BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of East Central)
Florida Services, Inc. for an original)
certificate in Brevard, Orange and)
Osceola Counties.

DOCKET NO. 910114-WU FILED: 8-30-91

COMMISSION STAFF'S PREHEARING STATEMENT

Pursuant to Order No. 24356, issued April 12, 1991, the Commission Staff (Staff) files its prehearing statement as follows:

A. All Known Witnesses

Staff does not intend to call any witnesses.

B. All Known Exhibits

Staff does not intend to sponsor any exhibits, but Staff reserves the right to identify additional exhibits at the Prehearing Conference and at hearing for purposes of cross-examination.

C. Staff's Statement of Basic Position

The application of East Central Florida Services, Inc., (ECFS) for an original water certificate in a tri-county territory meets the minimum filing requirements of the Commission. Based on the information reviewed by staff at this time, it appears that ECFS has the technical and financial ability to provide the proposed service, that there is a need for the residential and agricultural service, and that service is not available from any other source. Therefore, the Commission should grant ECFS's request for an original water certificate as to the residential service. However, Staff has no position as to whether the Commission has jurisdiction to issue a certificate for the provision of non-potable water service. In addition, Staff has no position as to whether the Commission should issue a certificate as to the raw water service if the Commission finds that it has jurisdiction over non-potable water service.

(D - I) Issues of Fact, Law, and Policy

The following are issues identified by Staff and its positions on these issues. Staff's positions are

DOCUMENT NUMBER-DATE

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preliminary, are based upon materials filed by the utility 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.

1. <u>ISSUE</u>: Does the utility have the technical ability to provide the proposed service?

POSITION: Yes.

2. <u>ISSUE</u>: Does the utility have the financial ability to provide the proposed service?

POSITION: Yes.

3. <u>ISSUE</u>: Is the service proposed to be provided by the applicant needed?

<u>POSITION</u>: As to the proposed residential and agricultural service, yes. No position as to the need for raw water service.

4. <u>ISSUE</u>: Is the service proposed to be provided by the applicant available from any other sources?

POSITION: No.

5. <u>ISSUE</u>: Is it in the public interest for the Florida Public Service Commission to grant the applicant a certificate of authorization?

POSITION: As to residential service, yes. However, Staff has no position as to whether the Commission has jurisdiction to issue a certificate for the provision of non-potable water service. In addition, Staff has no position as to whether the Commission should issue a certificate as to the raw water service if the Commission finds that it has jurisdiction over non-potable water service.

PREHEARING STATEMENT DOCKET NO. 910114-WU PAGE 3

6. <u>ISSUE</u>: If a certificate is granted, what initial water rates and return on equity are appropriate for the applicant?

POSITION: If a certificate is granted, the initial water rates and return on equity should be those requested by ECFS, adjusted for the appropriate return on equity contained in the Commission's current leverage graph formula.

7. <u>ISSUE</u>: If a certificate is granted, what are the appropriate miscellaneous service charges and initial customer deposits for applicant?

POSITION: Those requested in the application.

8. <u>ISSUE</u>: If a certificate is granted, what are the appropriate service availability charges for the applicant?

POSITION: Those requested in the application.

9. <u>ISSUE</u>: If a certificate is granted, should a separate certificate be issued for each county?

POSITION: No, one multi-county certificate should be granted.

10. ISSUE: Should the Public Service Commission regulate the sale of non-potable water such as irrigation water for agriculture and raw water?

POSITION: On April 5, 1990, the Commission's Office of General Counsel issued an inter-agency opinion, DGA Opinion #0-89-014, concerning the Commission's jurisdiction over non-potable water. In that opinion, the Office of General Counsel concluded that the Commission did not have jurisdiction over the sale of non-potable water. Staff, however, takes no position on this issue at this time. The

PREHEARING STATEMENT DOCKET NO. 910114-WU PAGE 4

Commission itself has not directly considered this question before.

(g) Stipulated Issues

There are no stipulated issues at this time.

(h) Pending Matters

Rulings are pending on the following matters: ECFS's a motion to strike the City of Cocoa's amended objection; ECFS's motion to amend exhibit "F" of its original application; and ECFS's motion to file supplemental rebuttal testimony.

(i) Requirements That Cannot Be Complied With

There are no requirements of Order No. 24356 that cannot be complied with at this time.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for water certificate) in Brevard, Orange and Osceola Counties) by EAST CENTRAL FLORIDA SERVICES, INC.)

DOCKET NO. 910114-WU

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the Commission Staff's Prehearing Statement in the above-captioned docket has been furnished to the following parties, by U.S. Mail, this day of luguest, 1991.

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