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July 31, 2000

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

RECEIVED-FPSC
00 JUL 31 PM 4:40
RECORDS AND REPORTING

Re: Docket Nos. 990696-WS and 992040-WS

Dear Ms. Bayó:

Enclosed for filing on behalf of Nocatee Utility Corporation are the original and fifteen copies of:

- 1. Nocatee's Motion for Leave to File Supplemental Direct Testimony 09227-00
- 2. Supplemental Direct Testimony of Douglas C. Miller 09228-00
- 2. Supplemental Direct Testimony of Deborah D. Swain 09229-00

By copy of this letter, these documents have been furnished to the parties on the service list. If you have any questions regarding this filing, please call.

Very truly yours,

Richard D. Melson

Richard D. Melson

APP _____
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Enclosures
cc: Service List
Mr. O'Steen
Mr. Skelton
Mr. Miller

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DOCUMENT NO. DATE
09227-00 06/02/00
FPSC - COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 990696-WS

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

Docket No. 992040-WS

Filed: July 31, 2000

**NOCATEE'S MOTION FOR LEAVE TO FILE
SUPPLEMENTAL DIRECT TESTIMONY**

NOCATEE UTILITY CORPORATION ("NUC") hereby files its Motion for Leave to File Supplemental Direct Testimony. As grounds therefor, NUC states:

1. On July 24, 2000, NUC and JEA entered into an "Agreement for Wholesale Utilities, Operations, Management and Maintenance" (Agreement). The Agreement finalizes and formalizes the arrangements for NUC to obtain bulk water, wastewater and reuse service from JEA, and to obtain operation and management services from JEA, consistent with the earlier Letter of Intent between JEA and DDI (NUC's parent company) which has been fully described in earlier prefiled testimony of NUC's witnesses.

2. By this motion, NUC seeks leave to file Supplemental Direct Testimony of Mr. Miller to sponsor the Agreement and to summarize its key terms. Mr. Miller's Supplemental Direct Testimony also sponsors relevant excerpts from the Sufficiency Response to the Application for Development Approval for the Nocatee project, a document which was not in existence at the time previous testimony was filed in this docket. NUC also seeks leave to file the Supplemental Direct Testimony of Ms. Swain to present the ratemaking impact of the reduction in

operation and maintenance expense which results from the Agreement. Copies of the proposed Supplemental Direct Testimony are being filed concurrently herewith.

3. The granting of this motion is necessary to allow NUC to fully inform the Commission of the execution and impact of the Agreement.

4. Permitting NUC to file the supplemental direct testimony will not prejudice any other party.

- (a) NUC fully and promptly disclosed the contents of the Agreement to the parties approximately 18 hours after its execution, at the start of Intercoastal's July 25 deposition of NUC's witness, Mr. Douglas Miller. This Agreement was the subject of almost two hours of questioning of Mr. Miller by counsel for Intercoastal and for St. Johns County.
- (b) To alleviate any claim that other parties did not have had sufficient opportunity to explore the Agreement and its impact during the July 25 and 26 depositions of Mr. Miller and Ms. Swain, NUC is willing to make both Mr. Miller and Ms. Swain available for additional depositions related to their Supplemental Direct Testimony and to the Agreement and its impact on NUC's plan of service and proposed rates.
- (c) Although NUC finds it difficult to imagine how the execution of this Agreement would require additional rebuttal testimony by Intercoastal or other parties, NUC does not object to the other parties being given two work weeks, until the close of business on Friday, August 11, 2000, to file any supplemental rebuttal testimony that they deem necessary to deal with the effect of the Agreement.

WHEREFORE, NUC urges that the Commission grant its request for leave to file the Supplemental Direct Testimony of Mr. Miller and Ms. Swain, submitted concurrently herewith.

RESPECTFULLY SUBMITTED this 31st day of July, 2000.

HOPPING GREEN SAMS & SMITH, P.A.

By:  _____

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Attorneys for Nocatee Utility Corporation

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing and of the Supplemental Direct Testimony of Mr. Miller and Ms. Swain was served on the following persons by Hand Delivery (*) or by U. S. Mail, this 31st day of July, 2000.

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