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ROBERT M. C. ROSE
OF COUNSEL

December 12, 2001
VIA HAND DELIVERY

Blanca S. Bayo, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Application for approval of reuse plan in Lake County by Sun Communities Finance, LLC d/b/a
Water Oak Utility; PSC Docket No. 010087-WS
Our File No. 33013.01

Dear Ms. Bayo:

As a follow up to my letter to Troy Rendell of November 19, 2001, I am writing to inform you of the status of the potential sale of the Water Oak system to the Town of Lady Lake.

The Utility and the Town have basically agreed to all issues leading up to the proposed submission of the final contract to the Town Counsel on December 14, 2001. There is apparently a delay occurring as a result of some additional questions from the Town, which we expect to clear up in relatively short order. Because of this delay, the finalization of the purchase agreement will not be signed by the Town until sometime in the early part of next year, hopefully in January or early February. As such, we believe an additional extension of time before the Commission takes any further action on the Reuse Project Plan, should be granted up through February 28, 2002. We recognize this represents a second extension beyond that originally envisioned, however, we still feel confident that the sale will go through. Barring some change in circumstances not foreseen, we intend to move forward with the Reuse Project Plan and the proposal for increasing rates to cover the cost of such plan, if the sale is not finalized by late February.

Please let me know if you or the Commission staff has any problem with the extension as proposed herein. Otherwise, I will keep you informed as additional matters arise, and will provide you a copy of the executed purchase agreement as soon as it is finalized.

DOCUMENT NUMBER-DATE

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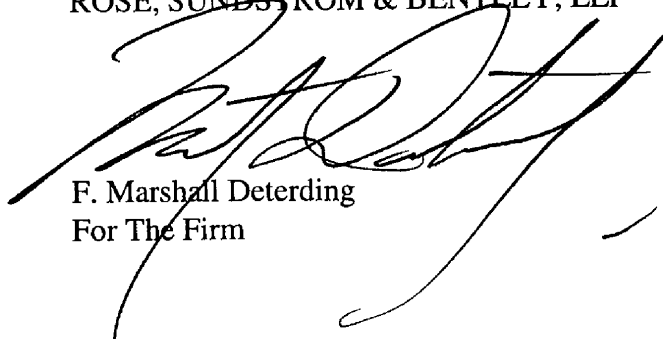
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Ms. Blanca Bayo
December 12, 2001
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If you have any questions in the meantime, please let me know.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP

A large, stylized handwritten signature in black ink, appearing to read 'F. Marshall Deterding', is written over the typed name.

F. Marshall Deterding
For The Firm

FMD/tmg

cc: Mr. Troy Rendell
Ms. Gabriel Umbel
Ms. Lori Rumer
Gary Morse, P.E.
Julian Coto, P.E.
Mr. Jim Hoekstra
Mr. Brian W. Fannon

wateroak\11bayo.ltr