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June 6, 1997

VIA FEDERAL EXPRESS

Ms. Blanca Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

**RE: Application for Certificates to Provide Water and Wastewater Service
in Clay County by Point Water and Sewer, Inc.; Docket No. 961321-WS**

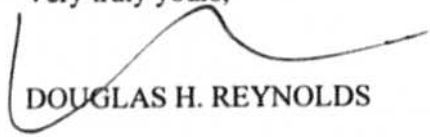
Dear Ms. Bayo:

In connection with the above-referenced matter, enclosed please find the following:

1. An original and fifteen copies of the Prehearing Statement of Point Water & Sewer, Inc.

Please file the original and distribute the copies in accordance with your usual procedures. If you have any questions or comments, please do not hesitate to contact me.

Very truly yours,


DOUGLAS H. REYNOLDS

- ACK _____
- AFA _____
- APP _____
- CAF _____ DHR:pdI
- CMU _____
- CTR _____ Enclosure: as stated
- EAG _____
- LEG 2 _____
- LIN 3 _____
- OPC _____
- RCH _____
- SEL 1 _____
- WAS _____
- OTL _____

cc: J. Michael Lindell, Esq.
Scott G. Schildberg, Esq.
Kathleen M. Johnson, Legal Counsel
Public Service Commission
Point Water & Sewer, Inc.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application for Certificates)
to provide Water and Wastewater) DOCKET NO. 961321-WS
Service in Clay County by Point) Date Submitted for
Water and Sewer, Inc.) Filing: June 6, 1997
_____)

PREHEARING STATEMENT OF POINT WATER & SEWER, INC.

Pursuant to Order No. PSC-97-0346-PCO-WS, issued on March 25, 1997 and Rule 25.22.038(3) of the Florida Administrative Code, Point Water & Sewer, Inc. (hereinafter referred to as "PWS"), files its prehearing statement as follows:

- A. All known witnesses that may be called by PWS and the subject matter of their testimony:

See Exhibit "A", which is incorporated herein by reference.

- B. All known exhibits that may be used by PWS:

See Exhibit "B", which is incorporated herein by reference.

- C. Statement of basic position:

The application of PWS for original certificates to provide water and wastewater service in Clay County meets the filing requirements of the Commission. PWS, and/or its predecessor, have provided the subject service successfully for the past twenty-six (26) months at the specific request of the customers. No other utility has opposed this application or sought to provide the same service. PWS has the technical and financial ability to provide the proposed service, there is a need for the residential and commercial service, and the service is not presently available from any other source. The granting of the certificates is in the best interest of the public. Therefore, the Commission should grant PWS' applications for certificates to provide water and wastewater service in the proposed territory.

- D. A statement of each question of fact, law or policy at issue:

ISSUE 1: Does the utility have the technical ability to provide the proposed service?

POSITION: Yes. (John Yonge; Ed McCormack; James Lucas; Ted Davis; Lynal DeFalco; Kristen Smeltzer and John Yonge.)

- 25% Cotton Fiber USA
- ISSUE 2:** Does the utility have the financial ability to provide the proposed service?
- POSITION:** Yes. (John Yonge; James Yonge; Philip Disque; Emma Pfister; and Hilary Kemp.)
- ISSUE 3:** Is the service proposed to be provided by the applicant needed?
- POSITION:** Yes. (John Yonge; James Yonge; Ray Avery; and Susan Fraser.)
- ISSUE 4:** Is the service proposed to be provided by the applicant available from any other sources?
- POSITION:** No. (John Yonge; Ray Avery and Susan Fraser.)
- ISSUE 5:** Does the service proposed by the Applicant involve any potential material harm to the environment?
- POSITION:** No. (John Yonge; Lynal DeFalco; Gary Howalt; Kristen Smeltzer; James Lucas; Ed McCormack.)
- ISSUE 6:** Has the applicant met all requirements for original certificates set forth in State Law and FAC 25-30.034?
- POSITION:** Yes (All witnesses.).
- ISSUE 7:** Would the granting of the original certificates be inconsistent with the Clay County Comprehensive Plan?
- POSITION:** No. (John Yonge; Susan Fraser and Ray Avery). See letter of Susan Fraser dated March 25, 1997 and attached to her Prehearing Testimony as Exhibit SLF-1.
- ISSUE 8:** Is it the public interest for the Florida Public Service Commission to grant the applicant a certificate of authorization?
- POSITION:** Yes. (All witnesses).
- ISSUE 9:** If a certificate is granted, what initial water rates and return on equity are appropriate for the applicant?
- POSITION:** Rates were previously approved on May 6, 1997 in Docket No. 961434-WS- Point Water & Sewer, Inc. - Staff-Assisted Rate Case.

ISSUE 10: If a certificate is granted, what are the appropriate miscellaneous service charges and initial customer deposits for the applicant?

POSITION: None.

E. Stipulations:

PWS is aware of no stipulated issues at this time.

F. Pending matters:

PWS has a pending motion for extension of time served on June 5, 1997.


G. Requirements:

PWS has complied with all applicable Commission rules, regulations and orders in this proceeding. There are no requirements of Order No. PSC-97-0346-PCO-WS that cannot be complied with at this time.

H. Other Matters:

None.

Respectfully submitted this 6th day of June, 1997.



DOUGLAS H. REYNOLDS, ESQUIRE
Cox & Reynolds
Attorneys for Point Water & Sewer, Inc.
4875 N. Federal Highway, 10th FL
Fort Lauderdale, FL 33308

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original and fifteen copies of the Prehearing Statement of Point Water & Sewer, Inc. has been furnished by Hand Delivery this 6th day of June, 1997 to Blanca Bayo, Director, Division of Records and Reporting, Florida Public Service Commission, 2450 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, and copies of the foregoing have been furnished to J. Michael Lindell, Esq., Hayes & Lindell, P.A., 233 E. Bay Street, Suite 620, Jacksonville, Florida 32202; Kathleen M. Johnson, Staff Counsel Division of Legal Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850; and Scott G. Schildberg, Esq., Martin, Ade, Birchfield & Mickler, 3000 Independent Square, Jacksonville, Florida 32201, by U.S. Mail this 6th day of June, 1997.

COX & REYNOLDS
4875 North Federal Highway
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Phone: (954) 491-5220
Fax: (954) 491-0702

BY: _____

DOUGLAS H. REYNOLDS
Florida Bar No. 367435

PWS' KNOWN WITNESS LIST
EXHIBIT "A"

<p>Ray Avery Clay County Utility Authority 782 Foxridge Center Drive Orange Park, Florida 32065</p>	<p>Mr. Avery may testify as to the Authority's present position as to providing service to the proposed territory; the cost of connection; prospective rates, etc.</p>
<p>Ted Davis Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850</p>	<p>Mr. Davis, an engineer, may testify as to the operation of the plant and the technical ability of PWS to provide water and wastewater service.</p>
<p>Lynal DeFalco Florida Department of Environmental Protection 7825 Baymeadows Way Suite 200-B Jacksonville, Florida 32256-7577</p>	<p>Ms. Defalco may testify as to FDEP rules and procedures, PWS compliance with same, personal observations, etc.</p>
<p>Philip Disque, CPA Emma Pfister, CPA 707 S.E. 3rd Avenue Suite 400 Fort Lauderdale, Florida (954) 764-0761</p>	<p>Mr. Disque and/or Ms. Pfister, who are certified public accountants may testify as to the financial status of PWS and related entities and PWS' financial ability to operate the plant.</p>
<p>Lorie Easterling 324 Scenic Point Lane Orange Park, Florida 32607</p>	<p>Ms. Easterling may testify as to the history of the plant, service, inconsistent prior positions of PPOA and other issues raised herein.</p>
<p>Mark Easterling 324 Scenic Point Lane Orange Park, Florida 32607</p>	<p>Mr. Easterling may testify as to PPOA's prior inconsistent positions, request for service and statements in his prehearing testimony.</p>
<p>Susan L. Fraser Planning Director, Clay County P.O. Box 367 Green Cove Springs, Florida</p>	<p>Ms. Fraser may testify as to Clay County's planning procedures, comprehensive plan, position, and service to the proposed territory.</p>
<p>Steven Glenn 319 Scenic Point Lane Orange Park, Florida 32067</p>	<p>Mr. Glenn may testify as to PPOA's prior inconsistent positions, request for service and statements in his prehearing testimony.</p>

Gary Holwalt
Environmental Services
8711 Perimeter Park Boulevard
Suite 11
Jacksonville, Florida 32216

Frank Kasper
301 Scenic Point Drive
Orange Park, FL 32607

Hilary Kemp
Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

James Lucas, P.E.
10475 Fortune Parkway
Building 200
Suite 202
Jacksonville, Florida 32256
(904) 464-0090

Edward McCormack
9603 Shelly Road
Jacksonville, Florida 32257
(904) 262-4035

Kristen Smeltzer
Florida Department of Environmental
Protection
7825 Baymeadows Way
Suite 200-B
Jacksonville, Florida 32256-7577

James Yonge
1256 Seminole Drive
Fort Lauderdale, Florida 33306

John Yonge
4753 Raggedy Point Drive
Orange Park, Florida 32073
(904) 269-1716

Mr. Howalt may testify as to the environmental impact of the proposed service and research conducted by his firm at the plant location.

Mr. Kasper may testify as to the history of the plant, the PPOA's prior inconsistent positions, etc.

Ms. Kemp may testify as to the approved rates and how they were determined and their impact on the financial ability of PWS.

Mr. Lucas, an engineer, may testify as to the physical plant and its technical ability to operate.

Mr. McCormack, the plant operator, may testify as to the technical ability of PWS to operate the plant.

Ms. Smeltzer may testify as to FDEP rules and procedures, PWS compliance with same, FDEP permit, etc.

Mr. Yonge may testify as to the history of the facility; past service, financial and technical ability; and all other relevant issues.

Mr. Yonge, the President of PWS, may testify as to all relevant issues raised herein.

Candis Whitney
Whitney's Marine
3027 Highway 17
Orange Park, Florida 32073.

Rebuttal witnesses as necessary.

Records Custodians of Public Service
Commission; Florida Department of
Environmental Protection; Clay County;
Clay County Utility Authority; etc.

Witnesses as needed to authenticate
documents or the accuracy of data relied
upon by other witnesses and their testimony.

Witnesses listed by the Point Property
Owner's Association or the Public Service
Commission.

Ms. Whitney, a customer, may testify as to
environmental impact, customer relations
and the ability of PWS to provide service

Respond to witnesses of other parties.

Authenticate documents and establish them
as governmental or business records.

EXHIBIT "B"
PWS EXHIBIT LIST

JOHN YONGE PREHEARING TESTIMONY

- JY-1: Counsel's letter dated December 13, 1996
- JY-2: Excerpt of Lori Easterling's deposition
- JY-3: DEP's letter dated April 1, 1997
- JY-4: Draft DEP Permit
- JY-4-A: Notice of DEP Permit Issuance dated May 23, 1997
- JY-5: October 14, 1997 Affidavit of Steve Glenn
- JY-6: DEP's Conclusions
- JY-7: PWS' Original Application for an Original Certificate and exhibits
- JY-8: Ms. Brady's letter dated December 5, 1996
- JY-9: PWS' written response to Ms. Brady's letter dated January 28, 1997 and exhibits

JAMES YONGE PREHEARING TESTIMONY

- JEY-1 November 3, 1992 letter from Easterling to DEP (Easterling).
- JEY-2 December 22, 1994 letter of Michael Lindell
- JEY-3 Financial Assistance Agreement

CANDIS WHITNEY PREHEARING TESTIMONY

- CW-1: Environmental Services Report

GARY HOWALT PREHEARING TESTIMONY

- GKH-1: Resume of Gary Howalt
GKH-2: Environment Services Report

RAY AVERY PREHEARING TESTIMONY

- ROA-1: Calculations for ERC's
ROA-2: Map
ROA-3: Recap of all charges
ROA-4: Clay County Utility Authority Rates
ROA-5: PPOA Application for Service
Summary of Cost Estimate to Connect

SUSAN L. FRASER PREHEARING TESTIMONY

- SLF-1: March 25, 1997 Letter to Mark Easterling
SLF-2: April 8, 1997 Minutes

PREHEARING TESTIMONY OF STEVEN GLENN

- SCG-1 SARC Recommendation (John Yonge; Hillary Kemp; Records Custodian).

PREHEARING TESTIMONY OF MARK EASTERLING

- MJE-1 Ray Avery letter dated April 22, 1997 (Avery; Easterling; Records Custodian).
MJE-10 SARC Staff Recommendation
MJE-12 Letter of Hillary Kemp dated April 29, 1997.

OTHER EXHIBITS WHICH MAY BE USED

1. Composite documents reflecting either ownership of the subject land or easements authorizing use of land (John Yonge and James Yonge).
2. PSC Order Assisting Rates (John Yonge)
3. Copies of Tariff Sheets (John Yonge)
4. Customer Notices of Rates (John Yonge)
5. System Map (John Yonge and Jim Lucas)
6. Copy of official county tax assessment map (John Yonge)
7. Detailed financial statements of PWS or related entities (Balance sheets and income statements) (John Yonge; Philip Disque; and/or Emma Pfister).
8. DEP Notice of Issuance of Permit and Final Permit (Composite). (Lynal DeFalco and John Yonge).
9. Dock Use Agreement and Exchange of Easements dated June 25, 1980 (James Yonge and John Yonge).
10. Amendment and Addenda to Dock Use Agreement and Exchange of Easements dated June 4, 1981 (James Yonge and John Yonge).
11. The Point Declaration of Covenants, Conditions and Restrictions, Provision for Party Walls (James Yonge and John Yonge).
12. Amended and Restated Declaration of Covenants, Conditions and Restrictions and Provisions for Party Wall of the Point dated May 19, 1981 (James Yonge and John Yonge).
13. First Amendment to Amended and Restated Declaration of Covenants, et al., dated July 31, 1981 (James Yonge and John Yonge).
14. Second Amendment to Amended and Restated Declaration, et al., dated February 27, 1988 (James Yonge and John Yonge).
15. Deposition transcript of Lori Easterling dated November 6, 1996 and November 26, 1996 (Lori Easterling and John Yonge).
16. Deposition transcript of Lori Easterling dated June 14, 1996 (Lori Easterling and James Yonge).

17. Deposition transcript of Steven Glenn dated June 11, 1996 (Steven Glenn and James Yonge).
18. Deposition transcript of Mark Easterling dated June 14, 1996 (Lori Easterling and James Yonge).
19. Bill of Sale and Assignment of Rights, Duties and Responsibilities of Declarant; Security Agreement; note; assignment; etc. (Composite) (James Yonge and John Yonge).
20. Notice of DEP Permit Issuance and Final Permit to Frank Kasper and PPOA dated April 29, 1993 (DEP Records Custodian; Lynal DeFalco and Frank Kasper).
21. Financial records of PWS and/or related entities.
22. Summaries and exhibits to be used at final hearing.
23. Public Service Commission records and file contents regarding this utility.
24. Florida Department of Environmental Protection records and file contents regarding this utility.
25. Clay County records and file contents regarding this utility.
26. Clay County Utility Authority records and file contents regarding this utility.
27. All discovery and responses thereto in this cause or conducted in this cause.
28. All deposition transcripts of depositions conducted in this cause.