

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Application for amendment
Certificate No. 106-W to add
and delete territory in Lake
County by Florida Water Services
Corporation.

DOCKET NO. 990054-WU
FILED: JULY 5, 2001

COMMISSION STAFF'S PREHEARING STATEMENT

Pursuant to Orders Nos. PSC-99-1264-PCO-WU, PSC-99-2127-PCO-WU, PSC-00-2463-PCO-WU, issued June 30, 1999, October 27, 1999, and December 21, 2000, respectively, the Commission Staff (Staff) files its prehearing statement as follows:

A. All Known Witnesses

Staff intends to call the following witness:

Charles R. Gauthier of the Florida Department of Community Affairs (DCA). Mr. Gauthier will testify concerning a letter dated April 2, 1999, submitted to the Commission pursuant to the Memorandum of Understanding between the Commission and the DCA, containing the DCA's comments on Florida Water Services Corporation's (FWSC or utility) application.

B. All Known Exhibits

Staff intends to sponsor the following exhibits:

CRG-1: Gauthier Resume
CRG-2: DCA Letter

Staff reserves the right to use other exhibits for the purpose of cross-examination.

C. Staff's Statement of Basic Position

Non-testifying staff's position is that the information gathered through discovery and prefiled testimony indicates, at this point, that there may be a need for service in Sections 1, 2, and 15 of Township 19 in Lake County. The determination as to

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which utility should serve the area at issue cannot be made until the evidence presented at hearing is analyzed. The position of the witness testifying on behalf of staff is contained in Issue 6 below.

D. Issues & Staff's Respective Positions

The following are issues identified by Staff and its positions on those issues. Staff's positions are preliminary, are based upon materials filed by the utility and intervenor or obtained through discovery and are intended to inform the parties of Staff's preliminary positions. Staff's final positions will be based upon an analysis of the evidence presented at the hearing.

ISSUE 1: Is there a need for service in the area requested by FWSC?

POSITION: There appears to be a need for service in Sections 1, 2 and 15 of Township 19 since there are existing customers in those sections. However, no position pending further development of the record with respect to the other areas requested by FWSC.

ISSUE 2: Does FWSC have the financial ability to serve the requested territory?

POSITION: Yes. FWSC has the financial ability to serve the requested territory.

ISSUE 3: Does Crystal River Utilities, Inc. (Crystal River) have the financial ability to serve the requested territory?

POSITION: Yes. Crystal River has the financial ability to serve the requested territory.

ISSUE 4: Does FWSC have the capacity and the technical ability to serve the requested territory?

POSITION: Yes. FWSC has the capacity and the technical ability to serve the requested territory.

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ISSUE 5: Does Crystal River have the capacity and the technical ability to serve the requested territory?

POSITION: Crystal River has the technical ability to serve the requested territory; however, it does not have the present water capacity to provide service to the customers currently receiving service from FWSC who are located outside of FWSC's certificated service area.

ISSUE 6: Would service to the territory that FWSC seeks to add to its certificate of authorization be consistent with the local comprehensive plan?

POSITION: Yes. Based on the existing local comprehensive plan, water service to the area FWSC seeks to add to its certificate would be consistent with the plan. (Gauthier)

ISSUE 7: Should FWSC 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 position pending further development of the record.

ISSUE 8: Is it in the public interest for FWSC to be granted the proposed amended territory requested in its application?

POSITION: No position pending further development of the record.

E. Stipulated Issues

There are no issues that have been stipulated at this time.

F. Pending Matters

There are no matters pending at this time.

G. Pending Confidentiality Claims or Requests

There are no pending confidentiality claims or requests.

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H. Requirements That Cannot Be Complied With

There are no requirements of Orders Nos. PSC-99-1264-PCO-WU, PSC-99-2127-PCO-WU, and PSC-00-2463-PCO-WU that cannot be complied with at this time.



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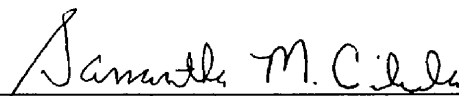
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the
COMMISSION STAFF'S PREHEARING STATEMENT has been furnished by U.S.
Mail, this 5th day of July, 2001, to the following:

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