

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for amendment of Certificate Nos. 236-W and 179-S to extend service area in St. Johns County by United Water Florida, Inc.

DOCKET NO. 981637-WS
FILED:

COMMISSION STAFF'S PREHEARING STATEMENT

Pursuant to Orders Nos. PSC-99-0373-PCO-WS, PSC-99-0424-PCO-WS, and PSC-99-0820-PCO-WS, issued February 22, 1999, March 1, 1999, and April 22, 1999, respectively, the Commission Staff (Staff) files its prehearing statement as follows:

A. Witnesses

Staff intends to call the following witnesses:

Charles R. Gauthier of the Florida Department of Community Affairs (DCA). He will testify on the letter, submitted to the Public Service Commission (PSC) pursuant to the Memorandum of Understanding between the PSC and the DCA, containing the DCA's comments on United Water Florida, Inc.'s (UWF) application.

Scott Trigg of the Florida Department of Environmental Protection (DEP). He will testify on the technical ability of UWF, Intercoastal Utilities, Inc. (Intercoastal), JEA (formally Jacksonville Electric Authority), and St. Johns County (County) to provide water service to the area proposed in UWF's amendment application.

Kristen Smeltzer of the DEP. She will testify on the technical ability of UWF, Intercoastal, JEA, and the County to provide wastewater service to the area proposed in UWF's amendment application.

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- MAS 3 _____
- OPC _____
- RRR _____
- SEC 1 _____
- WAW _____
- OTH _____

Caroline Silvers of the St. Johns River Water Management District (SJRWMD). She will testify on the concerns the SJRWMD has with respect to the provision of water and wastewater service within the SJRWMD and in regard to the area included in UWF's amendment application. She will also

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testify on the extent to which UWF, Intercoastal, JEA, and the County are capable of providing service to the proposed area in a manner that is consistent with the goals and objectives of the SJRWMD.

B. Exhibits

Staff intends to sponsor the following exhibits:

- CRG-1: Gauthier Resume
- CRG-2: DCA Letter

Staff reserves the right to use other exhibits for the purpose of cross-examination.

C. Basic Position

The information gathered through discovery and prefiled testimony indicates, at this point, that there may be a need for service in the Walden Chase planned urban development. The determination as to which utility should service the planned urban development and the surrounding area cannot be made until the evidence presented at hearing is analyzed.

D. Issues of Fact, Law and Policy

The following are issues identified by Staff and its positions on these issues. Staff's positions are preliminary, are based upon materials filed by the utility and intervenors or obtained through discovery and are intended to inform the parties of Staff's preliminary positions. Staff's final positions will be based upon an analysis of the evidence presented at the hearing.

ISSUE 1: Is there a need for service in the territory which UWF seeks to add to its PSC certificate?

STAFF: There appears to be some need in the near future for water and wastewater service in the area of US Highway 1

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and County Road 210 based on a developer's agreement for the Walden Chase planned urban development. Long-term need is also indicated by the anticipated population growth in St. Johns County. (Gauthier, Silvers)

ISSUE 2: When will service to the territory which UWF seeks to add to its PSC certificate be required?

STAFF: Based on the current contract between the County and JEA, service appears to be required no sooner than October 1999.

ISSUE 3: Does UWF have the financial ability to serve the territory which it seeks to add to its PSC certificate?

STAFF: Yes. UWF has the financial ability to provide service to the area proposed in its application.

ISSUE 4: Does UWF have the plant capacity and technical ability to serve the territory which it seeks to add to its PSC certificate, and when can it provide service?

STAFF: UWF has both the water and wastewater plant capacity to provide service in the proposed area. UWF has the technical ability to provide water and wastewater service to the proposed area. Service to the proposed area could be made available within approximately 150 days from Commission approval of UWF's application.

ISSUE 5: Would service to the territory which UWF seeks to add to its PSC certificate be inconsistent with the local comprehensive plan?

STAFF: Based on the existing local comprehensive plan, water and wastewater service in the approved planned urban development is consistent with the plan. Central water and wastewater service to the area surrounding the

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planned urban development is not consistent with the local comprehensive plan. (Gauthier)

ISSUE 6: Would the granting of UWF's application result in an extension of a system which would be in competition with or a duplication of any other system or a portion of a system?

STAFF: At this time, it appears that there will be no duplication of service, and therefore, no competition with any other existing system or portion thereof.

ISSUE 7: What other factors should be considered in evaluating UWF's application in this case, if any?

STAFF: The other additional factors that should be considered at a minimum, in evaluating UWF's application in this case are: 1) distance to serve by all parties; 2) investment required to serve by all parties; 3) ability of parties to provide fire protection; 4) ability of parties to provide reuse (residential and/or commercial); 5) system reliability of all parties; 6) resource availability for all parties; 7) service rates to all customers of each party; and 8) connection fees to all customers of each party. Additional factors may be added as a result of the final development of the record. (Trigg, Smeltzer, Silvers)

ISSUE 8: Of the three competing utilities for the territory at issue in UWF's application, which is the best utility to serve the customers?

STAFF: No position pending further development of the record.

ISSUE 9: Is it in the public interest for the Commission to grant UWF's application?

STAFF: No position pending further development of the record.

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E. Stipulated Issues

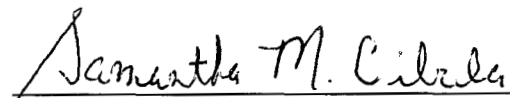
There are no issues that have been stipulated at this time.

F. Pending Matters

There are no matters pending at this time.

G. Requirements That Cannot Be Complied With

There are no requirements of Orders Nos. PSC-99-0373-PCO-WS, PSC-99-0424-PCO-WS, and PSC-99-0820-PCO-WS that cannot be complied with at this time.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the
COMMISSION STAFF'S PREHEARING STATEMENT has been furnished by U.S.
mail, this 30th day of June, 1999, to the following:

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