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CAPITAL CIRCLE OFFICE CENTER 2540 SHUMARD OAK BOULEVARD TALLAHASSEE, F.L. 32399-0850

Public Service Commission

July 13, 1998

Ms. Kathy Babcock Gulf Environmental Services 19910 South Tamiami Trail P.O. Box 350 Estero, Florida 33928-0350

980000

RE: Docket No. 941271-WS - Application for amendment of Certificates Nos. 27-W and 24-S by Florida Cities Water Company - Lee County Division

Dear Ms. Babcock:

Pursuant to your request during our recent telephone conversation, this letter outlines the Florida Public Service Commission staff's (staff) position regarding service by Gulf Utility Company (Gulf) to the Alico International Trade Center (Alico).

By Order No. PSC-95-1526-AS-WS, issued on December 11, 1995 in the referenced docket, the Commission approved an amended settlement agreement between Florida Cities Water Company, Gulf (now Gulf Environmental Services) and Alico. The agreement provided, in part, that Gulf would connect and provide service to Alico within one year of the Commission's approval of the agreement. In exchange for service, FCWC would provide Gulf a total of \$3,285.34 in service availability charges, and Alico would provide Gulf \$70 in deposits.

ACK AFA APP	_	By letter dated May 12, 1998, Mr. James Moore indicated to me that Alico would be re- to pay Gulf \$29,900 for line extension in order to receive service. However, staff notes to reference to line extension or additional costs for service were included in the amended settl agreement. Therefore, staff believes that Gulf was required by Commission Order to provide s	
CAF		to Alico under the terms set forth in the amended settlement agreement. Based upon those terms,	_
CMU		Alico should not be required to pay for line extension.	E :
CTR			
EAG			
LEG			100
LIN			4

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Please inform me if Gulf Environmental Services has made any provision for service to Alico under the terms of the settlement agreement. If Gulf Environmental Services has made no such provision, staff will be contacting FCWC regarding inclusion of Alico within FCWC's service territory.

Tim Vaccaro

Senior Attorney

cc: Division of Records and Reporting

Division of Water and Wastewater (Messer, Redemann)

D.J. Whelan

Wayne Shiefelbein, Esquire

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