

State of Florida

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Public Service Commission

February 8, 1994

Martin Friedman, Esquire
Rose, Sundstrom & Bentley
2548 Blairstone Pines Drive
Tallahassee, FL 32301

Re: Docket No. 931164-SU - Application for an amendment of Certificate No. 247-S to include territory held by Carriage Village Landowner's Association, Inc., cancellation of Certificate No. 57-S, and for a limited proceeding to impose the current rates in Lee County, by North Ft. Myers Utility, Inc.

Dear Mr. Friedman:

At the customer meeting held January 27, 1994 in the above referenced docket, a concern was expressed which needs to be addressed. Please respond to the following question by March 4, 1994.

1. NFMU offered a long term payment option of paying the interconnection charge which spread the charge over a five year payment at 10 percent interest. Provide justification for the 10% interest since market interest rates are currently lower.

Also, in your correspondence dated January 25, 1994, you indicated that unless the PSC advises otherwise, NFMU expected to go forward with the interconnection to Carriage Village prior to receiving the Commission's approval on the amendment. Be advised that the transfer of the assets and cancellation of Certificate No. 247-S has not been formally approved by the Commission. Staff is not opposed to this interconnection nor to Carriage Village entering into a bulk service agreement. However, the rates and charges to Carriage Village customers must remain the same since the limited proceeding has not been addressed. This will be viewed strictly as a service agreement between the two utilities.

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