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June 3, 1999

VIA HAND DELIVERY
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Blanca Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

RE: Prehearing Statement of St. Johns County, Florida
Docket No. 981637-WS
Application for amendment of Certificates Nos. 236-W and
179-S to extent service area in St. Johns County by
United Water Florida, Inc.

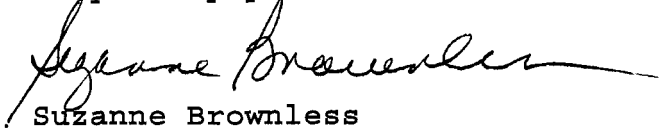
Dear Ms. Bayo:

Attached please find the original and 15 copies of the prehearing statement of St. Johns County, Florida to be filed in the above-styled case. Also enclosed is a disk formatted in Word containing the prehearing statement.


Please stamp the extra copy of the prehearing statement provided and return it to us for our records.

Your attention to this matter is appreciated.

Very truly yours,



Suzanne Brownless
Attorney for St. Johns County, Florida

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

AFA _____
APP _____
CAF _____ cc: All parties
CMU _____ Bill Young
CTR _____ c:2805
EAG _____
LEG 2 _____
MAS 3 _____
OPC _____
RRR _____
SEC 1 _____
WAW _____
OTH _____

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

) Docket No. 981637-WS
)
) Filed: June 3, 1999
)
)
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RECORDS AND
REPORTING

PREHEARING STATEMENT OF ST. JOHNS COUNTY

St. Johns County, ("St. Johns"), hereby files its prehearing statement pursuant to Rule 25-22.038(3) Florida Administrative Code, and Orders Nos. PSC-99-0373-PCO-WS issued February 22, 1999, PSC-99-0424-PCO-WS issued March 1, 1999, and PSC-99-0820-PCO-WS issued April 22, 1999.

1. Witnesses.

St. Johns will offer the following witnesses in this proceeding:

- A. William G. Young, addressing all Issues except Issue 6.
- B. John Bishop, addressing Issue 5.
- C. Herb Van Der Mark addressing all Issues except Issue 6.
- D. Scott Clem, addressing Issue 6.

2. Exhibits.

St. Johns' witnesses will sponsor the following exhibits in this proceeding:

- A. William G. Young

The exhibits attached to Mr. Young's Prefiled Direct Testimony:

<u>Exhibit:</u>	<u>Title:</u>
WY-1	Resume
WY-2	Letter dated September 18, 1997
WY-3	Application for Service
WY-4	Letter dated April 15, 1999
WY-5	Agreement between St. Johns County and JEA

DOCUMENT NUMBER-DATE

06865 JUN-3 99

FPSC-RECORDS/REPORTING

B. Herb Van Der Mark

The exhibits attached to Mr. Van Der Mark's Prefiled Direct Testimony:

<u>Exhibit:</u>	<u>Title:</u>
HV-1	Resume
HV-2	Camp Dresser & McKee, Inc. evaluation

C. John Bishop

The exhibit attached to Mr. Bishop's Prefiled Direct Testimony:

<u>Exhibit:</u>	<u>Title:</u>
JB-1	Resume

D. Scott Clem

The exhibit attached to Mr. Clem's Prefiled Direct Testimony:

<u>Exhibit:</u>	<u>Title:</u>
SC-1	Resume

3. Basic Position.

United Water Florida, Inc.'s application for extension of its territory in St. Johns County should be denied because granting this application will violate St. Johns County's Comprehensive Plan and will not serve the public interest. St. Johns County is the most appropriate utility to provide service to the territory requested by United Water Florida, Inc. because St. Johns County has a long term plan for providing water and wastewater services in this territory as the need arises. St. Johns County has entered into an agreement with JEA to obtain bulk water and wastewater services that will enable St. Johns County to cost-effectively and efficiently provide the services

needed as the need for them develops. Pursuant to St. Johns County's agreement with JEA, JEA will be installing bulk water and wastewater facilities directly to the Allen Nease High School and from that location down U.S. 1. These facilities will enable St. Johns County to remove the package plant currently serving the Allen Nease High School. St. Johns County's agreement with JEA for these facilities is the most efficient and the least environmentally-damaging scenario for the provision of water and wastewater services to the territory requested by United Water Florida, Inc. in this proceeding. To grant United Water Florida, Inc.'s application will spur inappropriate development in the requested territory and will constitute a wasteful duplication of facilities.

4. Positions on Issues:

Issue No. 1: Is there a need for service in the territory which United Water Florida, Inc. seeks to add to its PSC certificate?

Position: There is currently a limited need for service in the requested territory which will best be met by St. Johns County. It is important to note that the developer requesting service from United Water Florida, Inc. in the requested territory, Florida First Coast (also known as the Walden Chase Development), has withdrawn its request from United Water Florida, Inc. and has requested water and wastewater service from St. Johns County.

Issue No. 2: When will service be required to the territory which United Water Florida, Inc. seeks to add to its PSC certificate?

Position: The limited need for service that exists in the requested territory will

be required in the very near future. In its agreement with Walden Chase, St. Johns County has committed to meet this developer's need by October 1, 1999. Therefore, St. Johns County will be able to provide this service in a more timely fashion than United Water Florida, Inc.

Issue No. 3: What are the total projected ERCs to be served in the territory which United Water Florida, Inc. seeks to add to its PSC certificate?

Position: United Water Florida, Inc. has substantially overstated the ERCs needed in the requested territory. According to United Water Florida, Inc.'s answers to Staff's Interrogatory No. 3, United Water Florida, Inc. has received one request for service in the requested territory from Florida First Coast consisting of 585 single family homes. However, this request for service has been withdrawn from United Water Florida, Inc. as Florida First Coast has requested service be provided by St. Johns County.

Issue No. 4: Does United Water Florida, Inc. have the financial ability to serve the territory which it seeks to add to its PSC certificate?

Position: Based on the fact that Florida First Coast's request for service by United Water Florida, Inc. for 585 single family homes has been withdrawn, United Water Florida, Inc.'s ability to serve the requested territory in a financially-viable fashion is questionable. As St. Johns County has been requested by Florida First Coast to provide water and wastewater service, St. Johns County has a better financial ability to serve the requested territory. In addition, St. Johns County has the funding mechanism to permit it to serve the area as the need arises as opposed to United Water Florida,

Inc.'s need to immediately develop more customers to make its service financially viable for the utility.

Issue No. 5: Does United Water Florida, Inc. 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?

Position: United Water Florida, Inc. appears to have the plant capacity and technical ability to serve the immediate needs in the requested territory. However, United Water Florida, Inc.'s plant capacity does not appear to be great enough to service the long term needs of the requested territory. Through its agreement with JEA, St. Johns County has greater plant capacity to serve both the immediate and long term needs of the requested territory.

Issue No. 6: Would service by United Water Florida, Inc. to the territory which it seeks to add to its PSC certificate be inconsistent with St. Johns County's Comprehensive Plan?

Position: Yes. Service by United Water Florida, Inc. will be inconsistent with the St. Johns County Comprehensive Plan.

Issue No. 7: Would the granting to United Water Florida, Inc. of the territory which United Water Florida, Inc. seeks to add to its PSC certificate 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?

Position: Yes. Granting United Water Florida, Inc. this requested territory will result in a duplication of the facilities which are currently in place at Allen Nease High

School. These are both water and wastewater treatment facilities and water and sewer distribution and collection lines. The County has a letter of intent with the St. Johns County School District to purchase these facilities and subsequently serve Allen Nease High School. Additionally, pursuant to the JEA/County Utility Services Agreement, JEA is currently in the process of permitting the facilities necessary to serve Marshall Creek and the Allen Nease High School. These JEA facilities will also serve as the backbone for service to the Walden Chase Development.

Issue No. 8: If the granting of the territory which United Water Florida, Inc. seeks to add to its PSC certificate to United Water Florida, Inc. would 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, are those systems inadequate to meet the reasonable needs of the public or are the persons operating those systems unable, refusing or neglecting to provide reasonably adequate service?

Position: Yes. Granting this extension will duplicate the County's system as stated in response to Issue No. 7. Through its agreement with JEA, the County can provide and intends to provide service to Walden Chase.

Issue No. 9: Is it in the public interest for the Commission to grant United Water Florida, Inc.'s Application?

Position: No. It is not in the public interest for the Commission to grant United Water Florida, Inc. the territory it has requested. It is in the public interest for St. Johns County to provide water and wastewater services to the requested territory because St. Johns County will provide the most stable, cost-efficient and environmentally-sensitive

water and wastewater services. Additionally, St. Johns County's agreement with JEA benefits the water supply concerns regarding the requested territory because both JEA and the County already have reuse systems in place. The County has been requested by the Walden Chase developer to provide water and wastewater services. Finally, JEA can pull water from outside the Water Resource Caution Area established by the St. Johns River Water Management District.

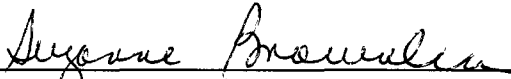
5. Stipulated Issues:

No issues have been stipulated at this point.

6. Pending Motions.

There are no pending motions at this time.

DATED this 3rd day of June, 1999.



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application by United
Water Florida, Inc. for an
Extension of Service Area in
St. Johns County, Florida.

DOCKET NO. 981637-WS

CERTIFICATE OF SERVICE

I HEREBY certify that a true and correct copy of the foregoing has been provided by United States Mail or Hand Delivery (*) to the persons listed below on this 3 day of June, 1999:

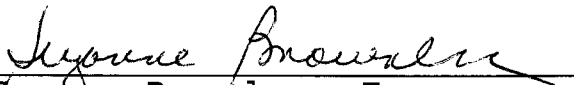
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