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September 20, 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

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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 original and fifteen copies of Florida Water's Motion for Continuance.

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

KAH/rl

3 Enclosures

cc: Counsel of Record
Bayo.919

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DOCUMENT NUMBER-DATE

11796 SEP 20 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 20, 2001

**FLORIDA WATER SERVICES CORPORATION'S
MOTION FOR CONTINUANCE**

Florida Water Services Corporation ("Florida Water"), by and through its undersigned counsel, and pursuant to Rule 28-106.210, Florida Administrative Code, hereby moves for a continuance of the final hearing in this cause. In support of this motion, Florida Water states as follows:

1. Over the course of the last week, ALLETE Corporation, a diversified industrial services company headquartered in Duluth, Minnesota, and the parent company of ALLETE Water Services which is in turn the parent company of Florida Water, has implemented significant changes in the management and direction of Florida Water. Specifically, ALLETE has appointed a new slate of officers, including a new president, chief operating officer and chief financial officer for Florida Water. In addition, ALLETE Corporation has directed its water and wastewater operating companies, including Florida Water, to actively engage in efforts and negotiations to sell their water, wastewater and reuse systems, including the water, wastewater and reuse systems owned by Florida Water and regulated by the Commission.

2. As a result of these changes, Florida Water is now without two material witnesses who have prefiled direct and rebuttal testimony in this proceeding - - John Cirello, the former president of Florida Water, and Jim Perry, the former chief financial officer of Florida Water. Absent a stipulation to insert the testimony of these witnesses into the record, Florida Water will

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FPSC-COMMISSION CLERK

need to explore potential alternatives for submitting additional testimony or having the testimony of these two witnesses adopted, if appropriate, by another individual at Florida Water.

3. As previously indicated, Florida Water will now be focusing its resources primarily on the sale of its water, wastewater and reuse systems, including its customers, assets and related facilities, to another utility. This will be a monumental effort which will consume the existing resources and personnel of the company. These efforts will initially focus on the viability and feasibility of a comprehensive sale of all of Florida Water's systems (FPSC jurisdictional and non-jurisdictional) to a governmental authority. Florida Water anticipates that it will reach agreement on the sale of its systems by approximately June 1, 2002.

4. If Florida Water sells its systems to a governmental authority, such sale is to be approved as a matter of right under Section 367.071(4)(a), Florida Statutes. Accordingly, if the sale is consummated by June 1, 2002, or even within a reasonable time thereafter, the Commission will no longer have jurisdiction over Florida Water, and the outcome of this docket - - whether it be before the Commission or on appeal at the time the sale is approved by the Commission - - will be rendered moot.

5. If, on the other hand, Florida Water's systems are sold to another Commission regulated privately owned water and wastewater utility, then the issues raised in this proceeding remain intact and would require resolution by the Commission and, in all likelihood, by an appellate court.

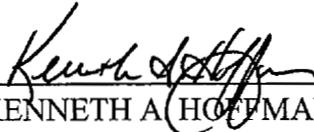
6. Given these recent changes in circumstances, Florida Water believes that the most appropriate and prudent course of action, and the action that would best conserve the resources of the parties and the Commission, would be to reschedule the final hearing date for January or

February, 2002. This would allow Florida Water a reasonable period of time to address how it will supplement, substitute for or otherwise deal with the testimony offered by Mr. Cirello and Mr. Perry in this proceeding while, at the same time, allow Florida Water to undertake the enormous amount of work involved in the negotiation and sale of Florida Water. More importantly, after a period of three months, Florida Water reasonably believes that sufficient progress toward a sale of the utility will have occurred and that Florida Water will have identified the potential purchaser of the company. Again, if that purchaser is a governmental authority, Florida Water believes there would be no need to move forward and incur the time and expense associated with this proceeding. If the purchaser is an investor-owned utility, the one day hearing in this case could be rescheduled as soon as possible after January 1, 2002.

7. Counsel for Florida Water has conferred with the Office of Public Counsel (“OPC”) and is authorized to represent that OPC takes no position on this Motion.

WHEREFORE, in light of the foregoing, Florida Water respectfully requests that the Prehearing Officer grant a continuance of the hearing in this cause, and require Florida Water to file a report with the Commission on December 19, 2001, addressing the status of its efforts toward a sale of its utility systems. Florida Water would further request that the final hearing be rescheduled for one day in January or February, 2002, in the event there is not significant progress towards a sale or it appears from Florida Water’s status report that the sale will be made to a privately owned entity.

Respectfully submitted,



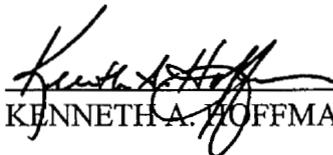
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished by hand delivery to the following this 20th day of September, 2001:

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