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October 31, 2013

Via E-mail

~~Nathan A. Skop, Esq.
420 NW 50th Boulevard
Gainesville, Florida 32607~~

*Re: In re: Complaint regarding electric rate structure for Gainesville Regional Utilities,
Docket No. 130188-EM*

Dear Nathan:

As you know, our law firm represents the City of Gainesville d/b/a Gainesville Regional Utilities in the above-referenced proceeding before the Florida Public Service Commission ("FPSC"). We are in receipt of a copy of your letter to the City Attorney dated October 28, 2013, which you filed with the FPSC on October 29, 2013. Your letter enclosed an "offer of settlement", the substance of which I previously discussed with you at length. During those discussions, I shared with you my opinion that your proposal had serious defects in that it was overreaching, overly-restrictive, had extra-jurisdictional implications, and compromised the utility's ability to meet its revenue requirement.

Although I do not believe that it is appropriate to rehash the details of the settlement discussions that have occurred thus far, I do want to clarify the third paragraph of your October 28 letter where you allege that on October 14 "the Parties made a verbal agreement between counsel that the proposed settlement would be presented to the Gainesville City Commission for consideration and discussion at the City Commission meeting on November 7, 2013." To be clear, counsel for the City did not agree to place a yet-to-be-received settlement proposal on the agenda for consideration at the City's meeting on November 7, nor could we. Rather, we agreed that if we received a timely settlement offer from your clients that Staff believed was in the best interest of the City, then the timing was such that the offer could potentially be shared with the City Commission in advance of its November 7 meeting. We have fulfilled that commitment. As you know, the City Attorney has shared your settlement proposal with the City Commission, and has recommended that it is problematic and does not warrant consideration by the City Commission at this time.

Nathan A. Skop, Esq.
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Please let me know if you have any questions.

Sincerely,

HOLLAND & KNIGHT LLP



D. Bruce May, Jr.

DBM:kjg

cc: ✓ Ann Cole, Commission Clerk
Jennifer Crawford, Esq.
Martha Barrera, Esq.
Nicolle M. Shalley, Esq.
Shayla L. McNeil, Esq.