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September 7, 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

HAND DELIVERY

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01 SEP - 7 PM 3:09
COMMISSION
CLERK

Re: Docket No. 980744-WS

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 Amendment to Amended Prehearing Statement; and
2. A disk in Word Perfect 6.0 containing a copy of the Amendment to Amended Prehearing Statement.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the copy to me.

Thank you for your assistance with this filing.

Sincerely,


Kenneth A. Hoffman

APP	_____
CAF	_____
CMP	_____
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SEC	1
SER	_____
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KAH/rl

Enclosures

cc: Counsel of Record
Bayo.907

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

11185 SEP-7 01

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into ratemaking)
considerations of gain on sale from sale)
of facilities of Florida Water Services)
Corporation to Orange County.)
_____)

Docket No. 980744-WS

Filed: September 7, 2001

**FLORIDA WATER SERVICES CORPORATION'S
AMENDMENT TO AMENDED PREHEARING STATEMENT**

Florida Water Services Corporation (“Florida Water”), by and through its undersigned counsel, hereby files this Amendment to Florida Water’s Amended Prehearing Statement filed on August 31, 2001, for the purpose of providing Florida Water’s position on Issue 2.

Issue No. 2: If any portion of the gain on sale is allocated to the ratepayers, what is the appropriate regulatory treatment of that allocation?

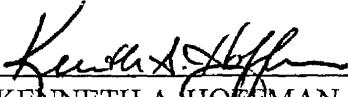
Florida Water: Based on prior Commission precedent, there is no “appropriate” regulatory treatment for the allocation of any portion of the gain on sale of Florida Water’s Orange County systems. Prior Commission decisions confirm that the Commission has consistently determined that the shareholders of the utility whose capital finance the utility properties, business and stream of revenues should bear the risk of loss or derive the benefit of the gain on the sale of a water or wastewater system. If the Commission were to unlawfully depart from that precedent, any portion of the gain on sale allocated to ratepayers should be amortized from the date of sale.

DOCUMENT NUMBER-DATE

11185 SEP-7 01

FPSC-COMMISSION CLERK

Respectfully submitted,



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J. STEPHEN MENTON, ESQ.

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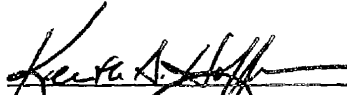
(850) 681-6515 (Telecopier)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished by hand delivery to the following this 7th day of September, 2001:

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