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September 30, 2004

VIA FEDEX DELIVERY

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


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Re: Docket Nos. 010492-WS and 030682-WS
September Status Report Regarding Zellwood Station Cooperative
Transfer to Orange County

Dear Ms. Bayo:

Please find enclosed the original and seven (7) copies of a letter Status Report in the above-referenced docket to Tricia W. Merchant per her request for filing.

Sincerely yours,



Thomas A. Cloud, Esquire

GrayRobinson, P.A.

Attorneys for Zellwood Station
Cooperative, Inc.

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September 30, 2004

VIA FACSIMILE 850-413-6919 & U.S. MAIL

Tricia W. Merchant, Bureau of Rate Filings
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket Nos. 010492-WS and 030682-WS
September Status Report Regarding Zellwood Station Cooperative
Transfer to Orange County

Dear Ms. Merchant:

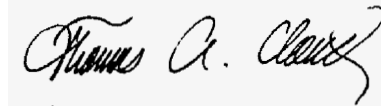
Pursuant to our prior commitment, I am providing to you and all other parties to this proceeding our status report of activities concerning the transfer of the water and sewer plants from Zellwood Station Cooperative to Orange County for the month of September.

Zellwood and Orange County met on September 30, 2004, for discussions on how best to resolve the final deal issue related to certain releases the County wanted from Zellwood as part of the closing conditions for the sale of the Zellwood system. In this meeting, the County announced a new proposal to deal with this issue whereby the County will only acquire the retail customers of Zellwood without the water and wastewater treatment facilities themselves. The existing Zellwood water and wastewater treatment facilities will be abandoned upon the transfer of the retail customers to the County. The County will then provide the required wholesale water and wastewater service to Zellwood retail users through an agreement for such capacity with the City of Apopka. This approach removes the need for the releases that were being requested by the County from Zellwood. This approach will require the consent of the City of Apopka and the City of Apopka is expected to give its consent within the next 30 days. The County is expected to submit the revised deal to the Board of County Commissioners on October 26, 2004, for final approval. From Zellwood's perspective, the new deal will change nothing except the ultimate source of the water and wastewater capacity provided by the County, which will be facilities operated by the City of Apopka.

Tricia W. Merchant
September 30, 2004
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If you, or anyone else, has any questions, comments or concerns whatsoever regarding this or any other issue related to this transaction, please don't hesitate to contact us. Copies of any documents referred to in this letter are available upon request.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Thomas A. Cloud". The signature is written in black ink on a light-colored background.

Thomas A. Cloud, Esquire

GrayRobinson, P.A.
Attorneys for Zellwood Station
Cooperative, Inc.

TAC:ds

Tricia W. Merchant
September 30, 2004
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CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and exact copy of the above and foregoing has been furnished by Federal Express to Blanca S. Bayo, Director, Division of Clerk and Administrative Services, Florida Public Service Commission and by facsimile and U.S. Mail to the following parties of record this 30th day of September, 2004.

Jennifer Brubaker, Esquire
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Stephen C. Burgess
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, Florida 32399-1400



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