

ORIGINAL

MEMORANDUM

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COMMISSION
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TO: DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES

FROM: OFFICE OF THE GENERAL COUNSEL (GCL STAFF NAME(S)) *Brubaker JSB*

RE: DOCKET NO. 040384-WS - APPLICATION FOR AMENDMENT TO CERTIFICATES 247-W AND 189-S IN SEMINOLE COUNTY BY SANLANDO UTILITIES CORPORATION.

Attached is STAFF'S PREHEARING STATEMENT, to be issued in the above-referenced docket.

DATE ~~ORDER~~ *Statement* ELECTRONICALLY TRANSFERRED TO CCA *2-17-06*

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Attachment
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BEFORE THE PUBLIC SERVICE COMMISSION

In re: Application for amendment to Certificates 247-W and 189-S in Seminole County by Sanlando Utilities Corporation. | DOCKET NO. 040384-WS
DATED: FEBRUARY 17, 2006

STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-05-1001-PCO-WS, filed October 17, 2005, the Staff of the Florida Public Service Commission files its Prehearing Statement.

a. All Known Witnesses

- Michael McGovern – Testify on behalf of the St. Johns River Water Management District (SJRWMD) regarding consumptive use permits.
- Paul J. Morrison – Testify on behalf of the Florida Department of Environmental Protection (DEP) regarding monitoring of water systems in Seminole County.
- Kyle M. Kubanek – Testify on behalf of DEP regarding capacity, operational and technical compliance of Sanlando's treatment facilities and distribution systems.
- Kimberly M. Dodson – Testify on behalf of DEP regarding field compliance and inspection and enforcement relating to the City of Longwood.
- Gary P. Miller – Testify on behalf of DEP regarding wastewater compliance and enforcement relating to Sanlando and the City of Longwood.
- Caroline Knight - Testify on behalf of the Florida Department of Community Affairs (DCA) regarding application's consistency with the Seminole County Comprehensive Plan.

b. All Known Exhibits

- MM-1 (McGovern) – 10/04/05 letter from SJRWMD to Sanlando requesting additional information
- PJM-1 (Morrison) – Precautionary Boil Water Notice, Certification of Delivery, and Notice of Correction
- PJM-2 (Morrison) – FDEP warning letter OWL-PW-05-0001, dated 02/21/05
- CK-1 (Knight) – Resume of Caroline Knight

DOCUMENT NUMBER-DATE

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- CK-2 (Knight) – DCA analysis of amendment application

Staff reserves the right to identify additional exhibits for the purpose of cross-examination.

c. Staff's Statement of Basic Position

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

d. Staff's Position on Issues of Fact

ISSUE 1: Should Sanlando Utilities Corporation be ordered to show cause, in writing, within 21 days, why it should not be fined for serving outside its certificated territory without prior Commission approval in apparent violation of Section 367.045(2), Florida Statutes?

POSITION: Staff takes no position on this issue pending further development of the record.

ISSUE 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: The parties have stipulated that there is a need for service, and that service has already been provided to a majority of the area.

ISSUE 3: Does Sanlando Utilities Corporation have the financial and technical ability to serve the requested territory?

POSITION: Yes. Sanlando Utilities Corporation has the financial and technical ability to serve the requested territory. (Miller, Morrison, Kubanek)

ISSUE 4: Does Sanlando Utilities Corporation have the water and wastewater plant capacity and other facilities necessary to serve the requested territory in a cost effective manner on a timely basis?

POSITION: Yes. Sanlando Utilities Corporation is presently serving the majority of the disputed area and has the water and wastewater plant capacity to serve the area. (Kubanek, Miller)

ISSUE 5: Is the area proposed to be served by Sanlando Utilities Corporation and the City of Longwood consistent with the local comprehensive plan?

POSITION: The parties have stipulated that both Sanlando Utilities Corporation and the City of Longwood's plans to serve the area are consistent with the local comprehensive plan.

ISSUE 6: Does the City of Longwood have the financial and technical ability to serve the disputed territory?

POSITION: It is unclear whether the City of Longwood has the financial ability to provide water and wastewater service. The City does not appear to have the technical ability to provide water service. (Morrison, Dodson)

ISSUE 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: It is unclear whether the City of Longwood has sufficient water capacity; however, it does appear to have the wastewater capacity to serve the disputed area. It is unclear whether the City can provide water and wastewater service in a cost effective manner on a timely basis. (Dodson)

ISSUE 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: Staff takes no position on this issue pending further development of the record.

ISSUE 9: Is it in the public interest for Sanlando Utilities Corporation to be granted an amendment to Water Certificates No. 247-W and Wastewater Certificate No. 189-S for the territory proposed in its application?

POSITION: Staff takes no position on this issue pending further development of the record. Public interest considerations may include, but are not limited to, the services provided to customers, the rates and charges to customers, and planning and policy considerations.

ISSUE 10: Should the docket be closed?

POSITION: Staff takes no position on this issue pending further development of the record.

e. Issues of Law

Issue 1 above reflects a mixed issue of fact and law; staff's position is as reflected above.

f. Issues of Policy

Staff is unaware of any issues of policy pending in this docket.

g. Stipulated Issues

The parties have stipulated to Issues 2 and 5, as reflected above.

h. Pending Motions

Staff has no pending motions at this time.

i. Pending Confidentiality Claims or Requests

Staff has no pending confidentiality claims or requests.

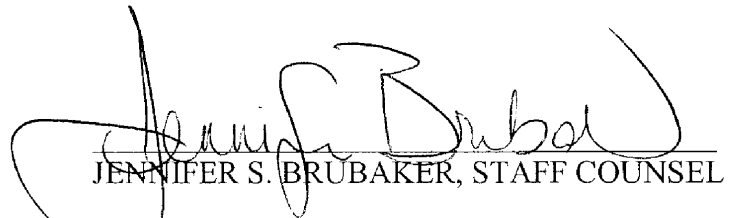
j. Compliance with Order No. PCO-05-1001-PCO-WS

Staff is unaware of any requirements set forth in the Order Establishing Procedure with which staff cannot comply.

k. Objections to Witness Qualifications as an Expert

Staff has no objections to any witness' qualifications as an expert.

Respectfully submitted this 17th day of February, 2006.



JENNIFER S. BRUBAKER, STAFF COUNSEL

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BEFORE THE PUBLIC SERVICE COMMISSION

In re: Application for amendment to
Certificates 247-W and 189-S in Seminole
County by Sanlando Utilities Corporation.

DOCKET NO. 040384-WS

DATED: FEBRUARY 17, 2006

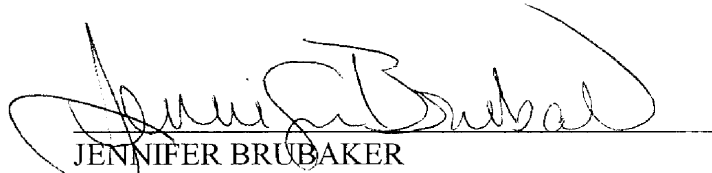
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of STAFF'S PREHEARING STATEMENT has been served by U. S. Mail and electronic mail to the following, this 17th day of February, 2006:

City of Longwood
Richard S. Taylor, Jr., Esq.
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Longwood, FL 32750-6547

Seminole County
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