

BVL Community Association

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% Mr. Anthony Costanzo
333 Buttonwood Dr.
Kissimmee, FL 34743
Phone 384-5984

July 25, 1999

Ms. Ida M. Roberts
Florida Water Services
P.O. Box 609520
Orlando, FL 32860-9520

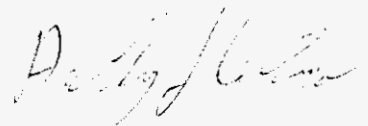
RE: Docket Nos. 950495-WS and 980744-WS

Dear Ms. Roberts:

Members of the Board of Directors of The BVL Community Association have reviewed the proposed settlement agreement per your request to Luis Montanez. While we realize the potential benefits of a three year freeze on rate increases, we are also very concerned about the type and amounts of "deferments" this agreement contains. These deferments represent a substantial amount of money that will simply be added into the cost of the rate increase that will be filed in 2002. Notwithstanding potentials of excess profits that could, in theory, be used to reduce these deferments, it seems that this settlement will end issues that impact Florida Water Services today yet will increase the amount of the proposed 2002 rate case.

While the Association will not oppose this current settlement offer, due to the uncertainty of the size of the 2002 rate increase this settlement will contribute to, we can not offer our support to this settlement at this time. Unfortunately, we received your letter with very little time before your requested response date to attempt to meet with you to discuss our concerns. Therefore, we must take the position indicated. Should time become available during the course of this filing, we would be interested in discussing our position with you in an attempt to clarify any issues.

Sincerely,



Anthony J. Costanzo
President

cc: (Via Fax) Florida Public Service Commission
Attn: MS. Blanca S. Bayo, Director

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Blanca S. Bayo Done 7/30/99

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