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May 10, 2001

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 110
Tallahassee, Florida 32399-0850

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01 MAY 10 PM 4:17
RECORDS AND REPORTING

Re: Docket No. 991666-WU

Dear Ms. Bayo:

Enclosed herewith for filing in the above-referenced docket on behalf of Florida Water Services Corporation ("Florida Water") are the following documents:

1. Original and fifteen copies of Florida Water's Motion for Summary Final Order; and
2. A formatted disk containing the Motion as a Word Perfect 6.0 document.

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.

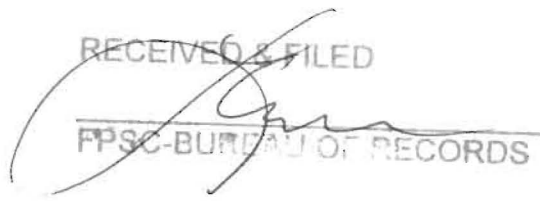
Sincerely,



Kenneth A. Hoffman

APP _____
CAF _____
CMP _____
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CTR Enclosures
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DOCUMENT NUMBER-DATE
05875 MAY 10 2001
PPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application for amendment of)
Certificate No. 106-W to add territory)
in Lake County by Florida Water Services) Docket No. 991666-WU
Corporation.)
_____/ Filed: February 8, 2001

PREHEARING STATEMENT OF FLORIDA WATER

Florida Water Service Corporation (“Florida Water”) hereby files its Prehearing Statement in accordance with Order No. PSC-00-0623-PCO-WU issued on April 3, 2000, as revised by Order No. PSC-00-1405-PCO-WU issued August 1, 2000 and Order No. PSC-00-2096-PCO-WU issued November 6, 2000 :

A. Witnesses.

Florida Water will offer the following witnesses in this proceeding:

- A. John Tillman, addressing issues 1, 2, 3, 4, 5, 7, 9, 10, 11A, 11B and 12.
- B. James Perry, addressing issue 2.

B. Exhibits

Florida Water intends to present the following exhibits which are included with the prefiled and rebuttal testimony of Florida Water's witnesses:

- 1. John Tillman

Mr. Tillman will be adopting the prefiled direct testimony of Charles Sweat including the following exhibits attached to that testimony:

<u>Exhibit:</u>	<u>Title:</u>
CLS-1	Florida Water’s Application for extension of service area in Lake County
CLS-2	Florida Water’s Agreement with the developer of the Summit.

DOCUMENT NUMBER-DATE

01888 FEB-8 2001

FPSC-RECORDS/REPORTING

In addition, Mr. Tillman will sponsor the following exhibit attached to his rebuttal testimony:

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

2. James Perry

<u>Exhibit:</u>	<u>Title:</u>
JAP-1	Florida Water's audited balance sheet and income statement for year-end 1999.

In addition, Mr. Perry may sponsor updated financial statements for fiscal year 2000 if they are available.

Florida Water reserves the right to utilize demonstrative exhibits and to introduce exhibits for cross examination, impeachment or any other purpose authorized by the applicable Florida Rules of Evidence or the rules of the Commission.

C. Basic Position

This docket involves Florida Water's application to provide water service to a new development in Lake County known as the Summit. Florida Water has entered into an agreement with the developer of the Summit to provide water services to the requested territory. Florida Water is already providing water service to an adjoining territory, the Palisades Country Club, that was developed by an affiliated company of the developer of the Summit. Florida Water is the most appropriate utility to provide water service to the requested territory. Approval of Florida Water's application would allow for full utilization of the existing Palisades system and would avoid wasteful duplication of facilities. Florida Water will be able to provide the necessary services in the most economical manner.

The City of Groveland (the "City") has intervened in this docket in opposition to Florida Water's application. The City claims that the requested territory is within an exclusive service area

designated by the City pursuant to Section 180.02, Florida Statutes. Florida Water denies that the City has an exclusive right to provide water service to the requested territory. Service by the City would be more costly, would not meet the time frames needed by the developer and would result in unnecessary duplication of the existing Florida Water Palisades system.

D. Positions on Issues:

Issue No. 1: Is there a need for service in the territory proposed by Florida Water Services Corporation's application, and if so, when will service be required?

Position: The Developer of the requested territory has a current need for service. This need can best be met by Florida Water through extensions from the existing facilities in the neighboring Palisades development. Florida Water has already entered into an agreement with the developer of the Summit to meet this need.

Issue No.2: Does Florida Water Service Corporation have the financial ability to serve the requested territory?

Position: Florida Water has the financial ability to serve the requested territory.

Issue No.3: Does Florida Services Corporation have the technical ability to serve the requested territory?

Position: Florida Water has the technical ability to serve the requested territory. Florida Water is the largest and one of the most experienced investor-owned water and wastewater utilities in the State. Florida Water has an excellent and long history of providing quality service to its customers. Florida Water has a staff of licensed operators, engineers and professionals qualified to provide the technical expertise necessary for safe, adequate and reliable service to the requested territory.

Issue No. 4: Does Florida Water have the plant capacity to serve the requested territory?

Position: Florida Water has the plant capacity to serve the requested territory. Florida Water's existing facilities in the neighboring Palisades has sufficient capacity to meet the anticipated needs of the Summit. Florida Water has reserved sufficient capacity from its existing Palisades water treatment plant to provide service to the requested area.

Issue No. 5: Is Florida Water Service Corporation's application consistent with the local comprehensive plan?

Position: Yes. Florida Water has been advised by the developer of the Summit that the necessary approvals have been received to proceed with this planned unit development. These approvals include the developer's design of a utility system based upon the use of septic tanks and water service from Florida Water.

Issue No. 6: Does the City of Groveland have the financial ability to serve the requested territory?

Position: It is unclear whether the City of Groveland has the financial ability to serve. It is not clear how the City proposes to provide service to the Summit nor is it clear how the City plans to finance the substantial costs of the design, permitting and construction of the lines required to bring the City's water and sewer service to the property.

Issue No. 7: Does the City of Groveland have the technical ability to serve the requested territory?

Position: It is unclear whether the City has the capacity or ability to serve the requested territory. Service by the City will require extensive line extensions and, depending upon the final route, may require traversing sensitive environmental areas.

Issue No. 8: Is the City of Groveland's proposal to serve the area consistent with the local comprehensive plan?

Position: Based upon the testimony provided by the Department of Community Affairs, it appears that service by the City may not be consistent with the Lake County Comprehensive Plan. At a minimum, the City's efforts to extend its facilities beyond its boundaries raises a great deal of concern regarding compliance with the long-term planning efforts for the County.

Issue No. 9: What is the landowner's service preference and what weight should the Commission give to that preference?

Position: The landowner clearly prefers service by Florida Water as reflected by the Developer's Agreement with Florida Water. This preference is entitled to considerable weight and reflects the economic benefits that would be accomplished by allowing Florida Water to provide the requested water service.

Issue No. 10: Will the extension of Florida Water Services Corporation territory in Lake County duplicate or compete with the City of Groveland's utility system?

Position: No. In order for the City to provide water service to the Summit development, it will need to run lines approximately 2 ½ miles from the City's existing point of terminus to the Garden City subdivision and then a second extension of approximately 2 ½ miles to the Summit development for a total extension length of over 26,000 feet or approximately 5 miles. Florida Water has existing lines situated immediately adjacent to the Summit development in Florida Water's current certificated territory that includes the Palisades. The City's provision of services to the Summit would be an unnecessary duplication of the system and facilities currently available through Florida Water's Palisades system.

Issue No.11A: If the granting of the territory which Florida Water Services Corporation seeks to add to its PSC certificate will result in an extension of a system which would be in competition with, or a duplication of the City of Groveland's system or a portion of its system, is the City of Groveland's system inadequate to meet the reasonable demands of the public or is the City unable, refusing or neglecting to provide reasonably adequate service to the proposed territory?

Position: Florida Water does not believe that granting the requested territory would result in an extension of a system which would be competition with or duplication of the City's system. Moreover, extension of the City's system to serve the Summit would be an unnecessary and time-consuming effort.

Issue No.11B: Does the Commission have the statutory authority to grant an extension of service territory to Florida Water Service Corporation which will be in competition with, or a duplication of, the City of Groveland's system(s), unless factual findings are made that the City's system(s) or a portion thereof is inadequate to meet the reasonable needs of the public or that the City is unable, refuses or has neglected to provide reasonably adequate service to the proposed service territory?

Position: Florida Water believes the Commission has the authority to grant the requested territory extension. Florida Water does not believe that granting the requested territory would result in an extension of a system which would be competition with or duplication of the City's system. Florida Water also contests the City's interpretation of the effect of the exclusive service district created by the City.

Issue No. 12: Is it in the public interest for Florida Water Services Corporation to be granted an amendment to Water Certificate Number 106-W for the territory proposed in its application?

Position: It is in the public interest for the Commission to grant Florida Water the territory it has requested. Granting the Application will allow for extension of water service to the requested area in a timely, economical manner. Florida Water has the plant capacity to serve the immediate needs for service in the requested territory in accordance with the developer's plans. Granting the Application will allow Florida Water to better utilize existing facilities and will eliminate the need for the expenditure of public funds to service the requested area.

E. Stipulated Issues:

No issues have been stipulated at this point.

F. Pending Motions:

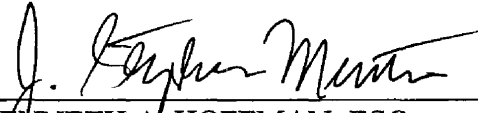
There are no pending motions at this time.

G. Other Requirements:

Florida Water believes that this Prehearing Statement is fully responsive to the requirements of the above-stated procedural Orders.

Dated this 8th day of February 2001.

Respectfully submitted this


KENNETH A. HOFFMAN, ESQ.
J. STEPHEN MENTON, ESQ.
RUTLEDGE, ECENIA, PURNELL
& HOFFMAN, P.A.
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Tallahassee, Florida 32302-0551
(850) 681-6788

CERTIFICATE OF SERVICE

I HEREBY certify that a copy of the foregoing was furnished by U.S. Mail this 8th day of February, 2001 to:

Patricia Christensen, Esq.
Senior Attorney
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Tallahassee, FL 32399-0850

Suzanne Brownless, Esq.
1311-B Paul Russell Road
Suite 201
Tallahassee, FL 32301



J. STEPHEN MENTON, ESQ.