

LAW OFFICES

ROSE, SUNDSTROM & BENTLEY, LLP

2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

(850) 877-6555
Fax (850) 656-4029
www.rsbatorneys.com

CHRIS H. BENTLEY, P.A.
ROBERT C. BRANNAN
DAVID F. CHESTER
F. MARSHALL DETERDING
MARTIN S. FRIEDMAN, P.A.
JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
DAREN L. SHIPPY
WILLIAM E. SUNDSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON

ROBERT M. C. ROSE, OF COUNSEL
WAYNE L. SCHIEFELBEIN, OF COUNSEL
VALERIE L. LORD, OF COUNSEL
(LICENSED IN TEXAS ONLY)

CENTRAL FLORIDA OFFICE

600 S. NORTH LAKE BLVD., SUITE 160
ALTAMONTE SPRINGS, FLORIDA 32701
(407) 830-6331
FAX (407) 830-8522

REPLY TO ALTAMONTE SPRINGS

February 19, 2003

Dennis Getman, Esquire
Avatar Properties Inc.
848 Brickell Key Drive, Apt. 3601
Miami, FL 33131-3707

Mr. Charles Sweat
Florida Governmental Utility Authority
614 N. Wymore Road
Winter Park, FL 32789

RE: Docket No. 030067-WU; O & S Water Company, Inc.
Application for Approval of Special Service Availability Contract
Our File No.: 35012.08

Dear Dennis & Charles:

AUS
CAF
OMP
COM
CTR
ECR
GCL
OPC
MMS
SEC
QTH

As you know, in accordance with the Instruments that have been executed in connection with settling O & S Water Company, Inc.'s lawsuit against Avatar Properties Inc., we have filed an Application with the Public Service Commission to approve the Developer Agreement with API. Since that Developer Agreement includes serve availability conditions different from that previously approved by the Public Service Commission, we were required by PSC Rules to file that Developer Agreement as a Special Service Availability Contract which does not become effective until approved by the PSC. In connection with filing the Developer Agreement, we included the Bulk Water Service Agreement between O & S Water Company, Inc., and the FGUA in order to give the Commission the broad picture of this overall transaction. The Staff has pointed out that the Developer Agreement references the Commission's approval of the Bulk Water Service Agreement. It is the PSC Staff's position that it does not have the authority over the Bulk Water Service Agreement since it is with the FGUA which is not regulated by the PSC. Thus, the Staff requested that I advise them in writing that O & S Water Company, Inc., acknowledges the lack of the PSC's jurisdiction over that

DOCUMENT NUMBER-DATE

01822 FEB 21 3

FPSC-COMMISSION CLERK

Dennis Getman, Esquire
Mr. Charles Sweat
February 19, 2003
Page 2

Agreement. I wrote such a letter, a copy of which is enclosed. The PSC Staff wanted to make sure that API and FGUA understood the limits of the PSC's jurisdiction over the Bulk Water Service Agreement which is the purpose of this letter to each of you.

Should either of you have any questions regarding this matter, please do not hesitate to give me a call.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

MSF/dmp
Enclosure

cc: Mr. Jack Olsen (w/enclosure)
Ms. Blanca Bayo, Clerk (w/enclosure)
Ms. Jennifer Iwenjiora (w/enclosure)

LAW OFFICES
ROSE, SUNDBSTROM & BENTLEY, LLP

2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

(850) 877-6555
Fax (850) 656-4029
www.rsbatorneys.com

ORIGINAL

CHRIS H. BENTLEY, P.A.
ROBERT C. BRANNAN
DAVID F. CHESTER
F. MARSHALL DETERDING
MARTIN S. FRIEDMAN, P.A.
JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
DAREN L. SHIPPY
WILLIAM E. SUNDBSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON

ROBERT M. C. ROSE, OF COUNSEL
WAYNE L. SCHIEFELBEIN, OF COUNSEL
VALERIE L. LORD, OF COUNSEL
(LICENSED IN TEXAS ONLY)

CENTRAL FLORIDA OFFICE
600 S. NORTH LAKE BLVD., SUITE 160
ALTAMONTE SPRINGS, FLORIDA 32701
(407) 830-6331
Fax (407) 830-8522

REPLY TO ALTAMONTE SPRINGS

RECEIVED 11:50
3 FEB -3 AM 11:10
COMMISSION
CLERK

January 31, 2003

Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

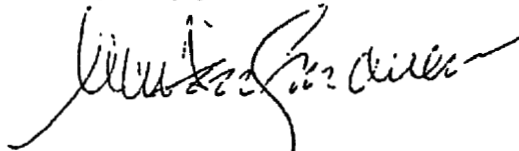
RE: O & S Water Company, Inc.; Application for Approval of Special Service
Availability Contract
Our File No.: 35012.03

Dear Ms. Bayo:

While the Developer Agreement between API and O & S Water Company, Inc., is conditioned upon the Florida Public Service Commission's approval of the Bulk Water Service Agreement between O & S Water Company, Inc., and the Florida Governmental Utility Authority, we recognize that the Florida Public Service Commission does not have jurisdiction over the Bulk Water Service Agreement, and thus, we do not expect the Commission's specific approval of that Agreement.

AUS _____
CAF _____
CMP _____
COM _____
CTR _____
ECR _____
GCL _____
OPC _____
MMS _____
SEC T
OTH _____

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

MSF/dmp

cc: Mr. Jack Olsen
Mr. Troy Rendell

DOCUMENT NUMBER-DATE
01048 FEB-3 8
FPC-COMMISSION CLERK