

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for amendment)
of Certificate No. 427-W to add)
territory in Marion County by) Docket No. 960867-WU
Windstream Utilities Company.)
_____)

PREHEARING STATEMENT OF WINDSTREAM UTILITIES COMPANY

WINDSTREAM UTILITIES COMPANY, (hereinafter "Windstream" or "Utility") pursuant to PSC Order No. PSC-96-1273-PCO-WU issued on October 10, 1996, and subsequently modifications thereto, hereby files this Prehearing Statement:

A) The name of all known witnesses that may be called by Windstream and the subject matter of their testimony:

1. L.E. Dlouhy - Mr. Dlouhy will provide testimony on the Utility's technical and financial ability to provide service, need for service and conflicts with the comprehensive plan. Mr. Dlouhy provided direct and rebuttal testimony.

2. George McDonald, P.E.- Mr. McDonald will provide testimony on the technical ability of Windstream to serve. Mr. McDonald provided rebuttal testimony.

B) A description of all known exhibits that may be used by Windstream and whether they may be identified on a composite basis and the witness sponsoring each as is follows:

1. Exhibit BD-1 is Windstream Utilities Company's Application for Amendment of Certificate.

2. Exhibit BD-2 is the letter to the Staff setting forth the additional information that Staff requested Windstream Utilities Company provide to support its application.

3. Exhibit BD-3 is a map showing the existing and proposed service areas, as well as the location and size of the proposed distribution system.

4. Exhibit LED-4 is an agreement for service with the J.B. representatives in late July 1996 as evidenced by the attached correspondence.

- ACK
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LED 1
- LIN 3
- OPC _____
- RCH _____
- SEC 1
- WAS _____
- OTH _____

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5. Exhibit LED-5 is a copy of a recent letter provided by the bank which indicates a willingness by them to fund improvements.

6. Exhibit GJM-1 a copy of George McDonald's resume which outlines his educational and technical background experience and education.

7. Exhibit GJM-2 the results of Mr. McDonald's analysis of the capacity of Windstream Utilities water supply systems.

8. Any and all exhibits which may be necessary for cross-examination of other parties' witnesses.

9. Additional exhibits relevant to testimony of any direct or rebuttal witness which may hereinafter be obtained through the discovery process.

C) A statement of Windstream's basic position in this proceeding:

Windstream has the technical and financial ability to provide service, both in its existing service territory and in the area proposed for service under its application. The proposal for such service is not in conflict with the local comprehensive plan. The County has no existing facilities within the area proposed for service and any attempts by them to construct such facilities would be in duplication of the existing facilities of Windstream.

D) A statement of each question of fact Windstream considers at issue, its position on each such issue and which of its witnesses will address the issue is as follows:

1. Pursuant to Section 367.045(2)(b), Florida Statutes, is there a need for service in the territory which Windstream Utilities Company (Windstream) seeks to add to its certificate of authorization?

Windstream's Position - Yes. There is a need for service in the areas proposed for service by Windstream and Windstream is in the best position to provide such service with its existing facilities. In addition, long-term planning mandates that Windstream certificate the area to which it will provide service in order to enable it to plan for the construction of the appropriate facilities to ensure the efficient construction and ability to serve as the anticipated demands arise in the near future.

2. Pursuant to Section 367.045(2)(b), Florida Statutes, and Rule 25-30.036(3)(b), Florida Administrative Code, does Windstream have the technical ability and adequate capacity to serve the territory which it seeks to add to its certificate of authorization?

Windstream's Position - Windstream has the technical ability and adequate capacity to serve the territory which it seeks to add to its certificate. The looping of the systems will be undertaken and some additional facilities will be added. The existing wells, pumps and tanks will enable the Utility to meet the immediate needs of its existing territory and the proposed territory and to expand to meet any and all future needs. The current availability of capacity to meet the entire build-out of its proposed and current territories at this time would be imprudent.

3. Pursuant to Section 367.045(b), Florida Statutes, and Rule 25-30.036(b), Florida Administrative Code, does Windstream have the financial ability to serve the territory which it seeks to add to its certificate of authorization?

Windstream's Position - Yes. Windstream has the financial ability through infusion of debt, developer contributions and the infusion of equity as needed to serve the territory it seeks to add to its certificate.

4. Would the proposed amendment of Windstream's territory result in the extension of a system which would be in competition with, or duplication of, any other system or portion of a system?

Windstream's Position - No. There is no other system or portion of a system reasonably situated to provide service to the proposed amendment territory and, in fact, no system exists there. The County's proposal to provide service to the area which Windstream has applied would, by definition, create a duplication by the County.

5. Does service exist from other sources within the geographical proximity to the areas that Windstream seeks to add to its certificate of authorization?

Windstream's Position - No alternative service exists from other sources at this time.

6. If the proposed amendment of Windstream's territory would result in the extension of a system which would be in competition with, or a duplication of, any other system or portion of a system, is such other system or portion thereof inadequate to meet the reasonable needs of the

public of are the persons operating it unable, refusing, or neglecting to provide reasonable adequate service?

Windstream's Position - No such competition or duplication exists.

7. Would service to the proposed additional territory by Windstream be inconsistent with the local comprehensive plan of Marion County.

Windstream's Position - No. Service to the proposed territory by Windstream is consistent with the local comprehensive plan. To the extent there is an allegation that County service is envisioned by the comprehensive plan then such provision of the comprehensive plan is illegal and contrary to the authority granted to the Florida Public Service Commission to determine whether a private utility can service an area in the public interest. The mere existence of a local government desirous or willing to provide service does not render service by that local government in the public interest and certainly not where an existing private utility already has facilities in place that will enable it to provide that service. Therefore, any provision in the comprehensive plan which states otherwise is contrary to law and the public interest.

E) A statement of each question of law Windstream considers at issue its position on each issue are as follows:

1. Pursuant to Section 367.045(5)(a), Florida Statutes, is it in the public interest to the Commission to grant Windstream's amendment application?

Windstream's Position - Yes.

F) A statement of each policy question that Windstream considers at issue, Windstream's position on each such issue, and which of Windstream's witnesses will address the issue:

None at this time.

G) A statement of issues that have been stipulated to by the parties:

There have been no issues stipulated to at this time.

H) A statement of all pending motions or other matters
Windstream seeks action upon are as follows:

There are no pending motions on which Windstream seeks
action.

I) A statement as to any requirements set forth in the
Order No. PSC-96-1273-PCO-WU, PSC-97-0430-PCO-WU and PSC-0481-PCO-
WU that cannot be complied with:

None at this time.

Respectfully submitted this
16th of May, 1997, by:



F. Marshall Deterding
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CERTIFICATE OF SERVICE

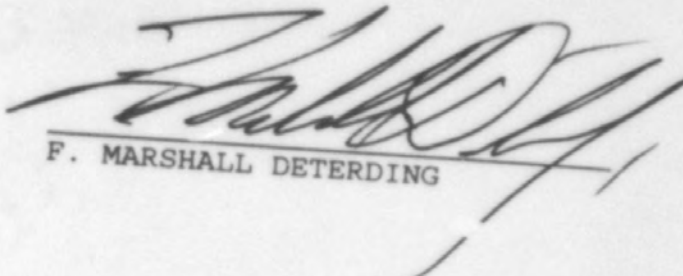
I HEREBY CERTIFY that a true and accurate copy of the foregoing has been provided in the manner indicated below to the following on this 16th day of May, 1997.

D. Cyrus-Williams
Florida Public Service Commission
Legal Division
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VIA HAND DELIVERY

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VIA U.S. MAIL


F. MARSHALL DETERDING

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