Dear Terry:

The purchaser has reviewed the aged receivables received by your recent facsimile transmission and has additional questions. The Ambrosia and Babcock accounts (which together represent nearly all of the over 90-day balance) are current Park residents; what efforts, if any, has Florida Water Services instituted to collect those accounts? The Trammell and Hypes accounts are listed as closed; why are they included when the purchaser would have no ability to pursue the amounts due?

The purchaser believes that a closing effective June 1, 2001, is imperative. Given that the assets being acquired do not include the business, billing, or mailing address for FWS, it again seems more prudent to simply notify all residents, during the month of April, that billings for services received prior to June 1 are to be paid to FWS, and billings for services received on or after June 1 are to be paid to the purchaser. That approach remains our preference and seems imminently reasonable.

If FWS wants the purchaser to take over receivables, then again, as I stated most recently in my letter of March 6, we need to know what amount (percentage) it expects to receive. We also need the information requested above to make an informed judgment about the likelihood of collecting those receivables that FWS has allowed to reach substantial size and age.

Thank you for your cooperation.

Sincerely,


Daniel B. Harrell

DBH/v

cc: Mr. Roger Shackel

SXA 1070002 April Costolo LTR.wpd 4/2/01 12:15 pm