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July 10, 2000

ORIGINAL

BY HAND DELIVERY

Blanca Bayo
Director, Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

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RECORDS AND REPORTING

Docket No. 990696-WS

In re: Application for original certificates to operate water and wastewater utility in Duval and St. Johns Counties by Nocatee Utility Corporation.

Docket No. 992040-WS

In re: Application for certificates to operate water and wastewater utility in Duval and St. Johns Counties by Intercoastal Utilities, Inc.

Dear Ms. Bayo:

Enclosed for filing are the original and fifteen copies of St. Johns County, Supplemental Prehearing Statement.

Please stamp a copy and return to us for our files. If you should have any questions please contact me at 850-877-5200.

Very truly yours,

Suzanne Brownless

Suzanne Brownless
Attorney for St. Johns County

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

IN RE: Application by Nocatee Utility Corporation for original certificates for water and wastewater service in Duval and St. Johns Counties, Florida.

DOCKET NO. 990604-WS

IN RE: Application for certificates to operate a water and wastewater utility in Duval and St. Johns County by Intercoastal Utilities, Inc.

DOCKET NO. 992040-WS

SUPPLEMENTAL PREHEARING STATEMENT

Pursuant to Orders Nos. PSC-99-1764-WS and PSC-00-1036-PCO-WS, and Rule 29-106.211, Florida Administrative Code, St. Johns County, Florida (County), files this prehearing statement, and states as follows:

C. Basic Position

The Florida Public Service Commission is without jurisdiction at this time to hear the applications for original certificates filed by Nocatee Utility Corporation (NUC) and Intercoastal Utilities, Inc. (ICU). Further, ICU is estopped from seeking to certify in this proceeding the same service territory in St. Johns County that the St. Johns County Water and Sewer Authority previously denied it permission to serve. Finally, even should the Commission have the jurisdiction to grant ICU an original certificate, the Commission should not grant ICU service territory located in the County's Exclusive Service Territory which the County is already contractually obligated to serve and is in the process of constructing, through its agreement with JEA, the facilities to serve.

D. Questions of Fact

Issue 5: What is the appropriate return on equity for NUC?

Position: No position.

Issue 8: What are the appropriate service availability charges for NUC?

Position: No position.

Issue 9: What is the landowner's service preference and what weight should the Commission give the preference?

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FPSC-RECORDS/REPORTING

Position: With respect to NUC, the County has no position. With respect to the developers of Walden Chase and the St. Johns County School District, the landowner's preference is that the County, not ICU, provide water and wastewater services. Letters of intent and contracts for service have been entered into by the County and these entities and the County is, in conjunction with JEA, constructing the facilities necessary to these entities. The fact that ICU has not been requested to serve any developments/existing customers in their proposed service territory should be given significant weight by the Commission.

Issue 11: Is there a need for service in the territory proposed by Intercoastal's application, and if so, when will service be required?

Position: To the extent that ICU is requesting the same service territory as that requested by NUC, the County takes no position. With regard to the service territory which ICU already serves, the County has previously determined the need for service in that area. With regard to the service territory being requested by ICU which does not include the NUC area and its current service territory there is no need for service either because there are no plans for development or because the area is located in the County's Exclusive Territory and is being served by the County.

Issue 15: What is the appropriate return on equity for Intercoastal?

Position: No position.

Issue 18: What are the appropriate service availability charges for Intercoastal?

Position: No position.

Issue 19: Do Intercoastal's existing customers support the proposed extension of its service territory and what weight should the Commission give to their preference?

Position: ICU's existing customers do not support the extension of ICU's service territory based on the poor performance of ICU in its current service territory. These concerns are long standing and should be given weight in the Commission's consideration of ICU's request.

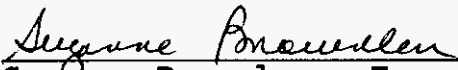
Issue 21: Will the certification of NUC result in the creation of a utility which will be in competition with, or duplication of, any other system?

Position: ICU's current service territory is located entirely to the east of the Intercoastal Waterway and contains neither the water or wastewater capacity to serve NUC's proposed service territory. That being the case, it is impossible for certification of NUC to duplicate ICU's system.

Issue 22: Should the Commission deny NUC's application based upon the requirements of Section 367.045(5)(a), Florida Statutes?

Position: No.

Respectfully submitted this 10 day of July, 2000 by:


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CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the foregoing was furnished by Hand Delivery (*) or regular U.S. Mail to the following on this 10th day of July, 2000:

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c: 3156