

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application of Florida)
Water Services Corporation for)
Amendment of Certificate No. 106-W) Docket No. 990054-WU
to add and delete territory in)
Lake County, Florida.) Filed: July 2, 2001
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PREHEARING STATEMENT OF FLORIDA WATER

Florida Water Services Corporation ("Florida Water") hereby files its Prehearing Statement in accordance with Order No. 99-1264 PCO-WU issued on June 30, 1999, as revised by Order No. 00-0449-PCO-WU issued March 2, 2000 and Order No. 00-1061-PCO-WU issued June 2, 2000:

A. Witnesses.

Florida Water will offer the following witnesses in this proceeding:

- A. John Tillman, who will adopt the prefiled direct and rebuttal testimony of Charles Sweat, addressing issues 1, 3, 4, 5, 6, 7, and 8.
- 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 and rebuttal 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	A map of Florida Water's Service Area.

DOCUMENT NUMBER-DATE

08127 JUL-20

FPSC-RECORDS/REPORTING

In addition, Mr. Tillman will sponsor the following exhibit at the time of adopting Mr. Sweat's 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 1998.

In addition, Mr. Perry will sponsor updated financial statements for fiscal years 1999 and 2000 which were prepared subsequent to the filing of the prefiled testimony.

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 amend its existing certificate which authorizes it to provide water and wastewater service to certain territory in Lake County. The application seeks to add additional property immediately adjoining the existing area. Florida Water is the most appropriate utility to provide service to the requested territory. Approval of the application would allow for more efficient utilization of Florida Water's existing Silver Lakes Estates/Western Shores system and would avoid wasteful duplication of facilities. Florida Water will be able to provide the necessary services in a timely and economical manner.

Crystal River Utilities, Inc. ("Crystal River") has intervened in this docket in opposition to Florida Water's application to serve certain portions of the requested territory. Crystal River claims that approval of the application would "landlock" Crystal River's Haines Creek water system so that

there would be no future growth potential for that system. However, Crystal River does not have the capacity to serve the requested territory and would have to construct new facilities in order to serve. Such construction would result in unnecessary duplication of the existing Florida Water Silver Lakes Estates/Western Shores system.

D. Positions on Issues:

Issue No. 1: Is there a need for service in the area requested by Florida Water Services Corporation?

Position: Yes. There is a need for service in the requested territory. This need can best be met by Florida Water.

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

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

Issue No.3: Does Crystal River have the financial ability to serve the requested territory?

Position: No. Crystal River would need to construct new facilities in order to serve the requested territory. It has not provided any evidence to demonstrate that it has the ability to do so.

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

Position: Florida Water has the capacity and 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's existing Silver Lake Estates/Western Shores system has capacity to meet the anticipated needs of the area. 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. 5: Does Crystal River have the capacity and technical ability to serve the requested territory?

Position: It is unclear whether Crystal River has the capacity or ability to serve the requested territory.

Issue No. 6: Would service to the territory that Florida Water Service Corporation seeks to add to its certificate be consistent with the local comprehensive plan?

Position: Yes.

Issue No. 7: Should Florida Water Services Corporation be ordered to show cause why it should not be fined for serving customers outside of its certificated service area since 1994 in apparent violation of Section 367.045(2), Florida Statutes?

Position: No.

Issue No. 8: Is it in the public interest for Florida Water Services Corporation to be granted the proposed amended territory requested in its application?

Position: Yes. 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 service to the requested area in a timely, economical manner. Florida Water has the plant capacity to serve the needs for service in the requested territory. 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.

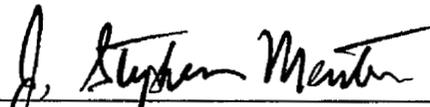
F. Pending Motions:

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.

RESPECTFULLY submitted this 2nd day of July, 2001.



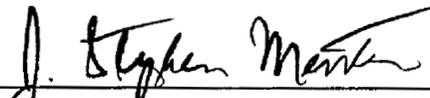
KENNETH A. HOFFMAN, ESQ.
J. STEPHEN MENTON, ESQ.
RUTLEDGE, ECENIA, PURNELL
& HOFFMAN, P.A.
P. O. Box 551
Tallahassee, Florida 32302-0551
(850) 681-6788

CERTIFICATE OF SERVICE

I HEREBY certify that a copy of the foregoing was furnished by U.S. Mail to the following this 2nd day of July, 2001:

Martin S. Friedman, Esquire
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, FL 32301

Samantha Cibula, Esquire
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399



ATTORNEY

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