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June 30, 1999

VIA HAND DELIVERY

RECEIVED-FPSC
99 JUN 30 PM 4:25
RECORDS AND REPORTING

Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

Re: Application by Nocatee Utility Corporation for Original Certificates for Water and Wastewater Service in Duval and St. Johns Counties, Florida
Docket No. 990696-WS

Dear Ms. Bayo:

Enclosed for filing, please find the original and fifteen copies of Objection of Intercoastal Utilities, Inc. To The Application Of Nocatee Utility Corporation For Original Certificates For Water And Wastewater Service In Duval And St. Johns Counties, Florida, And Request For Formal Administrative Hearing and Comments of Intercoastal Utilities, Inc. Directed To Nocatee Utility Corporation's Petition For Temporary Variance From Or Temporary Waiver Of Rules.

Should you have any questions in this regard, please let me know.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP

John L. Wharton, Esq.
For The Firm

AFA _____
APP _____
CAF _____
CMU _____
CTR _____
EAG _____
LEG 1 _____
MAS _____
OPC _____
RRR _____
SEC _____
WAW _____
OTH _____

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Objection
DOCUMENT NUMBER-DATE

07927 JUN 30 99

FPSC-RECORDS/REPORTING

Done 7/08/99

07928 JUN 30 99

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application by Nocatee)	
Utility Corporation for Original)	
Certificates for Water & Wastewater)	Docket No. 990696-WS
Service in Duval and St. Johns)	
Counties, Florida)	
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**OBJECTION OF INTERCOASTAL UTILITIES, INC.
 TO THE APPLICATION OF NOCATEE UTILITY CORPORATION
 FOR ORIGINAL CERTIFICATES FOR WATER AND WASTEWATER
 SERVICE IN DUVAL AND ST. JOHNS COUNTIES, FLORIDA, AND
REQUEST FOR FORMAL ADMINISTRATIVE HEARING**

Intercoastal Utilities, Inc. ("Intercoastal"), by and through its undersigned counsel, and pursuant to Rule 28-106.111(2), Fla. Admin. Code, hereby files this Objection Of Intercoastal Utilities, Inc. To The Application Of Nocatee Utility Corporation For Original Certificates For Water And Wastewater Service In Duval And St. Johns Counties, Florida, And Request For Formal Administrative Hearing, and in support thereof would state as follows:

1. The name and address of the agency affected is:

Florida Public Service Commission
 2540 Shumard Oak Boulevard
 Tallahassee, FL 32399-0850

2. The name and address of the party whose interests are substantially affected is:

Intercoastal Utilities, Inc.
 1300 River Place Boulevard, Suite 620
 Jacksonville, Florida 32207

3. The name and address of the person authorized to receive notices, pleadings, orders, and other documents on behalf of Intercoastal is:

John L. Wharton, Esq.
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, FL 32301
(850) 877-6555

4. Intercoastal received notice of Nocatee Utility Corporation's ("NUC") intent to file an Application For An Initial Certificate Of Authorization For Water And Wastewater Certificate by certified mail on June 7, 1999.

5. On June 1, 1999, NUC filed its Application For Original Certificates For Water & Wastewater Service in Duval and St. Johns Counties, Florida.

6. Intercoastal is an investor-owned, publicly-regulated regional water and wastewater system that provides water and wastewater service in St. Johns County, Florida. The substantial interests of Intercoastal are affected by NUC's Application because Intercoastal has previously filed an extension application with the St. Johns County Water and Sewer Regulatory Authority for the extension of its service territory to cover substantially all of that territory which is the subject of NUC's Application (the Nocatee development). Intercoastal is best able to serve those portions of the Nocatee development for which NUC has applied, and certification by the PSC of NUC will result in an uneconomic duplication of facilities and utility services.

NUC's application is, in effect, in competition with Intercoastal's existing and proposed utility service to these areas, and Intercoastal is better able to render service

to those portions of the Nocatee development for which Intercoastal has applied.

Intercoastal's extension application is currently in litigation before the St. Johns County Water and Sewer Regulatory Authority. One of the parties in litigation against Intercoastal is DDI, Inc. DDI, Inc. is the parent company of Nocatee Utility Corporation.

7. The disputed issues of material fact and/or known at this time include, but are not limited to, the following:

a. Whether there is a need for service in the territory proposed for service by NUC.

b. Whether NUC has the technical ability to serve the disputed territory.

c. Whether NUC has the financial ability to serve the disputed territory.

d. Whether NUC has the managerial ability to serve the disputed territory.

e. Whether NUC has the operational ability to serve the disputed territory.

f. Whether NUC has sufficient water and wastewater capacity to serve the disputed territory.

g. Whether NUC's Application is in compliance with all applicable Florida laws, and the statutes, rules, regulations and policies of the Florida Public Service Commission, the Department of Environmental Protection and the St. Johns Water Management District.

h. Whether NUC can provide service to the disputed territory at a lower overall cost than Intercoastal.

i. What is the effect on rates and capital structure of the proposed service by NUC to the proposed territories?

j. Whether it is in the public interest for NUC to serve the disputed territory.

k. Whether NUC's Petition For Temporary Variance From Or Temporary Variance Of Rules, filed June 1, 1999 at the PSC, should be granted.

8. The following ultimate facts are alleged:

a. The Application of NUC proposes to establish certificated territory for NUC including areas in which Intercoastal has requested and intends to provide water and wastewater services.

b. Intercoastal currently has and also proposes additional water and wastewater lines and facilities in close proximity to the proposed area and service to these areas by these facilities will be less costly and more efficient than service by NUC.

c. Intercoastal is ready, willing and able to provide service to the disputed territory, whereas NUC is not ready or able to provide water and wastewater services to the disputed territory within a reasonable time.

d. Intercoastal can provide superior water and wastewater service to the disputed territory at a combined lower cost and more efficiently than can NUC. Intercoastal's management team possesses as much or more managerial, operational,

and technical experience as any managers or operators of any of Florida's investor-owned utilities.

e. It is not in the public interest for NUC to serve the disputed territory.

f. It is in the public interest for Intercoastal to serve the disputed territory.

g. NUC's Application does not satisfy the minimum filing requirements established by the PSC rules and statutes and should be dismissed.

h. NUC's Application should not be accepted or processed by the PSC prior to a final order on NUC's Petition For Temporary Variance From Or Temporary Waiver Of Rules, filed with the PSC on June 1, 1999.

i. NUC's Petition For Temporary Variance From Or Temporary Waiver Of Rules should be denied.

j. NUC's Application is not consistent with or in compliance with all applicable Florida laws, and the statutes, rules, regulations and policies of the Florida Public Service Commission, and the St. Johns Water Management District.

k. NUC's Application proposes an utility system which will be in competition with, or a duplication of, the system of Intercoastal.

9. Intercoastal is entitled to the relief it seeks pursuant to applicable rules and/or decisions of the Florida Public Service Commission statutes, rules and orders, as well as Florida case law relevant to the disposition of water and wastewater territorial disputes and original certificate matters.

WHEREAS, Intercoastal requests the Florida Public Service Commission hold a

formal administrative hearing on NUC's Application and Intercoastal's Objection and deny NUC's Application.

DATED this 30th day of June, 1999.



JOHN L. WHARTON, ESQ.
F. MARSHALL DETERDING, ESQ.
Rose, Sundstrom & Bentley, LLP
2548 Blirstone Pines Drive
Tallahassee, FL 32301
(850) 877-6555

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and accurate copy of the foregoing has been furnished by the method indicated below to the following on this 30th day of June, 1999.

Richard D. Melson, Esq.
Hopping, Green, Sams & Smith, P.A.
P.O. Box 6526
Tallahassee, FL 32301

Via U.S. Mail

Samantha Cibula, Esq.
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Via U.S. Mail



John L. Wharton, Esq.

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