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January 11, 2000

VIA HAND DELIVERY

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RECORDS AND REPORTING

Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Coolidge - Fort Myers Realty Limited Partnership d/b/a Heron's Glen Utilities  
PSC Docket No. 991056-SU; Transfer of Utility System  
Our File No. 34073.01

Dear Ms. Bayo:

I am filing this letter as the Utility's response to the audit recently completed by the Commission staff in the above-referenced matter. We have reviewed the audit and while we may not agree with all aspects of it, we are willing to accept the conclusions reached by the audit staff to the extent this forms the basis for the final Commission action in this case. Based upon that acceptance, we will offer no further comment to the conclusions of the Audit Report.

However, one item should be addressed briefly in light of the last paragraph of the Scope Limitation Section. While it is true the auditor was denied access to records briefly, that action taken by the Chief Financial Officer was done because of the concern that the utility records which had just been discovered at that time, appeared to be intermingled with non-utility records which are not only irrelevant to the auditor's task, but beyond the Commission's jurisdiction. The officials at the utility and the related party developer apologized to the auditor and invited her back within just a few days after the company was given the opportunity to extract the utility related documents. We believe, and we hope the auditor agrees, that the utility was not attempting to refuse access to utility related records, and in fact, was cooperative with the auditor fully thereafter and apologetic for the misunderstanding.

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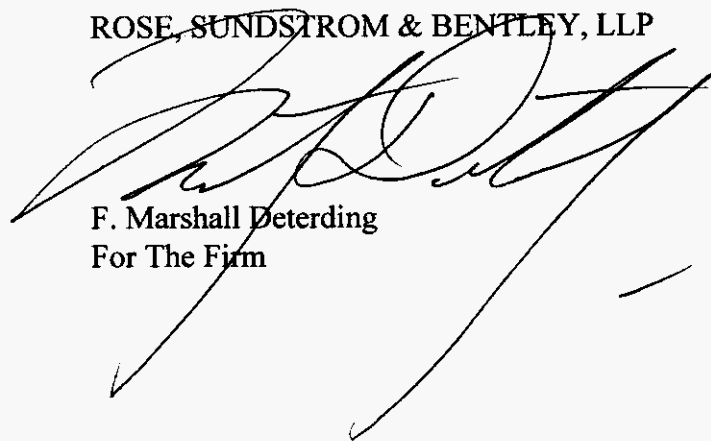
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Blanca S. Bayo, Director  
January 11, 2000  
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We trust that we can now bring this matter to a prompt conclusion with the rate base established in accordance with the audit findings. Should you or any members of the Commission staff have any further questions in this regard or need any further information, please do not hesitate to contact me.

Sincerely,

ROSE, SUNDBSTROM & BENTLEY, LLP

A large, stylized handwritten signature in black ink, appearing to read 'F. Marshall Deterding', is written over the typed name and extends across the right side of the page.

F. Marshall Deterding  
For The Firm

FMD/tmg

cc: Ms. Pat Brady  
Jason Fudge, Esquire  
Ms. Denise Vandiver  
Doug Cordello, CFO  
Bill Kouwenhoven

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