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July 21, 1999

BY HAND DELIVERY

Ms. Blanca Bayo, Director
Division of Records and Reporting
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 990817-WS

Dear Ms. Bayo:

Enclosed for filing in the above captioned docket are an original and fifteen copies of Florida Public Utilities Company's Objection to the Application of Florida Water Services Corporation for Amendment of Water and Wastewater Certificate Nos. 171-W and 122-S to Add Territory in Nassau County and Demand for Formal Hearing in the above-referenced docket.

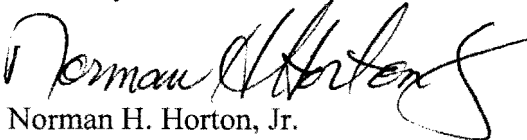
Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

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FPSC-BUREAU OF RECORDS

Sincerely,


Norman H. Horton, Jr.

NHH/amb
Enclosure
cc: Mr. George Bachman
Parties of Record

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Done 7/30/99

DOCUMENT NUMBER-DATE
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application by Florida Water Services)
Corporation for amendment of Certificates) Docket No. 990817-WS
Nos. 171-W and 122-S to add territory in) Filed: July 21, 1999
Nassau County)
_____)

**OBJECTION OF FLORIDA PUBLIC UTILITIES COMPANY
TO THE APPLICATION OF FLORIDA WATER SERVICES CORPORATION
FOR AMENDMENT OF WATER AND WASTEWATER CERTIFICATE
NOS. 171-W AND 122-S TO ADD TERRITORY IN NASSAU COUNTY
AND DEMAND FOR FORMAL HEARING**

Florida Public Utilities Company ("FPUC"), by and through its undersigned counsel, and pursuant to Sections 120.569, 120.57, and 367.045, Florida Statutes, and Rules 25-30.560 and 25-22.036, Florida Administrative Code, hereby files this Objection to the Application of Florida Water Services Corporation ("Florida Water") for amendment of Certificate Nos. 171-W and 122-S to add territory in Nassau County, Florida and demands a formal hearing. In support of its Objection, FPUC states as follows:

1. The name and address of the objecting party is:

Florida Public Utilities Company
P.O. Box 3395
West Palm Beach, FL 33402-3395

2. The name and address of the person authorized to receive notices, pleadings, orders and other documents on behalf of the FPUC is:

Norman H. Horton, Jr., Esquire
Messer, Caparello & Self, P.A.
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3. FPUC provides water services on Amelia Island, and generally, Nassau County, Florida. FPUC provides water service to over 7,000 customers within its services area.

4. On June 22, 1999, Florida Water filed an Application to extend its water and wastewater service areas in Nassau County, Florida.

5. The substantial interests of FPUC are affected by this Application because FPUC is authorized, pursuant to its tariff, to provide water service to the areas into which Florida Water seeks to service in its Application. FPUC's existing water facilities are closer to the proposed expansion than the facilities of Florida Water or any other utility. In fact, Florida Water would have to pass through FPUC's service area to provide water service to Craney Island. FPUC is authorized and desires to provide water services to Craney Island, and maintains that it would be the least cost provider of such services. FPUC has the technical ability and financial resources to provide high quality, safe, sufficient and efficient water services to the proposed areas.

6. The disputed issues of material fact known at this time include, but are not limited to, the following:

- a. Whether Florida Water has the technical ability to serve the disputed territories.
- b. Whether Florida Water has the financial ability to serve the disputed territory, particularly in light of the fact that it will cost substantially more to extend the facilities of Florida Water to serve the proposed territory than it will cost FPUC to provide the same service.
- c. Whether Florida Water has sufficient water capacity to serve the disputed territory, or even the buildout needs of its existing territory.

- d. Whether FPUC can provide service to the disputed territory at a lower overall cost.
 - e. What is the effect on rates and capital structure of the proposed extension of service by Florida Water to the proposed territories?
 - f. Whether customers or developers in the territories desire service by Florida Water, FPUC, or some other utility.
 - g. Whether customers in the territories will receive services at lower rates from Florida Water, FPUC, or some other utility.
 - h. Whether it is in the public interest for Florida Water to serve the disputed territories.
7. The following ultimate facts are alleged:
- a. The Application proposes to add territory to the Certificate of Florida Water including areas in which FPUC is authorized to and intends to provide water services.
 - b. The Application of Florida Water, and the substantial resulting additions to distribution, will substantially affect both the rates and capital structure of Florida Water and, therefore, its customers.
 - c. FPUC has water lines and facilities currently in place to provide water distribution that are closer to the proposed areas and extension of these facilities will be less costly and more efficient than those required for service by Florida Water.

- d. FPUC can provide water service to the disputed territories more efficiently than can Florida Water.
- e. FPUC has sufficient water supply to serve the disputed territories, whereas Florida Water does not have sufficient capacity.
- f. It is not in the public interest for Florida Water to serve the disputed territories.
- g. It is in the public interest for FPUC to serve the disputed territories.

8. FPUC is entitled to the relief it seeks pursuant to Section 367.045, Florida Statutes, and Commission orders and case law relevant to the disposition of water and wastewater territorial disputes.

WHEREFORE, FPUC requests that the Commission hold an administrative hearing on the Application of Florida Water Services Corporation, and FPUC's objection, and deny Florida Water's Application for amendment of territory to the extent it includes water service areas in which FPUC has been authorized to and intends to provide water services.

Respectfully submitted,

MESSER, CAPARELLO & SELF, P.A.



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FLOYD R. SELF
THOMAS A. SUTER
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(850) 222-0720

Attorneys for Florida Public Utilities Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of Florida Public Utilities Company's Objection to the Application of Florida Water Services Corporation for Amendment of Water and Wastewater Certificate Nos. 171-W and 122-S to Add Territory in Nassau County and Demand for Formal Hearing in Docket No. 990817-WS have been served by U. S. Mail this 21st day of July, 1999 upon the following:

Matt Feil, Esq.
Florida Water Services Corporation
P.O. Box 609520
Orlando, FL 32860-9520


NORMAN H. HORTON, JR.