

ORIGINAL

MACFARLANE FERGUSON & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

900 HIGHPOINT CENTER
106 EAST COLLEGE AVENUE
TALLAHASSEE, FLORIDA 32301
(850) 681-7381 FAX (850) 681-0281

400 NORTH TAMPA STREET, SUITE 2300
P.O. BOX 1531 (ZIP 33601)
TAMPA, FLORIDA 33602
(813) 273-4200 FAX (813) 273-4396

FLORIDA PUBLIC SERVICE COMMISSION

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MAIL ROOM

625 COURT STREET
P.O. BOX 1669 (ZIP 33757)
CLEARWATER, FLORIDA 33756
(813) 441-8966 FAX (813) 442-8470

IN REPLY REFER TO:

Tampa

October 11, 1999

Public Service Commission
Records and Reportings
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Patty Christiansen
Legal Department
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 99-1486-WS

Dear Ms. Christiansen:

This will confirm our telephone conference today in which we discussed the status of the above referenced docket.

In response to Holiday Mall's application to be deleted from Floralino Property Inc.'s service territory, Floralino did release Holiday Mall as to fire protection only. Therefore, the most immediate crisis concerning this matter has been averted, and I withdraw my request to have this matter placed on the November 2, 1999 Agenda.

There are still concerns, however, as to the utility's ability to provide adequate water service. There have been problems with Floralino's water pressure in every rate case since the mid-1980s, and the Commission's orders have found that the capacity of the system was barely in compliance with AWWA minimum standards even with all of the utility's wells on line. In the last rate case, only four of the wells were functional. The permitted capacity of the utility was found to be 489,600 GPD, which is well below AWWA standards for 697 residential and 37 general service customers. The Commission found the capacity adequate because:

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- MAS _____
- OPC _____
- PAI _____
- SEC _____
- WAW _____
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DOCUMENT NUMBER-DATE

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October 11, 1999

Page 2

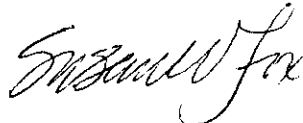
"The utility[']s] customers are senior citizens with few family members and its general service customers are mainly stores with light usage. "

The order found, in the event of drought, the low level of the water table generally produced low pressure. This order also references many problems with the utility's aging distribution lines.

The deli department of the new Kash 'N Karry store at Holiday Mall will be a heavy water user. Based on the available data, it appears that there may well be problems with the reliability and efficiency of the potable water service when this additional demand is made on the system. However, since the fire protection issue has been resolved, Holiday Mall is willing to hold the current application in abeyance as to potable water supply while further data based on actual experience is developed.

We will either file an Amended Petition more specifically addressed to the potable water supply within 90 days, or voluntarily dismiss the pending application. This will confirm that the Commission need take no further action on the pending application until an Amended Petition is filed.

Sincerely,



Susan W. Fox

SWF/ce