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January 31, 2000

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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Re: Docket No. 992040-WS

Dear Ms. Bayo:

Enclosed herewith for filing in the above-referenced docket on behalf of JEA are:

1. The original and fifteen copies of JEA's Objection and Request for Hearing.
2. A diskette with the document formatted in Word Perfect 6.

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,

J. Stephen Menton
J. Stephen Menton

AFA	_____
APP	_____
CAF	_____
CMU	_____
CTR	_____
EAG	_____
LEG	1 JSM/knb
MAS	5-5 Enclosures
OPC	_____
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ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Intercoastal)	
Utilities, Inc. for Water and)	Docket No. 992040-WS
Wastewater Certificates in Duval)	
and St. Johns Counties, Florida)	Filed: January 31, 2000
_____)	

JEA'S OBJECTION AND REQUEST FOR HEARING

JEA, by and through its undersigned counsel and pursuant to Section 367.045(4), Florida Statutes, hereby objects to the application filed by Intercoastal Utilities, Inc. ("Intercoastal") on December 30, 1999 for an original certificate and extension of its service area. JEA hereby requests a formal evidentiary hearing pursuant to Sections 120.569 and 120.57(1), Florida Statutes, on Intercoastal's application. As grounds for its objection, JEA states:

1. The name and business address of the party submitting this Objection is:

JEA
 21 West Church Street
 Jacksonville, FL 32202-3139

2. The name, address and telephone number of the designated representatives authorized to receive notices, pleadings, orders and other documents on behalf of JEA during the course of these proceedings are:

Kenneth A. Hoffman, Esquire
 J. Stephen Menton, Esquire
 Rutledge, Ecenia, Purnell & Hoffman, P.A.
 P.O. Box 551
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Michael B. Wedner, Esq.
Assistant General Counsel for JEA
St. James Building, Ste. 480
117 West Duval Street
Jacksonville, Florida 32202
(904) 630-1834

3. JEA received notice by U.S. Mail on December 31, 1999 and by publication on January 3, 2000 of Intercoastal's application with the Commission which seeks (a) an initial certificate of authorization to serve the existing territory in St. Johns County for which Intercoastal currently holds a franchise from St. Johns County; and (b) an extension of that existing territory to serve additional lands in Duval and St. Johns Counties.

4. JEA, formerly known as the Jacksonville Electric Authority, was created and established by Chapter 67-1569, Laws of Florida, as amended by Chapter 78-538, Laws of Florida, and as amended and re-adopted by Chapters 80-515 and 92-341, Laws of Florida. In accordance with the statutory authority, JEA is a body politic whose operations, duties and responsibilities are set forth in Article 21 of the Charter of the City of Jacksonville. The enabling Statute and Ordinances grant JEA a wide range of powers to operate and finance utility systems. JEA is empowered to exercise all powers granted to the City, with regard to water and sewer authority, pursuant to Chapter 180, Florida Statutes. Under Section 21.04 of the Charter, JEA is authorized to provide water and wastewater services throughout Florida.

5. JEA's water and wastewater operations were transferred from the City of Jacksonville which had been providing these services for over 100 years. JEA's water and sewer systems' service territory includes virtually all of the City of Jacksonville and consists of (a) facilities for the provision of potable water in a current service area of approximately 228 square miles; and (b) facilities for the collection and treatment of wastewater in a current service area of approximately 258 square miles. JEA's water system, which served an average of 175,766 customer accounts in fiscal year 1998, is comprised of 32 water treatment plants, 107 water supply water wells, over 2,800 miles of water distribution mains and water storage capacity of over 55 million gallons. The sewer system, which served an average of 131,354 customer accounts in fiscal year 1998, is comprised of 5 regional wastewater plants and 3 smaller wastewater treatment plants that currently have a combined rated average daily treatment capacity of approximately 91 MGD, approximately 635 pumping stations and over 2,100 miles of gravity sewers and force mains.

6. JEA currently provides water and wastewater utility services in Duval, Clay and St. Johns Counties, Florida.

7. As set forth below, the substantial interests of JEA would be affected if Intercoastal's Application in this Docket were granted. JEA has entered into a Letter of Intent Agreement to provide water and wastewater transmission and bulk treatment services to the "Nocatee" development which is included within the scope of Intercoastal's

Application. Granting Intercoastal's Application would be an unnecessary, unwanted and unjustified duplication of the service that JEA has agreed to provide.

8. "Nocatee" is a multi-use development on approximately 15,000 acres owned by DDI, Inc. and its affiliates (collectively "DDI"). Nocatee Utility Corporation ("NUC"), a wholly owned subsidiary of DOI, filed an application with the Commission on June 1, 1999 for original, multi-county water and wastewater certificates to serve the land comprising the Nocatee development. JEA has petitioned to intervene to support NUC's Application in Docket No. 990696-WS.

9. Intercoastal's Application includes all of the territory that NUC has previously applied to serve in Duval and St. Johns County. It also includes territory that was specifically denied to Intercoastal by the St. Johns County Water and Sewer Authority (the "St. Johns County Authority") after extensive evidentiary proceedings this past summer.

10. Intercoastal currently operates as a single county utility subject to the jurisdiction of the Board of County Commissioners of St. Johns County (the "Board"). In March 1999, Intercoastal applied to St. Johns County for an extension of its certificated territory to serve the St. Johns County portions of the territory for which it has now applied to the Commission. JEA was one of several parties which filed objections to that application. After six days of formal hearings, the St. Johns County Authority issued a preliminary order on August 4, 1999 denying Intercoastal's application to extend its certificated territory. That

preliminary order was confirmed and made final by the Board in its Order No. 99-00015 dated September 7, 1999.

11. As the planned provider of bulk water and wastewater service to Nocatee, JEA's interests may be substantially affected by the Commission's action on Intercoastal's competing application to serve the same territory. NUC, through its agreement with JEA, is best able to serve the Nocatee development, and certification by the Commission of Intercoastal would result in an uneconomic duplication of facilities and utility services.

12. JEA's existing water and wastewater facilities are closer to Nocatee than the facilities of Intercoastal or any other utility. JEA is authorized and desires to provide water and wastewater transmission and bulk treatment services to this development and maintains that its arrangements with NUC would be the least costly approach for providing water and wastewater services to the development. JEA and NUC have the technical ability and financial resources to provide high quality, safe, sufficient and efficient water and wastewater services to Nocatee. Service by JEA and NUC is also the preference of the developer of Nocatee.

13. The disputed issues of material fact known at this time are as follows. JEA reserves the right to supplement this list in accordance with Commission procedures if and when additional issues are identified.

(a) Whether Intercoastal has the technical ability to provide reliable, high quality service to the disputed territory within the time frames required by the development plan for Nocatee.

(b) Whether Intercoastal has the financial ability to provide reliable, high quality service to the disputed territory within the time frames required by the development plan for Nocatee and for the life of the development.

(c) Whether Intercoastal has the managerial ability to provide reliable, high quality service to the disputed territory within the time frames required by the development plan for Nocatee.

(d) What are the buildout needs for Intercoastal's existing territory?

(e) Whether Intercoastal has the operational ability to provide reliable, high quality service to the disputed territory within the time frames required by the development plan for Nocatee.

(f) Whether Intercoastal has sufficient water, wastewater and reuse capacity to provide service to the disputed territory within the time frames required by the development plan for Nocatee.

(g) Whether Intercoastal's Application is in compliance with all applicable law, rules and policies of the Commission, the Department of Environmental Protection, and the St. Johns County Water Management District.

(h) Whether Intercoastal can provide service to the disputed territory in a more cost-effective manner than NUC.

(i) Whether Intercoastal can provide service to the disputed territory in an environmentally sensitive manner that is consistent with the development plan for Nocatee.

(j) What is the effect on rates and charges to existing customers of Intercoastal of its proposed service to the disputed territory?

(k) What is Intercoastal's current quality of service?

(l) Whether the landowner of the disputed territory prefers to receive service from Intercoastal or from NUC.

(m) Whether Intercoastal or NUC is best suited to serve the disputed territory.

(n) Whether it is in the public interest for Intercoastal to serve the disputed territory.

(o) [Issue of Law] Whether Intercoastal's application is barred in whole or in part by the doctrines of res judicata and/or collateral estoppel.

(p) [Issue of Law] Whether the Commission has jurisdiction to grant the certificate sought by Intercoastal.

14. The ultimate facts alleged are as follows:

(a) Intercoastal proposes to extend its service territory to include areas which NUC has requested and plans to serve under its pending application with the Commission.

(b) NUC proposes to serve the disputed territory by obtaining wholesale water, wastewater and reuse service from JEA, which has facilities in close proximity to the disputed territory. Service in this manner will be less costly, more efficient, and more environmentally sensitive than service by Intercoastal.

(c) Intercoastal is not ready, willing and able to provide all required services, including reuse service, to the disputed territory in the quantities and time frames required by the development. NUC and JEA are ready, willing and able to provide such service.

(d) NUC and JEA can provide superior water, wastewater and reuse service to the disputed territory more efficiently and more cost-effectively than can Intercoastal.

(e) JEA has sufficient water supply and wastewater capacity to serve the disputed territory, whereas Intercoastal does not have sufficient capacity.

(f) The landowner desires to receive service from NUC and not from Intercoastal. As an affiliated utility, NUC is uniquely positioned to ensure that utility planning and provisioning is integrated with the overall development and resource management planning for Nocatee.

(g) Intercoastal's application is not consistent with or in compliance with all applicable statutes, rules and policies of the Commission, the Department of Environmental Protection, and the St. Johns River Water Management District.

(h) Intercoastal's application proposes a utility system which will be in competition with, or a duplication of, the proposed system of NUC and JEA.

(i) It is not in the public interest for Intercoastal to serve the disputed territory.

(j) It is in the public interest for NUC and JEA to serve the disputed territory.

(k) The Authority and the Board have already considered and rejected Intercoastal's application to extend its service area to serve the portion of the disputed territory which is located in St. Johns County. Intercoastal's application is therefore barred by application of the doctrines of res judicata and/or collateral estoppel.

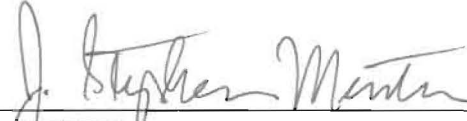
15. JEA is entitled to relief pursuant to Chapters 120 and 367, Florida Statutes; Chapters 25-22, 25-30, and 28-106, Florida Administrative Code; and relevant Commission and judicial precedents.

WHEREFORE, JEA requests that the Commission;

(a) conduct a formal hearing pursuant to Section 120.569 and 120.57(1), Florida Statutes, on Intercoastal's application and on JEA's objection thereto; and

(b) deny Intercoastal's application.

Respectfully submitted this
31 day of January, 2000, by:



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CERTIFICATE OF SERVICE

I HEREBY certify that a copy of the foregoing was furnished as set forth below to the following this 31 day of January, 2000:

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