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REPLY TO CENTRAL FLORIDA OFFICE

MARTIN S. FRIEDMAN, P.A.
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February 17, 2006

VIA HAND DELIVERY

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06 FEB 17 AM 10:57
COMMISSION
CLERK

Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket No. 040 384-WS; Application of Sanlando Utilities Corporation for an
Amendment of Water and Wastewater Certificates in Seminole County, Florida
Our File No.: 30057.61

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket are the original and fifteen (15)
copies of the following:

1. Prehearing Statement of Sanlando Utilities Corporation;
2. Prefiled Rebuttal Testimony of Patrick C. Flynn;
3. Prefiled Rebuttal Testimony of Scotty L. Haws;
4. Prefiled Rebuttal Testimony of Terry M. Zaudtke;
5. Notice of Taking Deposition Duces Tecum of Thomas Jensen; and
6. Notice of Taking Deposition Duces Tecum of Richard Kornbluh.

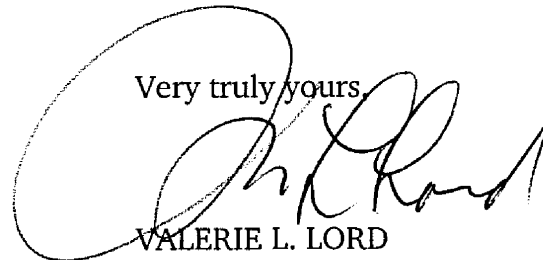
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DOCUMENT NUMBER-DATE
01388 FEB 17 06
FPSC-COMMISSION CLERK

Ms. Blanca Bayo
Commission Clerk
Florida Public Service Commission
February 17, 2006
Page 2

Should you have any questions regarding the enclosed, please do not hesitate to give me a call.

Very truly yours,



VALERIE L. LORD
For the Firm

VLL/mp
Enclosures

cc: Jennifer Brubaker, Esquire (w/enclosures) (via hand delivery)
Richard S. Taylor, Esquire (w/enclosures) (via U.S. Mail)
Susan Dietrich, Assistant County Attorney (w/enclosures) (via U.S. Mail)
Mr. Steven M. Lubertozi (w/o enclosures) (via U.S. Mail)
Mr. Scotty Haws (w/enclosures) (via U.S. Mail)
Mr. Patrick C. Flynn (w/enclosures) (via U.S. Mail)

U:\SANLANDO\(.61) SANLANDO (2003 Terr Ext)\CONSOLIDATION\PSC Clerk 21 (Rebuttal TM & Prehearing Stmt).ltr.wpd

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application of
SANLANDO UTILITIES CORPORATION
for amendment of water and wastewater Docket No. 040384-WS
certificates in Seminole County

SANLANDO UTILITIES CORPORATION

PREHEARING STATEMENT

Pursuant to Order No. PSC-05-100-PCO-WS, issued October 17, 2005, as revised by Order No. PSC-06-0070-PCO-WS, issued January 26, 2006, Sanlando Utilities Corporation ("Sanlando"), by and through its undersigned counsel, files its prehearing statement as follows:

A. All Known Witnesses

Sanlando intends to call the following witnesses:

Witness Name	Title	Issues
Patrick C. Flynn	Regional Director of Operations, Utilities, Inc. of Florida	1, 3, 4, 9, 10
Scotty Haws	Assistant Operations Manager, Utilities, Inc. of Florida	3, 4, 6, 7, 8, 9
Terry M. Zaudtke, P.E. DEE	CPH Engineers, Inc.	8, 9, 10

Sanlando reserves the right to call additional witnesses, witnesses to respond to Commission inquiries not addressed in direct or rebuttal testimony and witnesses to address issues not presently designated but that may be designated by the Prehearing Officer at the prehearing conference on February 27, 2006.

B. All Known Exhibits

Sanlando has identified and intends to sponsor the following exhibits:

DOCUMENT NUMBER-DATE

01388 FEB 17 06

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Exhibit No.	Description	Person/s Sponsoring	Cross-Reference
	Amended and Restated Application for Amendment to Certificates of Authorization	P. Flynn	PCF-1
	Second Amendment to Application for Amendment to Certificates of Authorization	P. Flynn	PCF-2
	Tri-Party Agreement dated December 7, 1971, by and between the City of Longwood and Sanlando Utilities Corporation, with attached Exhibit "B" and Utility Transfer Agreement dated ____, 1976	P. Flynn	PCF-3
	Letter dated November 20, 2001 from Rose, Sundstrom & Bentley, LLP to the City	P. Flynn	PCF-4
	Sanlando Utilities Corporation Water Service Area Map	P. Flynn	PCF-5
	Sanlando Utilities Corporation Wastewater Service Area Map	P. Flynn	PCF-6
	Copies of Operators' Licenses	P. Flynn	PCF-7
	Sanlando Utilities Corporation Water Service Area Map - Sections 35 & 36	P. Flynn	PCF-8
	Sanlando Utilities Corporation Wastewater Service Area Map - Sections 35 & 36	P. Flynn	PCF-9

Comparison of Residential Rates	P. Flynn	PCF-10
Resume of Scotty L. Haws	S. Haws	SLH-1
Resume of Terry M. Zaudtke, P.E., BCEE	T. Zaudtke	TMZ-1
Preliminary Opinion of Probable Construction Cost - Longwood Water System	T. Zaudtke	TMZ-2
Preliminary Opinion of Probable Construction Cost - Longwood Wastewater System	T. Zaudtke	TMZ-3
Longwood Summary of Costs	T. Zaudtke	TMZ-4
Preliminary Opinion of Probable Construction Cost - Sanlando Water System	T. Zaudtke	TMZ-5
Preliminary Opinion of Probable Construction Cost - Sanlando Wastewater System	T. Zaudtke	TMZ-6
Sanlando Summary of Costs	T. Zaudtke	TMZ-7

Sanlando may utilize other documents as exhibits at the time of hearing, either during cross examination or as further impeachment or rebuttal exhibits and the precise identification of such documents cannot be determined at this time.

C. Sanlando's Statement of Basic Position

Sanlando is entitled to continue to serve the customers in the Sleepy Hollow, Windsor Manor, Devonshire and Moorings subdivisions ("Disputed Area"). The City was unable to serve them in December 2001 when their contractual right under the Tri-Party Agreement dated December 7, 1971, expired. Even if the City could have served the customers in the Disputed Area in 2001, when the City's contractual right expired, it would not have been in the public interest then to transfer these customers to the City. The transfer of the customers in the Disputed Area will disrupt service to Sanlando's remaining customers for an unreasonable period of time. In addition, the cost of disconnection and re-connection, including the cost of constructing the necessary facilities and taking the measures necessary

to ensure continuous and uninterrupted service to Sanlando's remaining customers, and the impact on the rates of both Sanlando and the City of Longwood would be prohibitive. The transfer of the customers in the Disputed Area is not in the public interest. Assuming, *arguendo*, that the City's contractual right to serve the customers in the Disputed Area is still viable, the Commission has the power to change the terms of a pre-existing contract when it is deemed necessary in the public interest. H. Miller & Sons v. Hawkins, 373 So.2d 913 (Fla. 1979).

D. Issues & Sanlando's Positions

The following are issues identified by Staff and Sanlando and its positions on these issues.

SHOW CAUSE

ISSUE NO. 1: Should Sanlando Utilities Corporation be ordered to show cause, in writing, within 21 days, why it should not be fined for serving outside of its certificated territory without prior Commission approval in apparent violation of Section 367.045(2), Florida Statutes?

POSITION: No. The provision of service to these areas occurred prior to the acquisition of Sanlando by Utilities, Inc. (Mr. Flynn)

NEED FOR SERVICE

ISSUE NO. 2: Is there a need for service in the territory proposed by Sanlando Utilities Corporation's application, and if so, when will service be required?

POSITION: Yes, there is a current need for service. (By stipulation of the parties)

SANLANDO'S FINANCIAL AND TECHNICAL ABILITY

ISSUE NO. 3: Does Sanlando Utilities Corporation have the financial and technical ability to serve the requested territory?

POSITION: Yes. (Mr. Flynn, Mr. Haws)

SANLANDO'S PLANT CAPACITY AND FACILITIES

ISSUE NO. 4: Does Sanlando Utilities Corporation have the water and wastewater plant capacity and other facilities necessary to serve the disputed territory in a cost effective manner on a timely basis?

POSITION: Yes. (Mr. Flynn, Mr. Haws)

CONSISTENCY WITH LOCAL COMPREHENSIVE PLAN

ISSUE NO. 5: Is the area served by Sanlando Utilities Corporation and proposed to be served by the City of Longwood consistent with the local comprehensive plan?

POSITION: Yes. (by stipulation of the parties)

CITY OF LONGWOOD'S FINANCIAL AND TECHNICAL ABILITY

ISSUE NO. 6: Does the City of Longwood have the financial and technical ability to serve the requested territory?

POSITION: No. (Mr. Flynn, Mr. Haws)

CITY OF LONGWOOD'S PLANT CAPACITY AND FACILITIES

ISSUE NO. 7: Does the City of Longwood have the water and wastewater plant capacity and other facilities necessary to serve the disputed territory in a cost effective manner on a timely basis?

POSITION: No. (Mr. Flynn, Mr. Haws)

DUPLICATION OR COMPETITION OF FACILITIES

ISSUE NO. 8: Will the extension of Sanlando Utilities Corporation's territory in Seminole County duplicate or compete with the City of Longwood's utility system, and if so, is the City of Longwood's system inadequate to meet the reasonable needs of the public or is the City unable, refusing or neglecting to provide reasonably adequate service to the proposed territory?

POSITION: No. The extension of Sanlando Utilities Corporation's territory in Seminole County will not duplicate or compete with the City of Longwood's utility system. The City of Longwood's system is currently inadequate to meet the reasonable needs of the public. The City is unable to provide reasonably adequate service to the proposed territory. (Mr. Haws, Mr. Zaudtke)

IS SERVICE BY SANLANDO UTILITIES CORPORATION IN THE PUBLIC INTEREST

ISSUE NO. 9: Is it in the public interest for Sanlando Utilities Corporation to be granted an amendment to its Water Certificate No. 247-W and

Wastewater Certificate No. 189-S for the territory proposed in its application?

POSITION: Yes. Due to the cost of disconnection and transfer and construction of the necessary facilities, and the potential impact of same on the rates of both Sanlando Utilities Corporation and the City of Longwood, it is in the public interest for Sanlando Utilities Corporation to continue to serve the customers in the disputed area and for the Commission to grant the application for amendment of Sanlando Utility Corporation's Water Certificate No. 247-W and Wastewater Certificate No. 189-S for the territory proposed in its application. (Mr. Flynn, Mr. Haws, Mr. Zaudtke)

ISSUE NO. 10: If the customers in the area in dispute are transferred to the City of Longwood, how much money should the City reimburse Sanlando and for what costs and expenses of the transfer?

POSITION: (Mr. Flynn, Mr. Zaudtke)

CLOSING DOCKET

ISSUE NO. 11: Should the docket be closed?

POSITION: Yes.

E. Legal Issues and Sanlando's Positions

1. Did the City of Longwood's contractual right to serve the customers in the disputed Area expire in December, 2001?

Position: Yes.

2. Does the Commission have the power to amend or cancel contracts when it is in the public interest to do so?

Position: Yes. The Florida Supreme Court reiterated the legislative grant of this power in H. Miller & Sons v. Hawkins, 373 So.2d 913 (Fla. 1979).

F. Policy Questions and Sanlando's Positions

None at this time.

G. Stipulated Issues

Issues 2 and 5 have been stipulated by the parties.

H. Pending Motions and Other Matters

None at this time.

I. Pending Requests or Claims for Confidentiality

None at this time.

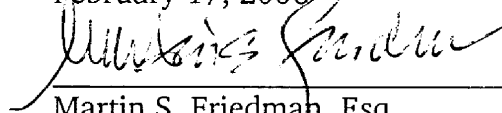
J. Requirements of Order Establishing Procedure that Sanlando Cannot Comply With

None known at this time.

K. Objections to Qualifications of Witnesses as Experts

None known at this time.

Respectfully submitted on
February 17, 2006



Martin S. Friedman, Esq.

Valerie L. Lord, Esq.

ROSE, SUNDSTROM & BENTLEY, L.L.P

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vlord@rsbattorneys.com

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application of
SANLANDO UTILITIES CORPORATION
for amendment of water and wastewater
certificates in Seminole County

Docket No. 040384-WS

CERTIFICATE OF SERVICE

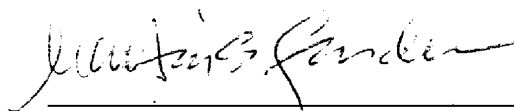
I HEREBY CERTIFY that a true and correct copy of the Prehearing Statement of Sanlando Utilities Corporation has been furnished via hand delivery to the following on this 16th day of February, 2006:

Jennifer Brubaker, Esquire
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

and by U.S. Mail and facsimile to the following on this 16th day of February, 2006:

Richard S. Taylor, Esq.
531 Dog Track Road
Longwood, FL 32752-1117

Susan Dietrich, Assistant County Attorney
Seminole County, Florida
1101 East First Street
Sanford, FL 32771-1468



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