FLORIDA PUBLIC SERVICE COMMISSION
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M E M O R A N D U M

JULY 24, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF WATER & WASTEWATER (WILLIS, AMAYA, BINFORD, CHASE, J. CLARK, CROUCH, B.DAVIS, D. DAVIS, EDWARDS, FUCHS, GROOM, KAPROTH, LINGO, McROY, MERCHANT, MONIZ, MUNROE, RENDELL, RIEGER, VONFOSSEN, WALDEN, WEBB, XANDERS, ZHANG)
DIVISION OF AUDITING & FINANCIAL ANALYSIS (LESTER, C. ROMIG)
DIVISION OF LEGAL SERVICES (JABER, O'SULLIVAN, JAEGER, CAPELESS, PELLEGRINI)

RE: DOCKET NO. 950495-WS - SOUTHERN STATES UTILITIES, INC. - APPLICATION FOR RATE INCREASE AND INCREASE IN SERVICE AVAILABILITY CHARGES FOR ORANGE-OSCEOLA UTILITIES, INC. IN OSCEOLA COUNTY, AND IN BRADFORD, BREVARD, CHARLOTTE, CITRUS, CLAY, COLLIER, DUVAL, HIGHLANDS, LAKE, LEE, MARION, MARTIN, NASSAU, ORANGE, OSCEOLA, PASCO, PUTNAM, SEMINOLE, ST. JOHNS, ST. LUCIE, VOLUSIA, AND WASHINGTON COUNTIES.
COUNTIES: SEE ABOVE

AGENDA: JULY 31, 1996 - SPECIAL AGENDA - POST HEARING DECISION ON FINAL REVENUE REQUIREMENT - PARTICIPATION IS LIMITED TO COMMISSIONERS AND STAFF

CRITICAL DATES: 8-MONTH STATUTORY DEADLINE: MAY 6, 1996
12-MONTH STATUTORY DEADLINE: AUGUST 2, 1996

SPECIAL INSTRUCTIONS: FILE NAME: I:\950495A.RCM

ISSUE 5 SHOULD BE ADDRESSED WITH ISSUE A
ISSUE 41 SHOULD BE ADDRESSED WITH ISSUE 16
ISSUES 76 AND 75 SHOULD BE CONSIDERED BEFORE ISSUE 72 IN THAT ORDER
ISSUE 145 SHOULD BE CONSIDERED BEFORE ISSUE 42

DOCUMENT NUMBER-DATE
07753 JUL 24 96
FPSC-RECORDS/REPORTING

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ACCOUNTING SCHEDULES

1 Cost of Capital Schedules
2 Revenue Requirement Summary Schedule
3 Individual Rate Base Schedules
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CASE BACKGROUND

Southern States Utilities, Inc. (SSU or utility) is a Class A utility, which provides water and wastewater service to 152 service areas in 25 counties. In 1994, the utility recorded total company operating revenues of $23,498,289 and $16,985,104 for water and wastewater, respectively. The resulting total company net operating income for that same period was $3,445,315 for water and $2,690,791 for wastewater. In 1994, SSU reports that it had 102,514 and 43,131 respective water and wastewater customers for the total company.

On June 28, 1995, SSU filed an application for approval of uniform interim and final water and wastewater rate increases for 141 service areas in 22 counties, pursuant to Sections 367.081 and 367.082, Florida Statutes. The utility also requested a uniform increase in service availability charges, approval of an allowance for funds used during construction (AFUDC) and an allowance for funds prudently invested (AFPI). August 2, 1995, has been established as the official date of filing.

The utility's application for increased final water and wastewater rates is based on the projected twelve-month period ending December 31, 1996. In its filing, the utility states that the rate increase is necessary because the utility did not earn a fair and reasonable rate of return on its investment. The utility has requested the Commission grant a rate of return of 10.32 percent, which would result in additional operating revenues of $18,137,502 for the utility's combined water and wastewater operations.

The Office of the Public Counsel (OPC); the Sugarmill Woods Civic Association, Inc. (Sugarmill Woods); the Spring Hill Civic Association, Inc. (Spring Hill); the Marco Island Civic Association, Inc. (Marco Island); Amelia Island Community Association, Residence Condominium, Residence Property Owners Association, Amelia Surf and Racquet Property Owners Association and Sandpiper Association (Nassau Associations or Nassau); the Concerned Citizens of Lehigh Acres (Lehigh Acres); and the Harbor Woods Civic Association (Harbor Woods) intervened in this docket prior to the commencement of the technical hearing.

On November 1, 1995, the Commission issued Order No. PSC-95-1327-FOF-WS which denied SSU's initial request for interim rate relief based on a projected test year, suspended the proposed final rates, and allowed the utility to file another petition for interim rates. SSU filed its supplemental petition for interim revenue

relief on November 13, 1995. By Order No. PSC-96-0125-FOF-WS, issued January 25, 1996, the Commission granted interim rates for the utility based upon the historical test year ended December 31, 1994. The order required SSU to collect the interim rate increase under guarantee subject to refund with interest.

On March 12, 1996, OPC, Marco, et al, and Nassau Associations filed a motion to dismiss this rate case. On March 25, 1996, Citrus County filed a motion to dismiss. At its April 16, 1996, Agenda Conference, the Commission voted to consider the motions to dismiss after the evidentiary hearing.

The Commission conducted 24 customer service hearings throughout the state over several months. Commissioner Diane K. Kiesling, as Prehearing Officer, conducted a Prehearing Conference in this matter on April 19, 1996. The technical hearing was conducted on April 29 through May 10, 1996.

The Commission made several rulings from the bench during the course of the technical hearing. The Commission granted the written petitions to intervene filed by Hidden Hills Country Club Estates Homeowners Association (Hidden Hills) and Citrus Park Homeowners Association (Citrus Park). The Commission granted SSU's 12th Motion for a Temporary Protective Order, filed on April 22, 1996, took official recognition of several documents, denied OPC's oral motion for reconsideration of the Prehearing Officer's ruling which denied OPC's request to include a Palm Coast acquisition as an issue, denied SSU's oral motion to quash the subpoena of Charles Sweat, and granted OPC's motion to strike the testimony of Brian Broverman. On May 3, 1996, Marion Oaks Homeowners Association (Marion Oaks), the City of Keystone Heights (Keystone Heights) and Burnt Store Lakes (Burnt Store) made an oral motion to intervene in this proceeding. The motion was granted, with those parties limited to participating in rate structure and service availability issues. On May 10, 1996, the Marco Island Civic Association, Inc., filed a notice of successor party indicating that the Marco Island Fair Water Defense Fund Committee, Inc., would take the place of the Marco Island Civic Association, Inc. On the same date, that notice was acknowledged. For purposes of consistency, staff has referred to the successor party in this recommendation as Marco Island.

On May 23, 1996, the parties filed a joint request for extension of time to file briefs. That motion was granted by Order No. PSC-96-0715-PCO-WS, issued May 28, 1996, which extended the filing deadline until June 10, 1996. Marco Island, Sugarmill Woods, Lehigh Acres, East County, Citrus County, Springhill, Hidden

Hills, Citrus Park and Harbor Woods filed a joint post-hearing document. That document referred to those parties collectively as "Consumer Parties." However because those parties had been referred to as Marco, or Marco, et al, throughout these proceedings, staff has retained those designations for this recommendation. Marco et al's post hearing filing failed to conform with Commission rules and the order establishing procedure, and was stricken with leave to refile by Order No. PSC-96-0821-PCO-WS, issued June 25, 1996. Marco et al filed an amended joint post hearing brief on June 28, 1996, which conformed with the requirements.

This recommendation addresses all issues related to the revenue requirement of SSU (Issues 1-116, 145), the March 12, 1996 and March 25, 1996 motions to dismiss, and SSU's April 29, 1996, motion for attorney's fees and costs from OPC and specific intervenors. A second recommendation addressing rates, rate structure and service availability (Issues 117-144), will be filed on August 8, 1996, to be addressed at an August 15, 1996, Special Agenda Conference.

Citrus County did not file a brief or participate in the technical hearing. Instead, Citrus County notified the Commission that it has adopted the positions of OPC. Because Keystone Heights, Marion Oaks and Burnt Store have been limited to participation in rate issues, those parties will not be listed in the Issues portion of this recommendation.

Approved Stipulations

The Commission found that several stipulations reached by parties were reasonable and accepted the stipulated matters set forth below. The original issue number is indicated in parenthesis after each stipulation.

1. The River Park facilities have been transferred to a homeowners association and should be removed from consideration in this docket. The common costs previously allocated to customers in the River Park service area should be reallocated to SSU's remaining customers. (portion of Issue 1)

2. The original cost of Lehigh land for parcels 1, 2, and 3 should be considered plant held for future use. Lehigh land should be reduced by $120,840 and $260,562 for water and wastewater, respectively. (Staff Audit Disclosure No. 2) (portion of Issue 6)

3. If margin reserve is included in the calculation of used and useful, the appropriate method for calculating margin reserve is the use of linear regression when an "r-squared" value of 0.7 or more is achieved; or, where that value is less than 0.7 using the average of five years' data. (Issue 19)

4. Water accumulated amortization of CIAC for Deltona Lakes should be reduced by $10,451 as set forth in Audit Exception No. 7. (Issue 52)

5. Commission policy has been to exclude interest income and interest bearing accounts for ratemaking purposes. In accordance with Commission policy, the accrued interest receivable account should be excluded. An adjustment should be made to reduce the working capital allowance by $204,043 in order to remove the balance recorded in the accrued interest receivable account, in accordance with Audit Disclosure 12. (Issue 54)

6. The balance recorded in the miscellaneous current assets account relates to possible acquisition costs and should not be included in the working capital calculation. An adjustment should be made to reduce the working capital allowance by $145,972 in order to remove the balance recorded in this account. (Issue 60)

7. The cost of variable debt should be based on interest rates that are current at the time of the hearing. If variable cost debt has changed as of the date of the hearings and evidence can be obtained verifying this fact, the new cost of debt may be used. (Issue 64)

8. For those plants included in Docket No. 920199-WS, projected test year revenues should be determined using the modified stand alone rates approved in Order No. PSC-95-1292-FOF-WS, issued on October 19, 1995. (Issue 71)

9. An adjustment should be made to reallocate the salary of SSU's president pursuant to Audit Disclosure No. 16 in the following manner:

SSU, President	70%
Heater Utilities, CEO	15%
Minnesota Power, Exec. VP and member BODs	
Topeka Group	15%

Salaries and wages should be decreased by $40,923. Corresponding adjustments should be made to decrease pensions and benefits and workman's compensation by $10,227 and $700 respectively. (Issue 78)

10. The proper accounting treatment for salaries of officers and directors is NARUC Account Nos. 603 and 703 on a going-forward basis. (Issue 79)

11. The utility projected 1996 O&M expenses to include an attrition adjustment of 5.87% to the 1995 labor budget. This adjustment was calculated in error and should have been 5.75%. If the utility's 1996 salary and wage attrition adjustment is granted, what adjustments should be made to reduce the utility's projected 1996 O&M salary expenses and projected 1996 capitalized labor costs by $13,964 and $2,800, respectively, to reflect the correct attrition adjustment. (Issue 81)

12. Budgeted overtime labor related to the rate case should be removed from salaries expense and included in rate case expense. (Issue 85)

13. If the Commission determines in Issue 1 that the Enterprise facilities should remain in this docket, projected 1996 purchased water expenses for Enterprise should be reduced by $22,753. (Audit Disclosure No. 9) (Issue 89)

14. The $9,670 incurred for the Hurricane Preparedness Program is a nonrecurring expense and should be amortized over five years. Water material and supplies expenses should be reduced by $7,736. The unamortized portion should be included in working capital. (Audit Disclosure 10) (Issue 91)

15. Property tax expense should be reduced by $108,331 to reflect discounts received on property taxes. (Issue 109)

16. The appropriate AFUDC annual and monthly rates are subject to the resolution of the issue regarding the overall cost of capital. The effective date of the AFUDC charge should be January 1, 1997, the month following the end of the period used to determine the AFUDC rate, pursuant to Rule 25-30.116, Florida Administrative Code. (portion of Issue 141)

17. With regard to compliance with Rule 25-30.450, Florida Administrative Code and Audit Exception No. 1, SSU agrees to record Commission adjustments on its books and records, and that MFRs should begin with the utility book balances. For future rate

cases, all adjustments to these balances should be made after the per book column in the MFRs. (Issue 144).

18. The primary purpose of the DEP/HRS witness testimony was to address the utility's compliance with state regulations for water and wastewater facilities. As such, these witnesses did not review the transcripts of the service hearings held in this case, review the specific service complaints raised by customers at those hearings or review the service complaints contained in letters sent to the Commission concerning this case which have been placed in the correspondence file maintained by the Division of Records and Reporting. As of March 31st, 1996, over 4,000 letters have been sent to the Commission concerning this case and have been placed in the correspondence side of the file.

Abbreviations and Technical Terms

The following is a list of acronyms and technical terms which have been used in the recommendation.

COMPANY AND PARTY NAMES

COVA	Cypress and Oak Villages of Homasassa
DUI	Deltona Utilities, Inc.
FPSC	Florida Public Service Commission
LAC	Lehigh Acquisition Corporation
MP&L	Minnesota Power and Light Company
OPC	Office of Public Counsel
OOU	Orange Osceola Utility
SSU	Southern States Utilities, Inc.
TGI	Topeka Group, Inc.

TECHNICAL TERMS:

ADIT	Accumulated Deferred Income Taxes
AFPI	Allowance for Funds Prudently Invested
AFUDC	Allowance for Funds Used During Construction
AWWA	American Water Works Association
BFC	Base Facility Charge
CIAC	Contributions in Aid of Construction
CWIP	Construction Work in Progress
DEP	Department of Environmental Protection
EPA	Environmental Protection Agency
ERCs	Equivalent Residential Connections
FAC	Florida Administrative Code
FASB	Financial Accounting Standards Board
GPD	Gallons per Day

GPM	Gallons per Minute
I&I	Infiltration and Inflow
ITCs	Investment Tax Credits
LAC	Lehigh Acquisition Corporation
LUI	Lehigh Utilities, Inc.
MCLs	Maximum Contaminant Levels
MFRs	Minimum Filing Requirements
MGD	Million Gallons per Day
NWFWMD	Northwest Florida Water Management District
PDA	Parent Debt Adjustment
PHFU	Plant Held for Future Use
PS&I	Preliminary Survey and Investigations
SFAS	Statements of Financial Accounting Standards
SFWMD	South Florida Water Management District
SJRWMD	St. Johns River Water Management District
SRWMD	Suwannee River Water Management District
SWFWMD	Southwest Florida Water Management District
T&D	Transmission and Distribution System
TDS	Total Dissolved Solids
UFW	Unaccounted for Water
UPIS	Utility Plant In Service
WRCA	Water Resource Caution Area
WTP	Water Treatment Plant
WWTP	Wastewater Treatment Plant

DISCUSSION OF ISSUES
ISSUES A AND 5 HAVE BEEN COMBINED

ISSUE A: Should the Commission grant the Intervenors' Motions to Dismiss?

ISSUE 5: Has there been misconduct or mismanagement on the part of SSU, and, if so, what is the appropriate sanction or remedy?

STAFF RECOMMENDATION: The Intervenors' motions to dismiss should be denied. However, the Commission should find that there has been some level of misconduct by SSU, for which SSU should be sanctioned by a 100 basis point reduction to its return on equity. (JABER, WILLIS)

POSITION OF THE PARTIES:

ISSUE A:

This issue results from the Commission's deferred ruling on intervenors' motions to dismiss. The position of the parties is described below in staff's analysis.

ISSUE 5:

SSU: No. There has been no evidence of SSU mismanagement or misconduct.

MARCO ET AL: SSU aggressively complained to the Governor's Office (Appointing Authority) and members of the Senate (Confirming Authority) about its treatment by the PSC and saw these complaints directly communicated to the PSC. The activities were designed to coerce the PSC and deny parties due process. The case should be dismissed.

NASSAU ASSOCIATIONS: Yes. There has been both misconduct and mismanagement on the part of SSU and they should be penalized by dismissal of the case.

OPC: SSU tried to intimidate the Commission and deny parties due process by soliciting communications concerning the case from members of the executive and legislative branches of government. The company remains remorseless to this day. The case should be dismissed.

STAFF ANALYSIS: On March 12, 1996, OPC, Marco et al, and Nassau Associations, hereinafter referred to, in this issue, as "intervenors," filed a motion to dismiss this rate case. On March 25, 1996, Citrus County filed its Motion to Dismiss. On March 19, 1996, SSU filed a response to the first Motion to Dismiss.

The two motions to dismiss were originally considered at the April 16, 1996 Agenda Conference. At that agenda conference, the Commission decided to defer ruling on the intervenors' motions to dismiss until after the evidentiary hearing, but further voted to allow the addition of an issue and the presentation of evidence at the technical hearing on whether there has been misconduct or mismanagement on the part of SSU, and, if so, what would be the appropriate sanction or remedy. These decisions were memorialized by Order No. PSC-96-0624-FOF-WS, issued May 9, 1996. The first portion of Staff's analysis discusses the motions to dismiss using the legal standard found in case law. The second portion of Staff's analysis addresses the evidence presented in the record regarding Issue 5 and the remedies requested by the intervenors in their brief.

Motions to Dismiss

In their motions, the intervenors list three separate instances of alleged misconduct. These are: (1) soliciting ex parte communications intended to influence the Commission; (2) interference with the notice to customers; and (3) interference with the Citizens' right to counsel.

Soliciting Ex Parte Communications

The intervenors allege that SSU's actions in securing the letters from the Lieutenant Governor and the Secretary of Commerce constitute a deliberate and contumacious disregard of the Commission's authority. Citing the cases of Belflower v. Cushman & Wakefield of Florida, Inc., 510 So. 2d 1130, 1131 (Fla. 2d DCA 1987); Morales v. Perez, 445 So. 2d 393 (Fla. 3d DCA 1984); Merrill Lynch Pierce Fenner & Smith, Inc., v. Haydu, 413 So. 2d 102 (Fla. 3d DCA 1982); Watson v. Peskoe, 407 So. 2d 954, 956 (Fla. 3d DCA 1981); Section 367.121(1)(g), Florida Statutes, and Rule 25-22.034, Florida Administrative Code, the intervenors note that the Commission certainly has the power to dismiss for discovery abuses.

The intervenors allege that the actions of SSU amount to an attempt by SSU to gain an advantage through outside influence and that such attempts subvert the fundamental notion of a fair process, as well as deprive the parties of due process. According

to intervenors, such actions are far more egregious than any discovery abuse, and that "[t]he rule of law demands that such behavior be answered with grave consequences," i.e., dismissal. The intervenors assert that the letters to the Chairman are ex parte communications and cite to Jennings v. Dade County, 589 So. 2d 1337, 1341 (Fla. 3d DCA 1991) for the proposition that "upon the aggrieved party's proof that an ex parte contact occurred, its effect is presumed to be prejudicial unless the defendant proves the contrary by competent evidence."

In its response, SSU argues that the two letters are not ex parte communications, that the letters contain no information relevant to the merits of this proceeding, that even though the letters are not ex parte communications, Chairman Clark followed the appropriate procedures set out in Section 350.042, Florida Statutes, and that Subsection 350.042(4), Florida Statutes, requires a response within 10 days and provides for the available remedy of withdrawal if that is the only way to eliminate the effect of an ex parte communication.

SSU further states that the Jennings case requires a party seeking to establish entitlement to a new hearing due to an ex parte communication to allege that the ex parte communication caused him prejudice; and that if prejudice is alleged and proven, the remedy is either a new hearing if a (tainted) hearing has been held, or a new commissioner or commissioners if a hearing has not been held, and not dismissal of a proceeding which has not yet reached the hearing stage. SSU further states that the goals of Section 350.042, Florida Statutes, and the Jennings case are to ensure that a party prejudiced by an ex parte communication receives a fair hearing before an unbiased tribunal with the due process protections provided under Chapter 120, Florida Statutes.

Notice to Customers and Citizens' Right to Counsel

Intervenors allege that SSU interfered with the notice to customers. The intervenors argue that the notice sent to customers pursuant to Rule 25-22.0407, Florida Administrative Code, is designed to apprise the party being "sued" of the nature of the suit and lets that party know the extent to which their interests may be affected. Intervenors allege that by sending the postcards inviting the customers to "an informative meeting with SSU representatives to discuss uniform rates," SSU has subverted the purpose of the second notice to customers.

The Intervenors also allege that at those meetings, SSU misrepresented that the revenue requirement was a foregone

conclusion and that the only issue affecting their rates in this case is the uniform rates versus stand-alone rates issue. The intervenors assert that these misrepresentations were designed to further deny customers their due process.

Intervenors also allege that SSU has interfered with the citizens' right to counsel. In addition to the actions described above, intervenors claim that SSU advised its customers that OPC had a conflict with representing the customers on the only important remaining issue in the case, i.e., uniform rates versus stand-alone rates. The intervenors state that the actions of SSU set out in these two claims is further misconduct and deprives parties of due process and shatters the fairness of the process.

With respect to these allegations, SSU responds that there were numerous inquiries from customers who were confused by the supplemental customer notice. Because of this confusion, SSU states that it elected to educate its customers about the ramifications of the different rate structures on potential rate increases. SSU further claims that pursuant to the holdings in Pacific Gas and Elec. Co. v. Public Utils. Comm'n of Cal., 475 U.S. 1 (1986) and a Kentucky Public Service Commission order which was attached to its response, that it has the constitutional right to communicate its views on substantive issues with its customers without interference from or granting an opportunity to OPC to respond.

Conclusion on Motions to Dismiss

Upon review of the relevant case law and past Commission decisions, Staff believes that the intervenors' motions to dismiss do not demonstrate a legal basis for dismissal. In Varnes v. Dawkins, 624 So. 2d 349, 350 (Fla. 1st DCA 1993), the Court stated that "[t]he function of a motion to dismiss is to raise as a question of law the sufficiency of facts alleged to state a cause of action." In Lewis v. Barnett Bank of S. Fla., 604 So. 2d 937, 938 (Fla. 3d DCA 1992), the Court states:

> the law is well settled that a motion to dismiss a complaint is not a motion for summary judgment in which the court may rely on facts adduced in depositions, affidavits, or other proofs. On a motion to dismiss, the trial court is necessarily confined to the well-pled facts alleged in the four corners of the complaint and contrary to the defendant's argument, is not authorized to consider any other facts, including as here, the sufficiency of the evidence which the plaintiff will

likely produce at trial or other claimed facts asserted by defense counsel relating to unpled affirmative defenses. See also, Holland v. Busch, Inc., 643 So. 2d 621 (Fla. 2d DCA 1994).

Staff has identified several problems with the intervenors' motions to dismiss. First, the allegations made by the intervenors are based upon facts which are in dispute. A review of facts and evidence or a determination on the evidence is not appropriate for ruling on motions to dismiss. The case law is clear that relying upon factual assertions made in a motion to dismiss constitutes an abuse of discretion. Varnes, 624 So. 2d at 350. "A motion to dismiss is customarily designed to test the legal sufficiency of a complaint to state a cause of action, not to determine issues of ultimate fact." (emphasis added) Holland, 643 So. 2d at 624 quoting Pizzi v. Central Bank and Trust Co., 250 So. 2d 895 (Fla. 1971). "In determining the sufficiency of the complaint, the trial court must not look beyond the four corners of the complaint, . . . nor consider any evidence likely to be produced by the other side." Varnes, 624 So. 2d at 350.

The three points raised by intervenors to support alleged misconduct are issues of ultimate fact. A motion to dismiss should not be granted unless the petitioner (SSU) fails to plead a cause of action upon which relief may be granted. That is, the Commission should dismiss the case only if SSU fails to plead a case that the Commission can address even if the Commission assumed that all facts pled in SSU's petition for rate relief are true. The facts set forth in SSU's petition for rate relief viewed in the light most favorable to SSU set forth a claim that is cognizable by the Commission under the provisions of Section 367.081, Florida Statutes. See Orders Nos. PSC-93-1395-FOF-EQ, issued September 23, 1993, PSC-94-1132-FOF-SU, issued September 14, 1994, and PSC-94-1350-FOF-EU, issued November 3, 1994.

Second, intervenors' reliance on Jennings is misplaced. Jennings was a zoning case in Dade County, in which the appellant filed an action for declaratory and injunctive relief in circuit court alleging that ex parte contacts denied him due process both under the United States and Florida Constitutions. The Court noted that the quality of due process required in a quasi-judicial hearing is not the same as that to which a party to a full judicial hearing is entitled. However, it went on to state that a quasi-judicial decision based upon the record is not conclusive if minimal standards of due process are denied. Ratemaking is a legislative function, rather than a judicial function. See Chiles v. Public Service Comm'n, 573 So. 2d 829, 832 (Fla. 1991.

Therefore, staff believes that Jennings is instructive but not controlling.

Third, the remaining cases cited by the intervenors relate to abuses of discovery and refusal to comply with discovery orders of the court. Where such actions amounted to a deliberate and contumacious disregard for the court's authority, the appellate courts have upheld dismissal. Further, Rule 25-22.034, Florida Administrative Code, cited to by the intervenors, concerns discovery and provides that sanctions for abuse of discovery may include the sanction of dismissal as authorized by Rule 25-22.042, Florida Administrative Code. According to Rule 25-22.042 (1), Florida Administrative Code, "[t]he failure or refusal of a party to comply with any lawful order may be cause for dismissing the party from the proceeding."

Finally, the intervenors cite to Section 350.042, Florida Statutes. However, they do not seek the remedy provided by that section. Sections 350.042(4) and (6), Florida Statutes, respectively, provide for the withdrawal of a commissioner (if he or she deems it necessary to eliminate the effect of an ex parte communication), or for his or her removal (if they fail to place on the record any such communication). Nowhere in Section 350.042, Florida Statutes, is there a provision for dismissal.

In consideration of the foregoing, Staff recommends that the intervenors' motions to dismiss be denied. In exercising its legislative function, the Commission chose to consider evidence on the allegation of misconduct and in the next portion of this combined issue, dismissal will be discussed in context of the record.

Misconduct or Mismanagement

In their brief on Issue 5, the intervenors discuss the three instances of alleged misconduct referenced above: (1) soliciting ex parte communications intended to influence the Commission; (2) interference with the notice to customers; and (3) interference with the Citizens' right to counsel.

OPC alleges that SSU's solicitation of the MacKay letter is tantamount to an attempt to influence the deliberations of a civil jury through the jurors' employers and that such conduct cannot be tolerated, requiring that the Commission dismiss this rate case. (BR 24) OPC additionally argues that certain actions and statements made by SSU were unwarranted interferences with the

supplemental service hearing notices and the customers' access to representation. (BR 24-26)

Marco et al assert that pursuant to Section 367.121(1)(g), Florida Statutes, the Commission is authorized to dismiss the rate case upon a finding of misconduct, and that, further, on the authority of Gulf Power Co. v. Wilson, 597 So. 2d 270 (Fla. 1992), the Commission may reduce the utility's authorized rate of return. In the event the Commission does not dismiss the rate case, Marco et al urge that the Commission reduce the utility's authorized rate of return by 100 basis points. (BR 25-26)

The Nassau Associations argue that SSU's actions in soliciting letters from legislators, the Lieutenant Governor, and the customers benefitting from uniform rates are clear misconduct and SSU should be penalized by dismissal of the case.

SSU contends that the letters from the Lieutenant Governor and Secretary Dusseau to Chairman Clark do not comment on the merits of this proceeding, and therefore, are not ex parte communications. Further, SSU argues that if the Commission believes the letters are ex parte communications, the remedy provided by Section 350.042(1), Florida Statutes, is the withdrawal of a commissioner. (BR 9)

Chairman Clark received a letter from Lieutenant Governor MacKay dated December 21, 1995, (EXH 66), to which was attached a letter from Arend Sandbulte, Chairman and CEO of Minnesota Power, to Governor Chiles dated November 21, 1995. (EXH 66) She also received a letter from Charles Dusseau, Secretary of Commerce, dated January 2, 1996, written with reference to the same Sandbulte letter. (EXH 66) By memoranda dated December 28, 1995, and January 3, 1996, Chairman Clark placed the letters in the record of this proceeding pursuant to Section 350.042, Florida Statutes. (EXH 66)

Witness Sandbulte testified that he wrote the beginning and ending paragraphs of the letter to Governor Chiles dated November 21, 1995. The second page of the letter was written by SSU. (TR 206) In the letter, Mr. Sandbulte complains strongly about the Commission's "regulatory treatment" of SSU, particularly, the Commission's decision (Order No. PSC-95-1292-FOF-WS) upon the mandate of the First District Court of Appeal in Docket No. 920199-WS. In the letter, Witness Sandbulte states that "an inconsistent and problematical FPSC decision-making process and record" has forced the company to fight "not to be driven from Florida." Mr. Sandbulte concludes the letter by saying, "We will continue our

efforts to get fair treatment from the FPSC directly or, if it's not forthcoming from them, through the courts." (EX 66)

Witness Sandbulte testified that he had asked Governor Chiles to help fix the "public-private partnership," which Mr. Sandbulte charged was "just not working" in Florida. (TR 213) Mr. Sandbulte testified that he was not addressing the pending proceeding in the letter (TR 216); and he further testified that he did not inform the Governor that SSU had a pending rate case before the Commission. (TR 217)

Witness Sharkey, employed by Capital Strategies, Inc., testified that his firm is retained by SSU for purposes of participating in the development of water policy in Florida. (TR 586) On August 30, 1995, Mr. Sharkey arranged a meeting for John Cirello, Brian Armstrong, and Tracy Smith of SSU with Lieutenant Governor MacKay, Karl Koch, the Lieutenant Governor's chief-of-staff, and Estus Whitfield, the environmental policy coordinator in the Governor's Office. (TR 589-90, EXH 84) Witness Sharkey testified that the purpose of the meeting was to introduce Mr. Cirello to Lieutenant Governor MacKay, to permit Mr. Cirello an opportunity to explain the utility's interests in providing water and wastewater services, and to permit the Lieutenant Governor and his staff an opportunity to brief the SSU people on "the direction water policy was taking at the state." (TR 590) He testified that he did not recall whether SSU's present rate increase application was discussed in this meeting; (TR 591) however, Witness Sharkey was aware that SSU had a pending rate case. (TR 598)

Witness Sharkey testified that on December 13, 1995, he faxed to Karl Koch, the Lieutenant Governor's Chief of Staff, a draft letter addressed to Chairman Clark from the Lieutenant Governor. In the facsimile, Mr. Sharkey requests that the Lieutenant Governor send "a letter to this effect" to the Chairman. (TR 599-601, EXH 86) Mr. Sharkey testified that the draft letter, addressed to Chairman Clark, was not written with respect to any issues in this proceeding, and stated that it was meant rather to elicit information from the Commission concerning SSU's financial situation in order to respond to Mr. Sandbulte. (TR 606-07, 610-11, 628) As noted earlier, the Lieutenant Governor sent a letter dated December 21, 1995, to Chairman Clark without substantial change from the Sharkey draft language, attaching the Sandbulte letter and SSU "bullet sheet" entitled "Financial Impact of FPSC Order." (TR 600-01, EXH 66, 86)

Witness Sharkey testified that, on December 13, 1995, he also faxed a draft letter to Secretary of Commerce Dusseau, addressed to

Chairman Clark over the Secretary's signature, asking the Secretary if he would send it to the Chairman. (TR 613-14, EXH 87) In Mr. Sharkey's facsimile cover sheet message, he characterized the financial situation of SSU as "critical." (TR 614, EXH 87) Mr. Sharkey testified that he later talked about SSU's situation with the Secretary, pointing out to him that Minnesota Power has a "major" investment in Florida, that SSU is trying to provide quality wastewater and water treatment service centers, and that SSU is having financial problems and Minnesota Power may withdraw their investment from the state. (TR 615) As noted earlier, the Secretary sent a letter to Chairman Clark dated January 2, 1996, with language considerably revised from that proposed by Mr. Sharkey. (EXH 66, 88)

Mr. Sharkey testified that the draft letter for Secretary Dusseau was not sent to Chairman Clark in connection with the present proceeding, but that Mr. Sharkey was concerned with the company's earnings level and with whether the Commissioners had been adequately apprised by its staff of the economic impact of their decisions involving SSU. (TR 616-17, 628) Mr. Sharkey testified that he did not know that the Commission was to decide SSU's second interim rate request in this proceeding at the January 4, 1996 Agenda Conference, but he acknowledged that the facsimile cover sheet message forwarding a revised version of the Dusseau letter to the Secretary's executive secretary, Stephanie Smith, contained the notation in handwriting, "Deadline is Jan. 3rd." (TR 619-620, EXH 88) Ms. Smith testified that Mr. Sharkey's office advised her that "we need to have it [the letter from the Secretary] by January 3rd," and that she then made the notation in question for her purposes. (EXH 184 at 7)

Witness Tracy Smith testified that, since SSU's filing of this rate case, he had asked several members of the Legislature to contact the Commission regarding uniform rates. (TR 3162) Witness Smith testified that he contacted Representatives Smith, Couch and Kelly, (TR 3165), and Senator Johnson. (TR 3168) Mr. Smith drafted a letter for Representative Couch (TR 3165), Senator Johnson, (TR 3172, EXH 189), and furnished background information to Representative Smith. (TR 3171-72) Mr. Smith testified that he thought Senator Johnson had not used the draft letter he prepared (TR 3169, 3195), and that he did not know whether Representative Couch had used the draft letter he prepared for him. (TR 3165) Mr. Smith testified that he approached these legislators in connection with the Commission's mandate compliance order in Docket No. 920199-WS. (TR 3166-67) He acknowledged that the question of uniform rates was pending in the remand docket, as well as the pending rate case. (TR 3166)

Section 120.66(1), Florida Statutes, provides that in any proceeding under Section 120.57, Florida Statutes, "no ex parte communication relative to the merits ... shall be made ... to the hearing officer by ... a party to the proceeding...." While the communications at issue cannot be said to have been literally made by a party to this proceeding, Staff believes the record evidence readily supports the conclusion that SSU actively solicited the communications to Chairman Clark from Lieutenant Governor MacKay and Secretary Dusseau through the efforts of its agent, Mr. Sharkey. The communications were made on the instigation of SSU. It is also clear from the record evidence that Mr. Smith actively, although apparently unsuccessfully, solicited similar communications from members of the Legislature. Upon review of Exhibit 66, which contains the letters from the Lieutenant Governor and Secretary Dusseau, Staff believes that the letters do relate to the merits of both pending proceedings. Staff believes that the Chairman correctly treated the letters as ex parte communications pursuant to Section 350.042, Florida Statutes. It is correct that Section 350.042, Florida Statutes, provides that the remedy for ex parte communications is withdrawal of the Commissioners. However, that is not the relief sought in this instance. Here, intervenors use the solicitation of the ex parte letters, the letters themselves, and the testimony to allege that there is misconduct and/or mismanagement by SSU for which dismissal of the case is warranted. As support therefor, intervenors cite Section 367.121(1)(g), Florida Statutes, and Gulf Power.

Section 367.121(1)(g), Florida Statutes, states that, [i]n the exercise of its jurisdiction, the commission shall have power to exercise all judicial powers, issue all writs, and do all things necessary or convenient to the full and complete exercise of its jurisdiction and the enforcement of its orders and requirements (emphasis added).

In Gulf Power, supra, this Commission found that the utility had been mismanaged through various instances of misconduct and, accordingly, reduced the utility's authorized return on equity by fifty basis points, to 12.05%, for two years. The Commission determined that Gulf Power's reasonable rate of return lay between 11.75% and 13.50% and then set its rate of return at 12.55%. Gulf Power asserted that this penalty was not authorized by statute and was constitutionally infirm. The Supreme Court stated that what constitutes a fair rate of return for a utility depends upon the facts and circumstances of each utility, and that it has expressly recognized that the Commission must be allowed broad discretion in setting a utility's appropriate rate of return. Gulf Power, 597 So. 2d at 273. The Court held that the Commission's adjustment of

Gulf Power's rate of return within the fair rate of return range falls within those powers expressly granted by statute or by necessary implication, and that inherent in the authority to adjust for management efficiency is the authority to reduce the rate of return for mismanagement, as long as the resulting rate of return falls within the reasonable range set by the Commission. Id. See, United Tel. Co. v. Mann, 403 So. 2d 962, 966 (Fla. 1981).

Staff believes that the record is clear that Messers. Sandbulte, Sharkey, and Smith knew that SSU had a pending rate case which involves a uniform rate structure issue. (TR 623-624) The record is also clear that they had knowledge that the remand decision was pending which also involved a uniform rate structure issue. Even if the Commission accepts that the letters drafted for and sent by the Lieutenant Governor and Secretary Dusseau were related to Docket No. 920199-WS, Staff believes that there is no importance to which docket the correspondence relates because both dockets were pending. Staff believes that SSU's actions do, in fact, rise to the level of mismanagement. The utility ought to have made it perfectly clear to those whom it solicited that the Commission had pending before it the utility's application for a rate increase. The utility's failure to disclose that information is improper and misleading.

By letter dated March 20, 1996 to Mr. Sandbulte, the Lieutenant Governor expresses his displeasure with SSU's neglect to inform him of the pending rate case. The Lieutenant Governor states, "it seems that there is far more to these issues than either your or your representatives indicated to my staff and me. To begin with, your letter neglected to mention that the matter at hand was a contested issue before the Florida Public Service Commission (PSC)." The Lieutenant Governor goes on to accept full responsibility for his Staff's sending the letter without researching the problem thoroughly. (EXH 60) However, the fact remains that the Lieutenant Governor was not informed by SSU of the pending rate case. (TR 216-218) SSU, through Mr. Sharkey, provided the Lieutenant Governor with limited information and requested that he send the letter they drafted to Chairman Clark. This was improper as the letter has the appearance of intimidation.

For example, in the Lieutenant Governor's letter, he writes that he has had several conversations with Mr. Cirello concerning the state's water policy, that he received a copy of the Sandbulte letter, and that he "would be very concerned if we were to place in serious financial jeopardy a unique private water utility that is providing quality water and wastewater treatment facilities throughout the state." (EX 66) He concludes the letter by asking

Chairman Clark for "any information you might be able to provide me on the overall economic and financial consequences facing SSU as outlined in the attached letter [the Sandbulte letter] so I can respond to Mr. Sandbulte's concerns." Id.

In Secretary Dusseau's letter, he first acknowledged that he had received a copy of the Sandbulte letter to Governor Chiles. Next he lauded the efforts of the Commission and the Chairman in working with Commerce on the economic development expenditures and telephone area code issues. Expressing concern that even regulated companies should have to operate in an "unpredictable environment," causing them to rethink their presence in Florida, the Secretary wrote that he had instructed his staff to consult with the Commission staff to determine the reasoning behind the Commission's order [Order No. PSC-95-1292-FOF-WS], and what recourse, if any, might be available to SSU. Id.

Although the letter drafted for Senator Johnson (EXH 189) was not sent to Chairman Clark, it also demonstrates SSU's misconduct. In that letter, Mr. Smith uses the following phrases: "Yet, seemingly without consideration for the public;" "Your actions are unthinkable and indefensible from a public policy standpoint;" and "I implore you to take into account the plight of the affected citizens and reconsider your decision." The language in that letter drafted for a Senator to send to the Chairman requests action on a pending matter.

Accordingly, Staff recommends that the Commission reduce the utility's return on equity by 100 basis points. The effect will be a reduction to the utility's ROE from 11.88% to 10.88%. The appropriate ROE is discussed in Issue No. 66.

With respect to the allegations of interference with the notice to customers and the citizens' right to counsel, Staff believes that such action does not rise to the level of misconduct. In the Pacific Case, the California Public Utilities Commission attempted to require the utility to allow a consumer group to place its opposing point of view in a bill stuffer that the utility sent out. While the United States Supreme Court was divided in its views, the majority opinion stated that the utility "'might well conclude' that, under these circumstances, 'the safe course is to avoid controversy,' thereby reducing the free flow of information and ideas. Miami Herald Publishing Co. v. Tornillo, 418 US 241, 257 41 L ed 2d 730, 94 S Ct. 2831." In Pacific Gas, the United States Supreme Court went on to say:

> The constitutional guarantee of free speech 'serves significant societal interests' wholly apart from the speaker's interest in self-expression. . . . By protecting those who wish to enter the marketplace of ideas from government attack, the First Amendment protects the public's interest in receiving information. . . . The identity of the speaker is not decisive in determining whether speech is protected. Corporations and other associations, like individuals, contribute to the 'discussion, debate, and the dissemination of information and ideas' that the First Amendment seeks to foster. . . . Thus, in Bellotti, we invalidated a state prohibition aimed at speech by corporations that sought to influence the outcome of a state referendum.
>
> Similarly, in Consolidated Edison Co. v. Public Service Comm'n of NY, 447 US 530, 544, 65 L Ed 2d 319, 100 S Ct 2326 (1980), we invalidated a state order prohibiting a privately owned utility company from discussing controversial political issues in its billing envelopes. In both cases, the critical considerations were that the State sought to abridge speech that the First Amendment is designed to protect, and that such prohibitions limited the range of information and ideas to which the public is exposed.

Pursuant to the above case, staff believes that SSU has a constitutional right to discuss controversial issues with its customers, and that this right is not abrogated just because there is a rate case being litigated. As noted in Issue 2 above, and in the Chiles case, ratemaking is a legislative function. In setting rates, and acting in a legislative manner, the Commission must make many policy decisions that will affect the public interest. As stated in Pacific Gas, the range of information and ideas to which the public is exposed should not be unduly limited. By the customers hearing all sides of the issues, and then being given an opportunity to address the Commission, the Commission can itself be better informed and better able to make the policy decisions that it must make.

Further, in State v. Globe Communications Corporation, 622 So. 2d 1066, 1077 (Fla. 4th DCA 1993), the Fourth District Court of Appeal discussed the First Amendment and the rights of free speech, and specifically said:

> Because of the obvious importance of the free exchange of information in a democratic society, the First Amendment strictly limits any government activity that might impede that exchange. While the right of free speech is not absolute, the United States Supreme Court has permitted restrictions on its exercise only to the extent that the restrictions are narrowly tailored to serve identifiable and compelling state interests. In other words, the state must have a very good reason to restrict speech of any kind, and even then must be careful that its restriction is narrowly crafted and contains only those provisions necessary to serve its limited purpose. E.g., Clark v. Community for Creative Non-Violence, 468 U.S. 288, 293, 104 S. Ct. 3065, 3069, 82 L.Ed.2d 221 (1984) (government may impose reasonable restrictions on time, place, or manner of protected speech, provided the restrictions are, inter alia, narrowly tailored to serve a significant government interest); Police Dep't of the City of Chicago v. Mosely, 408 U.S. 92, 101, 92 S.Ct. 2286, 2293, 33 L.Ed.2d 212 (1972) (citing Williams v. Rhodes, 393 U.S. 23, 89 S.Ct. 5, 21 L.Ed.2d 24 (1968) for the proposition that "[t]he Equal Protection clause requires that statutes affecting First Amendment interests be narrowly tailored to their legitimate objectives.

Therefore, staff believes that SSU does have a right to address its customers, but that there are limits on this right. Staff does not believe that SSU, through its actions, has exceeded those limits. It appears to staff that SSU has requested an opportunity to present its side of the rate case to its customers, and those customers have had the opportunity to address the Commission. By this process, there is a free flow of ideas, and the Commission can make a completely informed decision.

ISSUE B: Should the Commission grant SSU's Motion for Attorneys' Fees and Costs?

RECOMMENDATION: No. (JAEGER)

STAFF ANALYSIS: This issue addresses SSU's Motion for Attorneys' Fees and Costs filed on April 29, 1996, and the Intervenors' joint response in opposition thereto filed on May 6, 1996. SSU's motion is based on several pleadings filed in this case. In addressing SSU's motion, staff will discuss those pleadings and the Commission's rulings on those pleadings

SSU alleges that three specific motions filed by the OPC and/or the Intervenors violate Section 120.57(1)(b)5., Florida Statutes. That section provides:

> 5. All pleadings, motions, or other papers filed in the proceeding must be signed by a party . . . The signature of . . . a party's attorney . . . constitutes a certificate that . . . to the best of his or her knowledge, information, and belief formed after reasonable inquiry, it is not interposed for any improper purposes, such as to harass or to cause unnecessary delay or for frivolous purpose or needless increase in the cost of litigation. If a pleading, motion, or other paper is signed in violation of these requirements, the hearing officer, upon motion or the officer's own initiative, shall impose upon the person who signed it, represented party, or both, an appropriate sanction, which may include an order to pay the other party or parties the amount of reasonable expenses incurred because of the filing of the pleading, motion, or other paper, including a reasonable attorney's fee. (emphasis supplied)

Specifically, SSU claims that the filing of: (1) OPC's Motion to Dismiss SSU's Supplemental Petition for Interim Revenue Relief (filed on December 4, 1995); (2) OPC's second Motion to Cap SSU's Maximum Interim Rates (filed also on December 4, 1995); and the Intervenors' Motion to Dismiss, filed on March 12, 1996, respectively, violated Section 120.57(1)(b)5., Florida Statutes.

Citing Mercedes Lighting and Electrical Supply, Inc. v. State, Department of General Services, 567 So. 2d 272, 278 (Fla. 1st DCA 1990), SSU states that where the moving party fails to demonstrate a reasonably clear legal justification for the motion at issue, then attorney's fees and related expenses are authorized pursuant to Section 120.57(1)(b)5., Florida Statutes. SSU also states that the purpose of that section is ". . . to discover dilatory or abusive tactics and to streamline the litigation process. The rule is aimed at deterrence, not fee shifting or compensating the prevailing party." Mercedes Lighting, at 276.

SSU claims that, despite the clear and unambiguous decision of the Commission set out in Order No. PSC-95-1327-FOF-WS (that order, issued on November 1, 1995, denied OPC's first Motion to Cap SSU'S Maximum Interim and Final Rates and denied OPC's Initial Motion to Dismiss SSU's Initial Request for an Interim Increase in Rates), OPC filed a (second) Motion to Dismiss SSU's Supplemental Petition for Interim Revenue Relief, and a second Motion to Cap SSU's Maximum Interim Rates on December 4, 1995. Based on the previous filings and rulings, SSU claims that there was no legal justification for the filing of these motions.

Also, SSU alleges that the Intervenors' March 12th Motion to Dismiss violates Section 120.57(1)(b)5., Florida Statutes. In that motion, the Intervenors alleged the following instances of misconduct: (1) soliciting ex parte communications intended to influence the Commission; (2) interference with the notice to customers; and (3) interference with the citizens' right to counsel.

For the first instance of alleged misconduct, SSU claims that the case of Jennings v. Dade County, 589 So. 2d 1337 (Fla. 3d DCA 1991), requires that any remedial action ordered by a tribunal in response to an alleged ex parte communication must be bottomed on an allegation of prejudice arising from the ex parte communication. SSU states that at the March 19th Agenda Conference, where the Commission considered the Motion to Transfer the Case to DOAH, that both counsel for OPC and the Intervenors openly acknowledged that they were not claiming any prejudice. Also, SSU claims that there was no claim of prejudice in the March 12th Motion to Dismiss. Further, SSU says that despite the Intervenors having taken the position that there was no prejudice at one agenda conference, the Intervenors took an inconsistent position at a subsequent agenda conference. SSU also alleges that the letter of the Lieutenant Governor does not address the merits of this case, and that counsel for the OPC failed to fully advise the Commission as to the full content of the Lieutenant Governor's letter.

As to the alleged interference with the notice to customers and the interference with the citizens' right to counsel, SSU cites its previous response to the Motion to Dismiss and also the attached affidavits of SSU employees and the prefiled rebuttal testimony of Ida Roberts. Based on these arguments, SSU alleges that there is no clear legal justification for the filing of the March 12th Motion to Dismiss. Further, SSU claims that all three referenced motions were filed for an improper or frivolous purpose, and that expenses and attorney fees pursuant to Section 120.57(1)(b)5., Florida Statutes, should be allowed.

In response, the Intervenors claim that Section 120.57(1)(b)5., Florida Statutes, only allows a "hearing officer" under certain circumstances, to award a party reasonable expenses, including a reasonable attorney's fee. The Intervenors allege that: "Research shows that a hearing officer is never defined in the Administrative Procedure Act to include the agency head or its members." They further cite the case of Citizens of the State of Florida v. Wilson, 569 So. 2d 1268, 1270 (Fla. 1990), in support of their contention that Section 120.57(1)(b)5., Florida Statutes, does not give the Commission power to award attorneys' fees and costs for frivolous motions.

The Intervenors further state in paragraphs 5 and 6 of their Joint Response as follows:

> 5. SSU is not entitled to attorney's fees in the absence of explicit statutory authority. See, e.g., Dade County v. Pena, 664 So. 2d 959, 960 (Fla. 1995) ("This Court follows the 'American Rule' that attorney's fees may only be awarded by a court pursuant to an entitling statute or an agreement of the parties. [Citation omitted] . . . A general rule of statutory construction in Florida is that courts should not depart from the plain and unambiguous language of the statute. Citizens of State v. Public Serv. Comm'n, 425 So.2d 534, 541-42 (Fla. 1982). Moreover, it is also a well-established rule in Florida that 'statutes awarding attorney's fees must by strictly construed.' [Citation omitted.]"
>
> 6. If the Legislature intended to allow the agency head (the term is defined in Section 120.52(3)), as well as a hearing officer, to award costs and fees in administrative

> proceedings, it would have referred to both in Section 120.57(1)(b)5. . . .

The Intervenors cite the case of Dept. of Professional Regulation v. LeBaron, 443 So. 2d 225 (Fla. 1st DCA 1984), as being illustrative.

Based on the above, the Intervenors argue that Section 120.57(1)(b)5., Florida Statutes, is not applicable when the Commission conducts the Section 120.57(1) Hearing. Also, the Intervenors state that SSU's motion suffers from deficiencies which would not justify the award of attorneys' fees and costs, even if such were available.

Staff, in reviewing the motion and response, believes that the Commission should first address whether Section 120.57(1)(b)5., Florida Statutes, is applicable, or whether there is any other basis for the award of attorneys' fees and costs. If there is a basis for the award of attorneys' fees and costs, staff believes that each of the three motions listed by SSU should be separately addressed.

Applicability of Section 120.57(1)(b)5., Florida Statutes

The Intervenors argue, in part, that Section 120.57(1)(b)5., Florida Statutes, is not applicable when the Commission conducts the formal hearing because of the Wilson case. In the Wilson case, the court, in referring to Section 120.66, Florida Statutes, stated that when the Commission conducts a hearing, the prohibition against ex parte communications to a hearing officer set out in Section 120.66, Florida Statutes, is not applicable. Based on the finding in the Wilson case, the Intervenors argue that the Commission cannot be considered to have the powers granted specifically to a hearing officer in Section 120.57(1)(b)5., Florida Statutes. Also, the Intervenors point to a definition of a recommended order set out in Section 120.52(15), Florida Statutes, to show that hearing officers are different from agency heads.

The difference between hearing officers and agencies was also emphasized in the LeBaron case cited by the Intervenors. In that case, the First District Court of Appeal, in interpreting Section 120.68(1), Florida Statutes, which allowed for appeals of preliminary, procedural, or intermediate "agency action", merely decided that that section did not allow for an appeal of non-final orders of hearing officers, i.e. orders of hearing officers were not "agency action".

Staff has reviewed the cases cited by the Intervenors and agrees that attorneys' fees may only be awarded by a court pursuant to an entitling statute or an agreement of the parties. See, Pena, at 960. Staff also agrees that, pursuant to that same case, the Commission should not depart from the plain and unambiguous language of the statute, and that statutes awarding attorneys' fees must be strictly construed.

However, Staff does not believe that the Wilson case is applicable. The Florida Supreme Court in that case merely recognized that Section 120.66(1), Florida Statutes, prohibits any ex parte communication relative to the merits, threat, or offer of reward to the agency head, only after that agency head has received a recommended order. Where there is no recommended order, then that section is just simply not applicable.

The prohibition in Section 120.57, Florida Statutes, against filing improper pleadings, motions or other documents, is expressly made applicable in all agency proceedings where a party's substantial interests are determined. The first sentence of Section 120.57, Florida Statutes, specifically states:

> The provisions of this section apply in all proceedings in which the substantial interests of a party are determined by an agency, unless such proceedings are exempt pursuant to subsection (5).

(Subsection (5) deals with students and is not applicable).

Subsection 120.57(1)(b)5., Florida Statutes, specifically provides that all pleadings, motions, or other papers shall not be filed in the proceeding (referring to Section 120.57, Florida Statutes, proceeding), "for any improper purposes, such as to harass or to cause unnecessary delay or for frivolous purpose or needless increase in the cost of litigation." This prohibition is applicable to all Section 120.57, Florida Statutes, proceedings.

Staff believes that it would be totally incongruous to interpret this section to mean that the penalty for its violation could only be imposed when the agency had assigned the hearing to a hearing officer. This reasoning is strengthened by the case of Hitchcock and Driver Enterprises, Inc. v. Department of Labor and Employment Security, 652 So. 2d 970 (Fla. 1st DCA 1995). In that case, the First District Court of Appeal noted that "Section 120.57, Florida Statutes, provides procedures that 'apply in all proceedings in which the substantial interests of a party are

determined by an agency, unless such proceedings are exempt pursuant to subsection (5).'" As previously stated, subsection (5) is not applicable. The First District Court of Appeal concluded that, though the Unemployment Appeals Commission was exempt from using hearing officers, unemployment compensation proceedings were not removed from the procedural requirements of Section 120.57, Florida Statutes, and the court awarded attorney's fees pursuant to Section 57.111, Florida Statutes.

Staff believes that the Legislature intended to procedurally protect all parties in a Section 120.57, Florida Statutes, proceeding from improper or frivolous motions. This protection would adhere whether the agency assigns the proceeding to a hearing officer or hears the case itself.

This reasoning is supported by the Commission's decision in Docket No. 880207-WS, through Order No. 20668, issued on January 27, 1989, in which the Commission awarded attorney's fees to General Development Utilities, Inc., pursuant to the provisions of Section 120.59(6), Florida Statutes. In that case, in a hearing conducted by the Commission itself, the Commission determined that St. Johns North Utility Corporation had participated in the proceedings for an improper purpose. Although Section 120.59(6)(b), Florida Statutes, specifically states that attorney's fees shall be awarded "only where the nonprevailing adverse party has been determined by the hearing officer, to have participated in the proceeding for an improper purpose", the Commission found that the lack of a DOAH hearing officer did not bar it from awarding attorney's fees pursuant to this section.

Also, the Commission has addressed motions for attorney's fees pursuant to Section 120.57(1)(b)5., Florida Statutes, and apparently has never based a decision to deny granting such award on the legal argument that, in a hearing conducted by a panel of Commissioners, the provisions of Section 120.57(1)(b)5., Florida Statutes, for attorney's fees are not applicable. See, Orders Nos. PSC-92-1469-FOF-TL, PSC-94-1558-PCO-WS, and PSC-92-0355-PCO-WS. However, the argument of applicability did not appear to be raised in those cases, and the Commission, in each instance, did deny the request for attorney's fees based on other grounds.

Although the Commission did not directly address the applicability of Section 120.57(1)(b)5., Florida Statutes, in the above-noted orders, it did address this question in Order No. PSC-92-0104-FOF-WU, Docket No. 910114-WU, Application of East Central Florida Services, Inc., for an original certificate in Brevard, Orange and Osceola Counties. In that Order, at page 13, the

Commission stated, in pertinent part (referring to Section 120.57(1)(b)5., Florida Statutes):

> We think that this Commission has the same authority as a hearing officer under the above-referenced section.

If the Commission agrees with this prior reasoning of the Commission, then it must next decide whether the three motions cited by SSU were in violation of Section 120.57(1)(b)5., Florida Statutes. However, if the Commission decides that Section 120.57 (1)(b)5., is not applicable, then SSU has cited no other basis for attorneys' fees, and staff has found no other applicable statute.

OPC's Motion to Dismiss SSU's Supplemental Petition for Interim Revenue Relief

OPC filed its first Motion to Dismiss SSU's Request for an Interim Increase in Rates on August 30, 1995. By Order No. PSC-95-1327-FOF-WS, the Commission decided that this was an improper motion and denied the motion. Order No. PSC-95-1327-FOF-WS stated, "our procedures do not contemplate parties filing a response or motion regarding a utility's request for interim rates" and indicated that if a utility establishes a "prima facie entitlement", then the Commission would grant a utility's interim request. However, the Commission went on to say (referring to decision to deny interim rates): "Even if we were to consider the motion as a request to deny interim rates, the motion is moot because of our decision herein."

Although the Commission decided that the motion to dismiss was improper, the Commission, nevertheless, did vote to deny SSU's request for interim rates (with leave to amend). Both OPC and Sugarmill Woods filed (on November 2, 1995) petitions for reconsideration of that Order. In those motions, Sugarmill Woods contested the Commission's decision that SSU could refile for interim rates, and OPC expressed its concern about the use of a forecasted income statement when Section 367.082, Florida Statutes, only allowed for the use of a forecasted or projected rate base. By Order No. PSC-96-0041-FOF-WS, issued January 11, 1996, the Commission denied the petitions for reconsideration.

As specifically allowed by Order No. PSC-95-1327-FOF-WS, SSU filed its Supplemental Petition for Interim Revenue Relief on November 13, 1995. In response to this latter filing, the OPC filed on December 4, 1995, its Motion to Dismiss SSU's Supplemental

Petition for Interim Relief (OPC also filed its second Motion to Cap SSU's Maximum Interim Rates on this same date).

In the Mercedes Lighting case, cited by SSU, the First District Court of Appeal (First District), pursuant to Section 120.57(1)(b)5., Florida Statutes, considered the award of attorneys' fees by a hearing officer. The hearing officer had determined that the filing of a bid protest by Mercedes Lighting was frivolous, and awarded attorneys' fees to the agency as a sanction.

In reviewing this decision, the First District noted that Section 120.57(1)(b)5., Florida Statutes, was similar to Rule 11, Federal Rules of Civil Procedure, and that that rule uses an objective standard of "reasonableness under the circumstances", a standard more stringent than the former good-faith bad-faith analysis. In doing this analysis, and in reference to that rule, the First District made the following comments:

> Willfulness as a prerequisite to disciplinary action is no longer required. In judging the reasonableness of the inquiry, courts are reminded to "avoid using the wisdom of hindsight" and to judge the conduct of counsel and the parties by inquiring what was reasonable to believe at the time the pleading, motion or other paper was submitted. A reasonable inquiry may depend upon such factors as how much time for investigation was available to the signer, and whether the pleading, motion or other paper was based on a plausible view of the law. "The rule is not intended to chill an attorney's enthusiasm or creativity in pursuing factual or legal theories." (citation omitted)

Mercedes Lighting, at 276.

Finally, in specifically addressing Section 120.57(1)(b)5., Florida Statutes, the First District said:

> [C]ourts should not delve into an attorney's or party's subjective intent or into a good faith-bad faith analysis. Instead, if a reasonably clear legal justification can be shown for the filing of the paper in question, improper purpose cannot be found and sanctions

> are inappropriate. . . . improper purpose may be manifested by excessive persistence in pursuing a claim or defense in the face of repeated adverse rulings, or by obdurate resistance out of proportion to the amounts or issues at stake.

Mercedes Lighting, at 278.

Order No. PSC-95-1327-FOF-WS denied OPC's first Motion to Dismiss SSU's Request for an Interim Increase in Rates and had not become final when OPC filed its Motion to Dismiss SSU's Supplemental Petition for Interim Revenue Relief. This second motion was basically the same as the first motion which had just been denied. However, staff does not believe that this second filing constitutes "excessive persistence in pursuing a claim or defense in the face of repeated adverse rulings" or "obdurate resistance out of proportion to the amounts or issues at stake." At the time of this second filing, the first ruling was under reconsideration.

Also, the Commission had denied the original request for interim rates, and, as argued by OPC, SSU was still apparently asking for uniform interim rates. Therefore, OPC could still believe that SSU's request for interim rates was improper. Further, with the refiling by SSU for interim rates, OPC could rightfully conclude that the issue was no longer moot.

In reviewing the actions of the OPC, staff does not believe the actions of the OPC rise to the level warranting the sanctions requested. Further staff does not believe that SSU has shown that the second motion to dismiss was filed for improper purposes as prohibited by Section 120.57(1)(b)5., Florida Statutes. Therefore, staff recommends that the request for attorney's fees based on this OPC motion be denied.

OPC's Motion To Cap SSU's Maximum Interim and Final Rates

As stated above, the Commission did not rule on the OPC's and Sugarmill Wood's motions for reconsideration of Order No. PSC-1327-FOF-WS until January 11, 1996. Also, while Order No. PSC-95-1327-FOF-WS did deny the Motion to Cap SSU's Maximum Interim and Final Rates in this Proceeding (see fourth ordering paragraph), that Order indicated that the decision may have been based, at least in part, on the idea that such motion was moot in light of the Commission's decision to deny interim rates. Therefore, when SSU

filed its Supplemental Petition for Interim Revenue Relief, and OPC saw such application as SSU again asking for the same proposed uniform interim rates, it would appear reasonable under the circumstances for the concerns of the OPC to be renewed.

In OPC's first motion to cap interim rates, the OPC thought that SSU had provided inadequate and confusing notice as to just what the customers faced both as to interim rates and final rates. Also, OPC thought that the MFRs did not contain information showing revenue requirements for uniform rate facilities on a plant-by-plant basis. Therefore, OPC argued that, in order to provide due process to the Citizens of Florida and to comply with the notice provisions required by Commission rule, the Commission should limit the ultimate maximum interim and final rates in these proceedings to the maximum rates requested by SSU in its MFRs, those noticed to customers, and those provided by SSU in supplemental materials sent to its customers, i.e. the Commission should cap the rates to the maximum that had been noticed to the customers.

It was at about this same time that the Commission was considering the adequacy of the notices provided by SSU to its customers. Through Order No. PSC-95-1453-FOF-WS, issued on November 28, 1995, the Commission required SSU to send out supplemental notices showing present rates (uniform), proposed interim rates, possible stand-alone rates (final), possible modified stand-alone (final), and proposed utility (uniform).

The need for this supplemental notice was based in part on the issuance of Order No. PSC-95-1292-FOF-WS on October 19, 1995, in Docket No. 920199-WS. In that order, the Commission ordered SSU to implement modified stand alone rates in an attempt to comply with the decision of the First District Court of Appeal. Therefore, in considering OPC's second motion to cap interim rates (based on lack of notice and due process), the Commission should remember the warning of the First District in Mercedes Lighting to consider what was reasonable at the time the pleading was filed. Therefore, although the Commission denied OPC's second motion to cap interim rates by Order No. PSC-96-0125-FOF-WS, issued on January 25, 1996, staff believes that OPC's filing of this motion was based on a reasonably clear legal justification.

Based on all the above, and remembering the caveat of the First District Court of Appeal in Mercedes Lighting to "avoid using the wisdom of hindsight", staff believes that OPC's filing of the second motion to cap interim rates does not rise to the level of warranting sanctions. Therefore, staff recommends that SSU's

motion for attorneys' fees, based on this OPC motion, also be denied.

INTERVENORS' MARCH 12TH MOTION TO DISMISS

The Commission considered the Intervenors' March 12th Motion to Dismiss and Request for Evidentiary Hearing (and Citrus County's March 25th Motion to Dismiss in which it adopted the March 12th Motion), and SSU's March 19th response, at the April 16, 1996, Agenda Conference. The Intervenors' Motions to Dismiss state that there are three separate instances of alleged misconduct. These are: (1) soliciting ex parte communications intended to influence the Commission; (2) interference with the notice to customers; and (3) interference with the Citizens' right to counsel. Each of these were discussed in the staff recommendation for the April 16th Agenda Conference.

However, after hearing argument of counsel (to include the applicability of Jennings v. Dade County, 589 So. 2d 1337 (Fla. 3d DCA 1991), and its requirement for an allegation of prejudice), and thoroughly discussing the Secretary of Commerce's and the Lieutenant Governor's letter (with Arend Sandbulte's letter attached), the Commission voted to allow the addition of the issue of misconduct or mismanagement, with appropriate testimony to be allowed at hearing, and to defer ruling on the motions to dismiss. See Order No. PSC-96-0624-FOF-WS. SSU now files this Motion for Attorneys' Fees, and, in reference to the March 12th Motion to Dismiss, states, "SSU's Response to the March 12, 1996 Motion to Dismiss establishes that there clearly was and is no legal justification for the March 12, 1996 Motion to Dismiss."

In the motion for attorneys' fees, SSU raises basically the same arguments it raised in its response dated March 19, 1996, and which it argued at the April 16th Agenda Conference. Specifically, SSU emphasizes the Intervenors' inconsistency on whether there was a claim of prejudice based on the alleged improper actions of SSU, i.e., SSU alleges that the Intervenors claimed no prejudice at the March 19th Agenda Conference, but then claimed there was prejudice at the April 16th Agenda Conference. Also, SSU alleges that there is no claim of prejudice found within the four corners of the March 12th Motion to Dismiss. Although the Intervenors did not use the words bias or prejudice in their Motions to Dismiss, they did state that the actions of SSU "subvert the fundamental notion of a fair process and deprive parties of due process."

SSU also alleges that OPC should have attached Arend Sandbulte's letter to the Lieutenant Governor's letter, and that

failure to do so was an unjustified attempt to inaccurately portray the Lieutenant Governor's letter as a letter addressing the merits of the instant proceeding, when it was actually addressing concerns expressed by Mr. Sandbulte related to a decision of the Commission in Docket No. 920199-WS. Staff notes that SSU attached this letter to its March 19th response, and that SSU had ample opportunity to fully discuss that letter at the April 16th Agenda Conference, and did in fact do so. Therefore, the letter was before the Commission when it made its decision to allow the issue of misconduct or mismanagement to be added. Staff does not believe that the failure of the Intervenors to attach Mr. Sandbulte's letter to their Motion to Dismiss provides any support for the award of attorney's fees to SSU.

Finally, SSU again argues that the remedies for improper ex parte communications set out in Section 350.042, Florida Statutes, do not provide for dismissal. This argument was also presented at the April 16th Agenda Conference. In response to this argument, the Intervenors cited numerous cases (all involving alleged discovery abuses) where dismissal was proper if there was a direct and contumacious disregard for the court's authority, and argued that the actions of SSU were far worse than any discovery abuse.

In determining whether to grant the Motion to Dismiss or some other sanction, the Commission must still decide whether to accept this legal theory. However, in determining whether the motion is improper pursuant to Section 120.57(1)(b)5., Florida Statutes, the Commission must only decide whether there was some legal justification for its filing. In Mercedes Lighting, at 276, the court states: "The rule [against frivolous or improper pleadings contained in Rule 11, Federal Rules of Civil Procedure] is not intended to chill an attorney's enthusiasm or creativity in pursuing factual or legal theories." The court further noted, at 277, as follows:

> Normally, although not necessarily always, a claim or defense so meritless as to warrant sanctions, should have been susceptible to summary disposition either in the process of narrowing issues under Rule 16 or by motion. Only in the rare case will the offending party succeed in delaying exposure of the baseless character of its claim or defense until trial. Permitting or encouraging the opposing party to litigate a baseless action or defense past the point at which it could have been disposed of tends to perpetuate the waste and delay

> which the rule is intended to eliminate. It also undermines the mitigation principle which should apply in the imposition of sanctions, limiting recovery to those expenses and fees that were reasonably necessary to resist the offending paper.

By its vote at the April 16th Agenda Conference to allow the issue of misconduct or mismanagement, the Commission determined that the motion was not subject to summary disposition, and, therefore, staff does not believe that the Intervenors' Motion to Dismiss was so meritless as to warrant sanctions.

For the Intervenors' allegations concerning the interference with notice to customers and interference with the citizens' right to counsel, SSU has submitted 21 affidavits and the prefiled rebuttal testimony of Ida Roberts (filed on March 21, 1996). Also, SSU cites two cases as standing for the principle that they have a right to talk to their customers.

The 21 affidavits and Ms. Roberts rebuttal testimony purport to state the purposes of the "customer meetings" (SSU's meetings with its customers that took place in mid-January, 1996), and what actually took place at those meetings. As noted in Ms. Roberts rebuttal testimony, trying to explain everything that has happened (and is happening) in four separate proceedings (referring to the four separate SSU dockets) is very complicated, and customers sometimes do not accurately focus on what is said. (TR 4298-4299) Also, as she noted, when words are taken out of context or relayed from one person to the next, a new interpretation can be placed on them by someone who was not at the meeting. Staff believes that this testimony actually supports the idea that an evidentiary hearing was required to determine whether there had in fact been misconduct on the behalf of SSU.

Staff believes that the theme of the Intervenors' Motion to Dismiss is that the actions of SSU amount to misconduct, and that this misconduct interfered with or deprived the citizens of their due process rights and shattered the fairness of the process. The Intervenors further argue that this misconduct is similar to egregious discovery abuses for which the Commission has the power to dismiss a case where a party shows a direct and contumacious disregard for Commission authority.

In filing their affidavits and the testimony of Ms. Roberts, staff believes that SSU actually addresses the factual issue of whether there was misconduct, and not the legal issue of whether

the Motion to Dismiss was improper. Staff further believes there was genuine confusion as to what went on at these meetings that SSU had with its customers, and that it was only through allowing evidence to be presented that the Commission could make a determination as to the factual issue of misconduct. Therefore, while the affidavits and Ms. Roberts' testimony allegedly support SSU's contention that there was not misconduct (see Issues A and 5), they simply do not address the legal issue of whether the Intervenors had a reasonably clear justification (see, Mercedes Lighting) for filing their Motion to Dismiss, and whether attorney's fees are appropriate.

In reviewing SSU's Motion for Attorneys' Fees, staff does not believe that SSU has presented any additional argument as to why the Intervenors' Motion to Dismiss was legally improper. Therefore, staff recommends that SSU's motion for attorneys' fees, based on this OPC motion, also be denied.

In conclusion, staff does not believe that any of the three motions of the Intervenors, to which SSU cites, were filed for an improper or frivolous purpose in violation of Section 120.57 (1)(b)5., Florida Statutes. Therefore, staff recommends that SSU's Motion for Attorneys' Fees and Costs be denied.

FACILITIES NOT OWNED BY SSU

ISSUE 1: Should the Enterprise plant and facilities be removed from this docket?

RECOMMENDATION: Yes. SSU operates the Enterprise facilities as a receiver. Enterprise is not owned by SSU and should be removed from this docket. (CROUCH)

POSITION OF PARTIES

SSU: No.

MARCO ET AL: No Position.

NASSAU ASSOCIATIONS: Yes. Agrees with staff.

OPC: No Position.

STAFF ANALYSIS: According to SSU, The Enterprise plant and facilities are interconnected with SSU's Deltona Lakes facilities and are a part of SSU's single system. (TR 4119) SSU argues that the Enterprise facilities are operated by SSU pursuant to a receivership and the Enterprise customers are SSU's customers. (TR 5017) The utility further argues that the Enterprise customers will be subjected to tremendous rate shock when the inevitable rehabilitations are made to the facilities if the Enterprise facilities are excluded from this docket. (TR 483)

Staff agrees that the Enterprise facilities are operated by SSU pursuant to a receivership agreement between SSU and the courts. (TR 5017-5018) That is the whole point of contention: SSU does not own the Enterprise facilities and could relinquish the receivership thereby giving up any claim to the facilities or customers. In fact, the utility stated that it is in the process of preparing the necessary documents to transfer the receivership of Enterprise. (EXH 167) SSU Witness Teasley admits that proposed improvements to the Enterprise facilities could cost up to a million dollars. (TR 5018) Staff does not believe the overall customer base of SSU should be forced to pay, "up to a million dollars" to repair a facility which SSU does not even own, therefore staff recommends that the Enterprise plant and facilities be removed from this docket.

Enterprise is a Class C utility and as such can file a Staff Assisted Rate Case (SARC) as a single facility at a later date.

QUALITY OF SERVICE

ISSUE 2: Is the value and quality of service provided by SSU at each of its water and wastewater facilities satisfactory?

PRIMARY RECOMMENDATION: The value and quality of service provided by SSU at each of its water and wastewater facilities is marginally satisfactory. The utility should be placed on notice that sanctions will be pursued in the utility's next rate case if the value and quality of service is not improved. (CROUCH, WILLIS)

ALTERNATE RECOMMENDATION: No. The value and quality of water service is considered unsatisfactory. The value and quality of wastewater service is considered satisfactory. (WALDEN)

POSITION OF PARTIES

SSU: Yes. The evidence confirms that service complaints of customers on the Beacon Hills facility primarily are the result of poor source water quality indigenous to the Arlington area and copper plumbing installed by builders. SSU has taken and is taking steps to address the complaints in a manner consistent with applicable requirements. Quality of service at all other facilities meets applicable rules and standards or is being addressed in a timely manner consistent with rules and standards. When non-compliance exists, SSU may not be penalized by regulatory authorities if the period for resolution of the non-compliance item has not yet expired.

MARCO ET AL: Unsatisfactory as evidenced by customer complaints regarding 1) too much chlorine and sulphur, 2) inadequate health and safety warnings, 3) forced to buy purifying systems or bottled water, 4) SSU's unsatisfactory customer response, 5) non-potable water, 6) destructive effects of water, 7) unacceptably low pressure, among others.

NASSAU ASSOCIATIONS: The value and quality of SSU's service is unsatisfactory.

OPC: The value and quality of SSU's service is unsatisfactory.

STAFF ANALYSIS: The reason for a primary and alternate recommendation in this issue is the result of different conclusions being reached by staff from a review of the evidence in the record. The staff analysis is the same for each recommendation, but depending upon the weight applied to the testimony of the witnesses, the conclusions are not the same.

There are three conditions that staff reviews, as required by Rule 25-30.433(1), Florida Administrative Code, in evaluating quality of service: quality of the product, operational conditions, and customer satisfaction. Product quality problems seem to be confined to certain zones: Duval County (Beacon Hills, Cobblestone, Woodmere) and Sebring. Although the DEP witnesses essentially indicate compliance with standards, and general satisfaction with the utility's efforts and achievements, customer testimony and exhibits presented at the service hearings and technical hearing show water quality problems exist, primarily in Jacksonville and Sebring. Operational conditions of the plants appear to be satisfactory. Customer satisfaction is not good. Suffice it to say that customers are very unhappy with the service received from the utility.

CUSTOMER COMPLAINTS

Utility witness Teasley, referring to staff witness Nancy Pruitt's testimony, points out how few justified complaints the Commission received in years 1994 and 1995, noting that only 20 were received each year. She compares SSU favorably to Florida Power & Light (FPL), and notes that SSU has experienced significant rate increases in 1993-1994, while FPL did not. (TR 4988-4989) However, Ms. Teasley did not compare the number of written documents that the Commission received from customers opposing the rate increase. Ms. Pruitt testified that the Commission received thousands of letters from customers. Customers at the Jacksonville customer service hearing presented two petitions opposing the rate increase requested by SSU. (EXH 5, EXH 6)

Witness Pruitt testified that the numbers of complaints in 1993, 1994, and 1995 received by the Commission were 87 in 1993, 77 in 1994, and 86 in 1995. (TR 3282-3283) Ms. Pruitt also testified that 4754 letters were sent to the correspondence side of the docket file in this case. (TR 3287) In addition, the Commission's Division of Consumer Affairs received 2369 phone calls since June, 1995. (TR 3295) These complaints were not categorized, and are not distinguished between water and wastewater. (TR 3289; 3291-3292)

QUALITY OF THE PRODUCT & OPERATIONAL CONDITIONS

The utility works diligently to remain in compliance with the DEP standards for all of its plants and service areas, and pursues waivers, and acceptances, from the DEP, and institutes corrective measures to reach compliance. (TR 2381; 2388; 2393-2394; 2397-2399; 2405; 2916; 4074; 4106; 4129; 4133; 4272; 4278) Some plants

still have items that do not comply with DEP regulations. (TR 2327-2328; 2351-2352; 2360-2361; 2430; 2467; 2898; 2900-2901; 3073; 3076-3077; 4043-4048; 4072; 4075-4076; 4102-4103; 4116; 4118; 4124-4129; 4236-4237; 4239; 4250) SSU has completed some repairs that DEP personnel were not aware had been made, and also resolved some problems on its own initiative. (TR 2362-2363; 2350; 2365)

The utility is active in the area of reuse and has participated in rulemaking with the DEP on this topic. It operates a number of reuse systems, and has received first place in the 1994 David W. York Reuse Competition for excellence in the reuse area. (TR 3897; 2155-2156)

Witness Terrero explains that the company has only two outstanding consent orders: one for Burnt Store and one for several water plants in Putnam County. He added that there is an administrative order from the United States Environmental Protection Agency concerning the Woodmere facility. Compliance with the specified times frames in those orders is expected, except for the Putnam County problem where land acquisition is a hurdle yet to be jumped. He concludes in light of these two enforcement actions, the service provided is safe, efficient, and sufficient. (TR 456-457)

SSU witness Denny testified that the water quality standards are being met at the Covered Bridge (Leisure Lakes) facility. (TR 4926) However, he describes the potential problems that occur when an elevated chlorine residual of 1.0 mg/l is not maintained in the distribution network which can cause elevated sulfides. (TR 4926-4927, 4953) He further testified that significant amounts of sulfides can arise when homeowners are absent for a period of time. (TR 4927) While Mr. Denny testified that the utility does and will continue to flush hydrants in the distribution network, he did acknowledge that such flushing generally does not improve the water quality sitting in customer lines or in-home plumbing. (TR 4926-4928, 4953) When questioned, Mr. Denny agreed that the installation of a chlorine pacing system at Covered Bridge could help to reduce sulfides. (TR 4953) He also agreed that it would be a good idea for SSU to conduct customer education regarding the need to flush the pipes in their homes if they are seasonal residents. (TR 4953-4954) The status of the water treatment plant was reviewed, and as stated in the Drinking Water Compliance Inspection Report for Leisure Lakes (EXH 236), there was a notation made by DEP that the overall equipment condition is in fair to poor condition. Mr. Denny was not aware of any planned improvements, however, for bringing the condition of the equipment into better shape. (TR 4954) Further, the utility has not inspected nor

cleaned the storage tank, but Mr. Denny testified that it would before the end of this year. (TR 4955) With respect to other items noted in the report, the utility has or will undertake corrective action. (TR 4955) Even though this facility is meeting the primary and secondary drinking water standards, staff believes there is room for improvement.

Witness Rodriguez with the DEP testified that the drinking water program in Duval County is delegated to the county health department. (TR 4082-4083) Specifically regarding Beacon Hills, the utility has been notified that corrosion control is needed. (TR 4043) Beacon Hills has exceeded acceptable lead levels, as set forth in Rule 62-551, Florida Administrative Code, and Cobblestone has exceeded the copper action level. (TR 4044; 4081-4082) Public education was needed and has been accomplished. (TR 4083-4084) While chlorine residuals are maintained, high chlorine complaints have been received by the DEP or the Duval County Health Department. (TR 4045)

LEAD AND COPPER PROBLEMS

The utility has performed some additional water testing on the Beacon Hill and Cobblestone plants since March, 1996. Of the 50 samples taken, 7 were exceeding the DEP lead action level. (TR 470-471) For Cobblestone during the same period, 7 out of 43 samples exceeded the DEP copper action level. (TR 472-473) Although these facilities are interconnected, only Beacon Hill has lead exceedences, and only Cobblestone has copper exceedences. Mr. Terrero contended that if the plants and distribution systems were combined for testing purposes, the exceedences in each category would be a smaller percentage and would not trigger the action level since the total samples exceeding would be less than 10% of the total number of samples. (TR 473-474) No noticing of exceedence would be required. (TR 479)

Regarding public education when action levels [of lead and copper] are exceeded, Mr. Terrero acknowledged the utility was five months late in sending notice to its customers. (TR 475-476) The notice that was sent was on the customer's bill, although Mr. Terrero was not certain that the notice was on all bills for the period. (TR 477-478) For the exceedences in March, 1996, notice was expected to be sent on the May 20th billing. (TR 479)

To help resolve the exceedences of lead and copper, the utility has equipment in place to treat for these two metals. (TR 476; 505-506) The utility has until 1997 to reach an optimal solution for the problem. SSU is not the only utility that has

exceeded action levels. (TR 506) In the future, samples taken at Beacon Hill and Cobblestone will be aggregated, and tested as a group. If the action level is exceeded, customers of both plants will have to be notified. (TR 507-508)

CUSTOMER SATISFACTION

Jacksonville

Marco et al refers extensively in its brief to the testimony of customer David Mynatt from Beacon Hills. (Brief, pp. 2-4) Mr. Mynatt testified about elevated levels of lead and copper, and the information he received from SSU, the DEP, the Florida Administrative Code [concerning noticing of customers], the Duval County Public Health Unit, the timing of notices received by him, the results of a survey to his civic association members concerning notice from SSU about lead and copper, and test results for lead at homeowners' taps. (TR 56-64) In summary, he found that the information received from SSU was not accurate; noticing to the customers was late; public service announcements were deficient; and that lead from the utility's distribution system was contributing to the lead levels at customer's homes. Customer Lewis was also aware of elevated lead and copper levels. (TR 57-58; 62-64; Jacksonville, 9/20/95, TR 141-142, 50) Mr. Mynatt's concern is that lead is highly toxic, especially to children, and also to adults. (TR 56)

Specifically in regard to the Jacksonville area, Exhibit 36 was presented at the January 25, 1996 customer service hearing in Jacksonville. It is a compilation of 43 surveys from the Harbour Woods Civic Association concerning SSU Service/Water Quality and the utility's application for a rate increase. The surveys show that 34 of the homes have had at least one water heater replacement; 23 have had plumbing system replacements (e.g, replumbing their entire house); 22 complained of corroded pipes and resulting leaks; 16 complained of excessive chlorine or other odors; 12 complained of bad tasting water; and, 10 complained of stains on plumbing fixtures or bathroom tile. Most of those surveyed drink the water (25), but 17 do not. Water softeners or filters are on 20 of the homes, but 20 do not filter the water. Bottled water is purchased by 27 of the respondents, and 14 do not. (EXH 36)

Two customers from Jacksonville presented pieces of pipe removed from their homes. Mr. Christenson submitted a 2 1/2" X 1/2" galvanized nipple that is significantly obstructed with rust and build-up of deposits after only 20 months. (EXH 37;

Jacksonville, 1/25/96, TR 119) Mr. Haralambou introduced a 1 1/2" X 1/2" piece of copper pipe that is noticeably thin, corroded, shows no obstruction, and contains multiple pinholes. (EXH 39) His house is about eight years old, and for the last three years he has been repairing leaks in the plumbing. He has not changed his water heater, but has installed new elements four or five times. (Jacksonville, 1/25/96, TR 128) He has had laundry ruined from chlorine, which the utility reimbursed him for by check. (EXH 40) He is concerned about the amount of chlorine and its effect on his health, since he has seen what it does to clothing and pipes. (Jacksonville, 1/25/96, TR 129-130)

Exhibit 5 is a petition from 125 residents in Hidden Hills (Duval County) who complain of high bills, no local office, corrosion requiring repiping of homes that are less than six years old, excessive chlorine without warning, and, the utility's uncooperative behavior in locating water lines with a local cable company. These customers in Jacksonville are not happy with the company's service or the water it provides.

All Service Areas

Customers who attended the service hearings were generally dissatisfied with the service received from the utility. Many customers came to both service hearings in their area. Complaints included 1) excessive chlorine and sulphur, 2) inadequate warnings of potential health or safety concerns, 3) the need to purchase bottled water or a purifying system due to poor water quality provided by the utility, 4) the utility's unsatisfactory response to questions or service calls of customers, 5) water not being potable, 6) corrosion and/or staining of plumbing or fixtures; sediment or sand in the water, 7) low pressure, 8) no notice of interruptions of service, 9) billing procedures that are indifferent to the customers' needs; and, 10) meters not being read. Most of the dissatisfaction related to water service and interaction with company personnel. There were only a few complaints of wastewater backups or overflows.

Complaints about chlorine included disinfection being too strong or in varying strengths. One customer described chlorine content in the water as almost pure chlorine. (Sunny Hills, 9/14/95, TR 39) Another customer believed the chlorine was high because he lives next door to the plant. (New Port Richey, 9/28/95, TR 18) Others simply said the chlorine is excessive. (Jacksonville, 9/20/95, TR 37, 43, 53, 68, 72, 76, 108-112, 138-139, 154, 161; Sanford, 10/12/95, TR 75, 104; Jacksonville, 1/25/96, TR 117-118, 129-130; Sanford, 1/30/96, TR 31, 35, 75;

Stuart, 2/1/96, TR 46, 48; Sunny Hills, 2/5/96, TR 20, 21, 24, 43; Sebring 2/7/96, TR 36; EXH 36) Chlorine levels vary. (Ocala, 1/25/96, TR 113; Jacksonville, 1/25/96, TR 125; Stuart, 2/1/96, TR 124) Some customers said they did not drink the water. (Sanford, 10/12/95, TR 51; Kissimmee, 9/19/95, TR 18, 43, TR 58; Ocala, 10/11/95, TR 67; Jacksonville, 9/20/95, TR 44, 46, 59, 61-62, 72, 113, 153; Jacksonville, 1/25/96, TR 115; EXH 36; Stuart, 2/1/96, TR 46-47, 49, 54) Customers also complained of a sulphur or rotten egg odor. (Kissimmee, 9/19/95, TR 38; Sebring, 11/27/95, TR 35; Stuart, 2/1/96, TR 108; Jacksonville, 1/25/96, TR 63, 116-117, 130; EXH 36)

When there is a potential safety or health problem, the record indicates that the utility does not adequately inform its customers. (Sunny Hills, 9/14/95, TR 43-44) Outages have occurred, and no direction was given by the company to boil the water afterwards. Some customers became ill as a result. (Kissimmee, 9/29/95, TR 58-59) When the water is cut off, there is an intrusion of foreign matter, and the customers must boil their water for up to 48 hours. (Ft. Myers, 11/28/95, TR 79-80) Customers have not been told to boil their water, after there was an outage, when construction was occurring. Customers received no notice from the utility, and instead were informed by construction workers. (Mount Dora, 11/8/95, TR 49) When asked about lead concentrations in the water [Valencia Terrace] the answer from the utility was "maybe somebody put lead in there," or maybe the pipes had something in them, or there was an error in the collection of the sample. (Mount Dora, 11/8/95, TR 49; Mount Dora, 1/30/96, TR 46) Another customer, after being informed of a danger of lead in the water, had an independent test conducted which showed lead in the water delivered to his home. (Jacksonville, 1/25/96, TR 36-37)

Some customers have purchased home purifying systems or filters because of odor, taste, or other reasons. (Sunny Hills, 9/14/95, TR 44; Jacksonville, 9/20/95, TR 88; New Port Richey, 9/28/95, TR 22; Sanford, 10/12/95, TR 26; Sebring, 2/7/96, TR 18, 28-29, 38, 52, 65; Marco Island, 1/22/96, TR 91, 103; Inverness, 1/24/96, TR 118) Some of the customers buy bottled water to drink. (Sebring, 2/7/96, TR 28, 50, 68; Marco Island, 1/22/96, TR 111; Stuart, 2/1/96, TR 108; New Port Richey, 1/31/96, TR 25, 26; Mount Dora 1/30/96, TR 91; Kissimmee, 9/19/95, TR 43; Sanford, 10/12/95, TR 73, 75; Sebring 11/27/95, TR 17, 24; Jacksonville, 1/25/96, TR 105, 115, 130; Sanford, 1/30/96, TR 32, 115)

Customers are not satisfied with the utility's response to service calls or questions. Incidents were reported where the company damaged customers' property and would not repair the

damage. (Kissimmee, 9/19/95, TR 17; Sanford, 10/12/95, TR 51, 73) When the water is discolored or has sediment, the utility's response is slow. (Sanford, 10/12/95, TR 32) Requests to have the customer's water tested take a long time. (Sanford, 10/12/95, TR 31-33; Jacksonville, 1/25/96, TR 39-40) Some problems, such as a complaint of dirty water, do not receive assistance from the company to alleviate the problem. (New Port Richey, 1/31/96, TR 26; Jacksonville, 1/25/96, TR 71, 115-117) Some customers recited billing problems where the company was not responsive, or gave an answer that did not aid in resolving the problem. (Sanford, 1/30/96, TR 61-62; Stuart, 2/1/96, TR 122-123; Mount Dora, 1/30/96, TR 19-24; Jacksonville, 1/25/96, TR 107-108; Marco Island, 1/22/96, TR 74-75, 96-98, 105-106, 120-122; Inverness, 1/24/96, TR 119-120) A few customers complained of sewage odors, overflows, or backups. (Stuart, 2/1/96, TR 114, 119-120; Jacksonville, 9/20/95, TR 124, 155-156, 162) Other customers summed it up by stating the service from the utility was poor. (Jacksonville, 1/25/96, TR 69-70, 122-127; Inverness, 1/24/96, TR 101-103)

Customers from several regions in the state complained that the water is not potable. (Sanford, 1/30/96, TR 27-28; Stuart, 2/1/96, TR 46-47) Others shared physical or medical problems that occurred from the water. (Sanford, 10/12/95, TR 122-123; Sanford, 1/30/96, TR 104-105; Stuart 2/1/96, TR 49; Jacksonville, 1/25/96, TR 104-105, 105-106; Sebring, 2/7/96, TR 39, 65; Inverness, 1/24/96, TR 116-118)

A number of customers complained of water that stained tile and fixtures, and clogged pipes. (Stuart, 2/1/96, TR 124; Kissimmee, 9/19/95, TR 18, 22; Jacksonville, 9/20/95, TR 43-44, 63; EXH 36) Others spoke of corrosion and premature replacement of plumbing fixtures, and in some cases complete repiping of homes due to leaks caused by corrosive water. (Kissimmee, 9/19/95, TR 39; Sanford, 10/12/95, TR 25-26, 35, 73, 95-96, 104-105, 200; Jacksonville, 1/25/96, TR 35-36, 69-70, 117-118, 119, 122-123, 128, EXH 39; EXH 36)

There were customers who spoke about unacceptable pressure, usually meaning low, but there were a few who complained of pressure that was too high. (Kissimmee, 9/19/95, TR 23; Jacksonville, 9/20/95, TR 31, 86, 113; EXH 36; Ocala, 10/11/95, TR 60; Sanford, 10/12/95, TR 51, 56, 104; Mount Dora, 11/8/95, TR 74; Sanford, 1/30/96, TR 57-60; Inverness, 1/24/96, TR 101-102; Ft. Myers, 2/8/96, TR 113)

SSU does not inform the customers when construction work or maintenance in the area will affect their service. (Fort Myers,

11/29/95, TR 86-87; Marco Island, 1/22/96, TR 64-65; Mount Dora, 11/8/95, TR 49). Staff differentiates planned outages from accidental line breaks. There was an accidental line break which occurred on May 8, 1996 [during the technical hearing] which was caused by power company setting a power pole. The outage affected about 800 customers and was off for six hours. (EX 215)

Billing procedures, while not a water quality issue, do fall into the category of customer satisfaction. Customers presented a variety of complaints with billing. (Ocala, 10/11/95, TR 35-36; Sanford, 10/12/95, TR 92, 96-103; Sebring, 11/27/95, TR 26-27; Mount Dora, 11/8/95, TR 71-72; Sanford, 1/30/96, TR 61-67; Mount Dora, 1/30/96, TR 128-129; Jacksonville, 1/25/96, TR 62-63; Marco Island, 1/22/96, TR 57-59; Inverness, 1/24/96, TR 77-78) Several mentioned they would like to pay their bill by bank draft, but the utility could not accommodate that request. (Mount Dora, 11/8/95, TR 109-110, 115-116) At the technical hearing, witness Teasley explained that electronic funds transfer should be available beginning in April, 1996. (TR 4999)

Two customers had problems with their meter readings. They either had not seen anyone read their meter, or could not obtain meter reading data from the company. (Sanford, 1/30/96, TR 22; Sanford, 1/30/96, TR 66-67, 69)

STAFF REVIEW OF CUSTOMER SERVICE HEARINGS

This issue addresses both the value and quality of service. Quality is easier to assess from DEP testimony, test results, and other tangible evidence. Staff, in reviewing the customer testimony, looked at the following categories:

I. Cost and Value of service
II. Response by the Company/Customer Relations
III. Billing

Under Cost and Value of service, numerous customers stated that the service was either too expensive or not worth what they were paying for it. (Kissimmee, 9/19/95, TR 24; Jacksonville, 9/20/95, TR 32, 45, 56, 60, 62, 63, 65, 71, 75, 77, 81, 85, 97, 98, 101, 106, 110, 114, 116, 136, 141, 143, 149, 163; Ocala, 10/11/95, TR 33-34, 48, 57, 63, 73; Mount Dora, 11/8/95, TR 63-63, 67-68; Ft. Myers, 11/28/95, TR 26, 28, 88; Sebring, 11/27/95, TR 16; Marco Island, 1/22/96, TR 38, 50, 70; Inverness, 1/24/96, TR 34, 52, 58-59, 76, 77, 81-82, 87, 97, 103, 107, 116-117, 121, 137, 143, 148; Jacksonville, 1/25/96, TR 35, 58, 64, 66, 68, 72, 78, 96, 106, 121, 127, 131, 136; EXH 36; Ocala, 1/25/96, TR 27, 42, 43, 44, 48, 52,

58, 64-65, 71, 74-75, 81, 86, 87, 93, 103, 105, 106, 113, 114; Kissimmee 1/29/96, TR 60, 64, 75; Sanford, 1/30/96, TR 132, 133; Mount Dora, 1/30/96, TR 90-91; New Port Richey, 1/31/96, TR 19, 26-27; Stuart, 2/1/96, TR 52, 57, 63, 77, 81, 116-117, 130; Sunny Hills, 2/5/96, TR 33; Sebring, 2/7/96, TR 18, 30, 51; Ft. Myers, 2/8/96, TR 113, 117, 130)

In the category of Response by the Company and Customer Relations, many customers believed that the company's response was inappropriate, inadequate, or left questions unanswered. (Kissimmee, 9/19/95, TR 58; Jacksonville, 9/20/95, TR 44, 46, 47, 49, 51, 72, 83, 86, 89, 90, 91, 101, 105, 116, 127, 153, 156, 160, 162-163, 164, 167, ; New Port Richey, 9/28/95, TR 23; Ocala, 10/11/95, TR 20, 35-37, 56, Mount Dora, 11/8/95, TR 49, 71-72; Ft. Myers, 11/28/95, TR 47, 61; Marco Island, 1/22/96, TR 66, 84, 121; Inverness, 1/24/96, TR 101, 105, 106, 119, 120, 125, 126, 142; Jacksonville, 1/25/96, TR 40, 63, 67, 70, 71, 78, 81, 115, 123, 129, 130, 138; Mount Dora, 1/30/96, TR 22, 45, 145; Sanford, 1/30/96, TR 32, 73, 93, 99; Stuart, 2/1/96, TR 29-30, 35, 37-38, 45, 59-60, 77, 79, 89-90, 94, 105, 106-107, 108-109, 120-121, 123, 131-132; Sebring, 2/7/96, TR 21)

There were some customers who had experienced billing problems. There had been either an error made on the bill, or a billing problem that was never resolved. (Jacksonville, 9/20/95, TR 88, 89, 125, 162; Mount Dora, 11/8/95, TR 109-110, 115-117; Sebring, 11/27/95, TR 26-27; Marco Island, 1/22/96, TR 58, 75, 98, 106; Mount Dora, 1/30/96, TR 69-70, 127-128, 132; Stuart, 2/1/96, TR 50)

SUMMARY BY STAFF:

Product quality problems seem to be confined to certain zones: Duval County (Beacon Hills, Cobblestone, Woodmere) and Sebring. Although the DEP witnesses essentially indicate compliance with standards, and general satisfaction with the utility's efforts and achievements, customer testimony and exhibits presented at the service hearings and technical hearing show water quality problems exist, primarily in Jacksonville and Sebring. Overall, operational conditions of the plants appear to be satisfactory.

Testimony in this case is overwhelming that many of the utility's customers are very dissatisfied with the service they receive. Customers many times compared the service received to the rates they pay, and find a severe mismatch. As witness Teasley noted, there have been significant rate increases. (TR 4989)

A comparative note that Ms. Teasley fails to discuss is the different importance placed upon water service than electric service. Water quality is a public health, safety, and welfare consideration; electric service is not. Staff believes that residents, while perhaps inconvenienced without electricity after a storm or hurricane, must have clean, safe water to drink. If the water is not safe to drink, public service announcements should be made, and bottled water should be used until the public water system is declared safe as dictated by the DEP rules.

The utility appears generally unresponsive to customer inquiries and complaints. Noticing does not always occur if there is an interruption of service where contamination may have occurred; is not prompt when lead or copper exceeds DEP action levels; there are delays in drawing water from a customer's home for a test. Staining and corrosion of plumbing and fixtures occurs; line flushing is insufficient. Inaccurate information is sometimes being provided to customers by SSU personnel; and, there are numerous billing problems.

Many customers do not drink the water, and instead buy bottled water or have purchased a filtering or softening system. These items, usually are a personal preference, but as mentioned above, many customers believed they had no choice but to take these steps.

Staff does not agree with the utility's assertion that SSU's customer service activities are above reproach, and that while SSU strives to attain this goal, it cannot be held to a standard of perfection. The company explains it serves more than 100,000 customers a day. (SSU Brief, p. 5) The number of customers should have no bearing on the overall quality of service in staff's opinion. The company does not admit it has a problem with customer satisfaction, even when it is apparent.

Staff recognizes that there is some overlap of customer relations and customer service associated with wastewater service along with water service. While there were some isolated problems associated with an occasional overflow or odor, the wastewater problems were more limited that those of water. The most vocal dissatisfaction from the customers at the service hearings was tied to water service and the utility's response to that. For this reason, staff is focusing the attention on improvements needed to the water operation.

Billing problems will occur with all utility service. The Commission's rules governing water and wastewater service are clearly laid out in Chapter 25-30, Florida Administrative Code,

specifying billing periods, payments by customers, reasons for discontinuance of service, and billing disputes. Several customers spoke of hardship cases, and it should be pointed out that while the Commission's rules do not address this instance, the utility can arrange a special payment plan to accommodate a customer's needs. The company however, is under no obligation to do so.

PRIMARY STAFF CONCLUSION: The DEP witnesses essentially state that the water quality and wastewater treatment are meeting applicable standards, and that the utility has worked diligently to achieve compliance with regulations. There are some problems with lead and copper, and the utility is working toward resolution of these problems within the time frames set forth by the DEP rules. Meanwhile, the utility is treating for the problem until a permanent solution is reached.

Primary staff recognizes that improvements should be made in the area of customer service and response by the company. It is apparent that the customers believe that the company could do a better job in this area. Primary staff does not believe however, that the value and quality of service is sufficiently deficient to warrant a conclusion that the overall quality of service is unsatisfactory. For this reason, primary staff recommends that the Commission find the value and quality of service to be marginally satisfactory. The utility should be placed on notice that sanctions will be pursued in the utility's next rate case if the value and quality of service is not improved.

ALTERNATE STAFF CONCLUSION: After reviewing all the testimony in the record, Alternate Staff recommends the value and quality of water service provided is not satisfactory, specifically related to the water quality problems in Jacksonville and Sebring, and overall customer dissatisfaction in all service areas. While the DEP witnesses testified that plants and product quality are meeting standards, it is obvious from the customer testimony that the value and quality of service leaves a lot to be desired. As can be seen from the record cites in the analysis portion of this issue, the customers are especially displeased with the water quality and the inadequacy of the utility's response to customer inquiries.

The significance of the number of letters and phone calls (over 7000) received by the Commission's Division of Consumer Affairs, as testified to by Witness Pruitt demonstrates the customer dissatisfaction with this utility. The fact that this many customers took the time to write or phone the Commission is not something to be ignored.

Alternate Staff recognizes there is some overlap in administrative functions relating to company response/customer relations and billing, which affect staff's conclusions addressing the value and quality of wastewater service. In light of the relatively few complaints and problems concerning wastewater, and, the testimony of DEP witnesses that the plants are operating well, staff is concluding that the value and quality of wastewater is satisfactory.

ISSUE 3: What adjustments should be made and what corrective action should the Commission require for any facilities that are not currently meeting Department of Environmental Protection standards or have unsatisfactory quality of service?

RECOMMENDATION: The utility should be ordered to take corrective measures to improve the water quality at the Duval County water facilities and Leisure Lakes (Covered Bridge) water facility in Highlands County. Quarterly reports should be filed with the Commission explaining the corrective measures taken, sampling conducted, and the results found. Reports should be filed with the Commission until problems are corrected. (WALDEN)

POSITION OF PARTIES

SSU: No adjustments are appropriate.

MARCO ET AL: The Commission should require corrective action for facilities not meeting DEP standards, to include full compliance with lead and copper levels and other pollutants and the warning and educational requirements related to them.

NASSAU ASSOCIATIONS: The Commission should require corrective action for facilities not meeting DEP standards.

OPC: The Commission should require corrective action for facilities not meeting DEP standards.

STAFF ANALYSIS: As discussed in Issue 2, there are deficiencies in water quality in Duval County (Beacon Hills, Cobblestone, Woodmere) and at Covered Bridge. The water quality in Duval County needs the most attention.

The Duval County service areas have fluctuating and elevated chlorine levels; corrosive properties; staining tendencies; and, lead and copper consistently above the action levels. Witness Terrero stated that the utility was now treating for lead and copper. (TR 476, 505-506) Witness Faircloth, DEP, suggested treatment for lead and copper, and mentioned phosphate as an approach at the Deltona Lakes facility. (TR 4118) Staff is more concerned however, about an effective treatment being implemented and results being achieved to reduce lead and copper levels, than the method of treatment selected.

Staff is concerned about the utility's testimony related to lead and copper at Beacon Hills/Cobblestone. SSU stated that if the facilities' samples were combined and tested, the number of

samples exceeding the action level would be less that 10% and, essentially would then be in compliance. While this might be acceptable under the letter of the law, staff believes this approach masks the problem and is simply not acceptable. It is not clear from the testimony that while some plant improvements are in place to treat for the lead and copper condition, how the future tests will be conducted. (TR 505-506) Again, staff is looking for results. Aggregating the samples as the utility proposes (TR 472; 507-508) will not correct the problem, and should not be allowed. Beacon Hills has elevated lead levels. (TR 470-471) Cobblestone has elevated copper levels. (TR 472) Staff believes that the correct approach is to provide treatment to the water at each plant to reduce the levels of these metals.

Staff recommends the utility continue with the improvements now in place, and continue testing samples from Beacon Hills and samples from Cobblestone on a stand-alone basis, provided the utility meets the time frames specified in Chapter 62-551, Florida Administrative Code, for compliance. If samples exceed the action levels, public notice should be given promptly and in accordance with applicable rules. It is apparent from customer testimony that customers are alarmed over the lead and copper concentrations, and the utility's lackadaisical attitude toward the problem. Mr. Terrero testified the company has until 1997 to reach an optimal solution. (TR 506) The utility should be cautioned that it need not wait until 1997 to find this solution.

From the testimony of the customers in Highlands County, it appears that the approach needed to improve the water quality there is increased flushing. As specifically related to Covered Bridge (Leisure Lakes) and the problems with sulfides, staff believes that the utility should be directed to explore the installation of a chlorine pacing system so that the residual chlorine level can be better maintained at the level recommended by Mr. Denny. (TR 4953) SSU should also investigate other alternatives for chlorine monitoring and feed implementation. Improvement of the overall condition of the water treatment plant equipment should be undertaken. The utility should file notice to the Commission when it has completed the remaining corrective actions as noted in Exhibit 236. Quarterly reports should be filed with the Commission explaining the corrective measures taken, sampling conducted, and the results found. Reports should be filed with the Commission until problems are corrected.

Staff also believes that SSU should perform customer education regarding all its seasonal residents. Mr. Denny agreed. (TR 4953-4954) Since many SSU facilities do provide water to seasonal

residents, all customers should be given information regarding in-house flushing. Staff believes that in the fall would be a good time to provide this notice, when many of the seasonal customers return to Florida.

In summary, staff is recommending the company fix the lead and copper problems at Beacon Hill and Cobblestone, and meanwhile continue sampling these plants and distribution systems on a stand-alone basis, and provide public notification as required by the rule, if exceedences occur. For Covered Bridge, staff is recommending improved chlorination, improvement of the overall condition of the water treatment plant, completion of the corrective actions as noted in Exhibit 236, and customer education for its seasonal residents. Seasonal residents at other service areas should receive this same customer education. Quarterly reports should be filed with the Commission explaining the corrective measures taken for lead and copper, sampling conducted, and the results found. Reports should be filed with the Commission until problems are corrected.

The problems discussed in Issue 2 relating to customer dissatisfaction need to be addressed and corrected by the utility through whatever methods the utility deems appropriate.

ISSUE 4: Based on the findings as to the value and quality of SSU's service, should the Commission reduce SSU's return on equity? If so, by how much?

PRIMARY RECOMMENDATION: There should be no reduction to SSU's return on equity. (CROUCH, WILLIS)

ALTERNATE RECOMMENDATION: Yes. The return on equity on water rate base should be assessed a penalty of 50 basis points for unsatisfactory quality of service. (WALDEN)

POSITION OF PARTIES

SSU: No. No adjustment to return on equity is appropriate based on the record in this proceeding.

MARCO ET AL: Yes. Return on equity should be reduced by 100 basis points for general poor quality and another 50 basis points where safe lead and copper levels were exceeded.

NASSAU ASSOCIATIONS: Yes. Return on equity should be reduced by at least 100 basis points.

OPC: Yes. Return on equity should be reduced by 100 basis points.

STAFF ANALYSIS: Primary staff concludes that quality of service is marginally satisfactory, as discussed in Issue 2, and therefore no reduction should be made to SSU's return on equity.

Pursuant to Section 367.081(2)(a), Florida Statutes, the Commission must consider the value and quality of the utility's service when fixing rates. This issue addresses whether SSU's return on equity should be reduced because of quality of service concerns, and is distinguished from Issue 5, which addresses whether a sanction should be imposed because of mismanagement or misconduct.

SSU argues that the Commission should not reduce SSU's return on equity. The utility states that there is no precedent for such a reduction and such a reduction based on the record would be unconscionable. SSU also cites its argument from Issue 2 regarding lead exceedences, its overall compliance with regulatory requirements, and the fact that it has brought many of its acquired facilities into compliance. The utility cites positive statements by several DEP witnesses regarding compliance. (TR 3467, 3078, 3082), and compares its complaint record to that of Florida Power and Light. (TR 4987-5000) SSU further states that, given the size

of the utility plant, it is impossible to be in compliance at all times.

OPC contends that the value and quality of SSU's service is "wholly unsatisfactory" and that the Commission should lower the rate setting point by 100 basis points. OPC cites Gulf Power Co. v. Wilson, 597 So.2d 270 (Fla. 1992), in support of its assertion. Nassau Associations contends that SSU's return on equity should be reduced by at least 100 basis points. Marco et al's position in the Prehearing Order and in its brief states that SSU's return on equity should be reduced by 100 basis points for overall poor quality of service, and an additional 50 basis points where safe levels of lead and copper were exceeded [Beacon Hills and Marco Island]. (Brief, p. 5)

OPC's brief on this issue refers to its arguments in Issue 2, and its listing of numerous specific customer complaints about water quality, wastewater service and the utility's customer relations. SSU contends that a utility of its size cannot help but have some complaints, and that its record of complaints to the Commission compares favorably to that of FPL. While the overall number of complaints may be comparatively low, given the size of the utility, each individual customer concern or facility-specific deficiency should not be ignored or minimized by pointing to an average or overall compliance. Therefore, staff has recommended remedial measures in Issue 3.

Marco et al stated in its basic position that the Commission should reduce SSU's return on equity by a total of 200 basis points: 100 points for generally poor service, 50 points for lead exceedences and noticing failures at Beacon Hills, and 50 points for excessive lead levels at Marco Island. Marco et al's brief addressed the reduction of the utility's return on equity, but focused only on the reduction for mismanagement or misconduct discussed in Issue 5.

Alternate Staff believes a reduction should be made. A review of case law shows the Commission has the authority to reduce a utility's return on equity, and in certain situations has done so. In the Gulf Power decision cited by OPC, the Commission determined that Gulf Power's fair rate of return was between 11.75% and 13.50% and that because of several years of corrupt practices such as theft and misuse of company property and inappropriate political contributions, the Commission reduced Gulf Power's rate of return by 50 basis points to 12.05%. The court held that so long as it remains within the authorized range, the Commission may adjust the rate of return for mismanagement.

In the past, the Commission has penalized utilities for poor quality of service by reducing the return on equity by up to 100 basis points. In a rate proceeding for Consolidated Utilities Company in Docket No. 840267-WS, the Commission determined that the utility had an "apparent lack of concern by the utility for the customers' service problems", failed to properly respond to customer calls, and failed to maintain its books and records. The Commission penalized the utility's return on equity by one percentage (100 basis) points. Order No. 14931, issued September 11, 1985. In Docket No. 850646-SU, the Commission found that Ocean Reef Club, Inc.'s quality of service was only marginally satisfactory, and reduced the utility's return on equity by 50 basis points. Order No. 17760, issued June 29, 1987.

The Commission has also imposed other financial penalties. In a staff-assisted rate proceeding for Pine Island Utility Corporation, the Commission determined that the utility's quality of service for both water and wastewater was unsatisfactory. Order No. 24643, issued June 10, 1991, noted that the Commission could fine the utility a dollar amount equal to a 1% reduction on its return on common equity. However, because that amount, $314, was insufficient, the Commission instead imposed a fine of $1000. In Docket No. 900025-WS, the Commission imposed a $2,000 penalty for poor quality of service upon Shady Oaks Mobile-Modular Estates. The Commission initially suspended the fine, but then lifted the suspension when the utility failed to make appropriate repairs to its facility.

In this SSU docket, staff has reviewed the value and quality of service concerns in Issue 2. The water quality problems are noted therein for some of the service areas, and numerous cites are made to customer comments from service hearings specifically related to service. There is significant customer dissatisfaction with customer service and information provided by the utility to the customers. Company answers to customer inquiries is not always responsive [see staff analysis and transcript cites in Issue 2].

In Issue 3, staff has recommended remedial measures that the utility should be required to make at specific sites and service areas. This includes improved water quality in Duval County, and a reduction of the lead and copper concentrations; improved chlorination and public education at Covered Bridge; and public education at other service area that include seasonal residents. Staff is recommending that the utility file quarterly reports with the Commission until the problems are corrected.

Staff recommends the Commission reduce SSU's return on equity due to the value and quality of service deficiencies, specifically the lead and copper exceedences in Duval County, and, the customers' dissatisfaction with the utility's responsiveness to service calls and questions posed by customers (as discussed in Issue 2). Additionally, staff is recommending corrective measures addressing these quality of service concerns, in an effort to remediate the service difficulties.

PRIMARY STAFF CONCLUSION: Primary staff recommends no adjustment be made since the value and quality is marginally satisfactory. Some improvements need to be made, but no penalty should be assessed.

ALTERNATE STAFF CONCLUSION: Alternate Staff believes the record demonstrates that the value and quality of water service is unsatisfactory as discussed in Issues 2 and 3. Alternate Staff recommends that the Commission reduce the utility's return on equity 50 basis points for the entire water operation. Remedial measures set forth in Issue 3 address the service problems and list some suggestions for compliance.

No penalty is recommended for the wastewater operation due to the finding in Issue 2 that the value and quality of wastewater service is satisfactory.

ISSUE 5: Will be addressed with Issue A.

RATE BASE

ISSUE 6: Are any adjustments to rate base necessary to reduce Lehigh land for Parcel 4, Tract C, as Plant Held for Future Use (Staff Audit Disclosure No. 2)? (As Amended at Hearing)

RECOMMENDATION: Yes. Land for the water system should be reduced by $6,288 for tract D, which is a 60% reduction of the total cost of $10,480. Water land should also be reduced by $22,723 for Tract C for land held for future use. The issue of original cost for parcels 1 through 3 and any subsequent related party purchases of land should be addressed in future proceedings. (KAPROTH)

POSITION OF PARTIES

SSU: No adjustment is appropriate.

MARCO ET AL: Adopts OPC's position.

NASSAU ASSOCIATIONS: Adopts OPC's position

OPC: Yes. With respect to the amount of $10,480 which should be included in rate base as used and useful, the raw amount of the land value should be reduced by 60% to reflect the Commission's decision in Lehigh's last rate case concerning which entity should be attributed the discount book value associated with the acquisition of the Lehigh consortium of companies. (K. Dismukes, Schedule 37)

STAFF ANALYSIS: Staff witness Dodrill testified that the utility included $414,605 in 1995 land additions in its 1996 rate base. He further testified that $120,840 for water and $260,562 for wastewater was actually for land held for future use. (EXH 190) The parties stipulated to the removal from rate base of $120,840 and $260,562 in land additions for water and wastewater, respectively, for Parcels 1, 2 and 3. Staff notes that while the prehearing order listed Parcel 4, tract D as the subject of dispute, the Commission amended the issue at the hearing that the reference should have been tract C. (TR 13) However, the testimony indicates that both tracts are at issue.

Utility witness Kimball testified that the remaining $33,204 was for parcel 4, which was divided into a tract C and a tract D. Additionally, parcel 4 pertains to water not wastewater land. Agreeing that tract C was non-used and useful, Ms. Kimball stated

that tract D should be included in rate base because construction was in progress, if not already completed, on that tract. She agreed that the cost was $22,723 for tract C and $10,480 for tract D, for a total cost of $33,203. (TR 1382-1383,1387,5050; EXH 126; EXH 175, Schedule 37)

OPC witness K. Dismukes testified that the cost of tract D should be reduced by 60%, consistent with the Commission's decision in Lehigh's last rate case, Docket No. 911188-WS. Ms. Dismukes explained that in that case, SSU argued, that the difference in Topeka's purchase price of the Lehigh consortium of companies should be applied to 100% of the unregulated operations, including a company which owned a substantial amount of land. The discount was 60% below the book value. Since the Commission agreed with SSU in the last case that no discount should be attributed to Lehigh Utilities, Ms. Dismukes stated that the cost of subsequent land sales to the utility should be accordingly reduced. It was not possible for Ms. Dismukes to determine whether parcel 4 was purchased at book or fair market value, as she stated that SSU refused to provide the information requested in discovery. She recommended that the Commission require SSU to write down the value of tract D by $11,561. She also recommended that the remaining land held for future use (parcels 1, 2 and 3 and tract C of parcel 4) should be reduced by $229,558. This would prevent SSU from moving the purchase price of this land into rate base in the future. (TR 2779-2781)

SSU witness Vierima testified regarding Ms. Dismukes' adjustment above that SSU makes sure that all of its inter-affiliate transactions are at arms-length and fair market values. Mr. Vierima explained that Lehigh Corporation is only obligated to sell real estate to SSU at fair market value and that SSU took prudent steps to ensure that prices were competitive. (TR 4410)

In her rebuttal testimony, Ms. Kimball stated that if the Commission did reduce the cost of tract D by 60%, the reduction should only be made to the direct cost of the land and not the costs associated with the land acquisition. (TR 5050) The direct cost of tract D was $6,082 and a 60% reduction would be $3,649.

Staff believes that this issue contains three sub-parts: whether parcel 4 is used and useful or plant held for future use; whether adjustments should be made to the original cost of parcel 4, tract D for related party transactions; and whether adjustments should be made to land held for future use on SSU's books for the remaining parcels 1, 2, 3 and tract C of parcel 4 for related party transactions. Regarding the issue of parcel 4, the record is clear

and all parties agree that tract C is non-used and useful and tract D is being currently used. Accordingly, an adjustment should be made to remove the cost of parcel 4, tract C from rate base as plant held for future use.

Regarding the purchase cost price of tract D, it is the utility's burden to prove that its purchase price is reasonable. Florida Power Corporation v. Cresse 413 So.2d 1187, 1191 (1982). This burden is even greater when the purchase is between related parties. In GTE Florida v. Deason, 642 So.2d 545 (Fla. 1994), the Court established that where evidence indicates that a utility's related party costs were no greater than they would have been had it purchased services and supplies elsewhere, that a standard should be set to determine whether the transactions exceeded the going market rate or were otherwise inherently unfair.

This case differs from the standard established in the GTE Florida case. The distinction is that the record must show that the utility's purchase price was more or less than what an arms-length transaction would have been. Other than a statement by Mr. Vierima that all of SSU's affiliate transactions are at arms-length and fair market values, SSU did not provide any documentation in support of this statement. The utility refused to provide any documentation surrounding the book value of the land on Lehigh Corporation's books and did not provide any other competent evidence in support of what the market value of the land would have been. As such, staff believes that the utility has essentially failed to prove the prudence of the purchase price paid for this land. Further, it appears that the utility was aware of a potential disallowance given the alternative treatment provided by Ms. Kimball.

Since the utility failed to meet its burden to justify its purchase price, the Commission could fully disallow this cost. However, staff believes that Ms. Dismukes' position is also reasonable to recognize the 60% discount on SSU's purchase of the Lehigh consortium. In that case, the Commission stated that the non-utility not the utility assets would receive the discount. It seems logical that the discount should follow through with subsequent sales of land, especially since the utility assets received no discount from the sale. Accordingly, staff recommends that it is reasonable to reduce the purchase price of the tract D land purchased from Lehigh Corporation by 60%. With respect to Ms. Kimball's alternative, staff disagrees that only the direct purchase costs should be reduced. Had SSU paid less, then according to SSU's overhead policy, the total indirect costs applied would be accordingly reduced. (TR 1325, 5092-5093)

Staff agrees with Ms. Dismukes that SSU should be required to write down the value of unsupported related party transactions on its books. However, we are concerned that this issue is not broad enough to incorporate such treatment for future cases. This issue only dealt with parcel 4, not parcels 1 through 3. Although we believe that the record supports such a requirement, these adjustments will not have an effect on the current revenue requirement. Further, the Commission reviews all new land purchases as part of each rate proceeding and this issue will identify the issue for future LUI land acquisitions. Accordingly staff recommends that the issue of original cost for parcels 1 through 3 and any subsequent related party purchases of land be addressed in future proceedings.

Accordingly, staff recommends that the original purchase cost of tract D be reduced accordingly by 60% or $6,288. For tract C, water rate base should be reduced by $22,723 for land held for future use.

ISSUE 7: Are any adjustments to water rate base appropriate to reflect the original cost of the Collier property acquired for Marco Island?

RECOMMENDATION: No. (MONIZ)

POSITION OF PARTIES

SSU: No.

MARCO ET AL: Yes. Adjustments should be made to reflect the actual cost and to remove overhead allocations of $1,683,411.

NASSAU ASSOCIATIONS: Yes. Adjustments should be made to reflect the actual cost and to remove overhead allocations.

OPC: Yes. Adjustments should be made to reflect the actual cost and to remove overhead allocations. (Larkin/DeRonne schedule 11)

STAFF ANALYSIS: OPC witnesses Larkin and Deronne testified that SSU included $9,199,918 in projected additions for its Marco Island water plant to reflect the purchase of the Collier property. This amount consisted of $4,400,000 added in 1994 and an additional $4,799,918 added to its MFRs in 1995. According to the testimony provided by the OPC witnesses, early in 1994, SSU entered into condemnation proceeding with the Barron Collier family for the rights to the land. During April 1995, a settlement was entered into for the purchase of the land. The settlement purchase price was $8,000,000. SSU also incurred $436,845 in professional fees, including legal and engineering costs, associated with the purchase. This resulted in a total actual cost for the Collier land of $8,436,845, which is $763,073 less than the amount included in the MFRs for the estimated purchase costs. This amount represents the amount the utility included for overhead. (TR 2629-2631)

Mr. Larkin and Ms. Deronne argue that the amount of overhead SSU allocated to the purchase of the Collier land should be removed. The witnesses contend this purchase consisted only of land, not the constructed assets. Therefore, according to OPC, it is not appropriate for SSU to allocate the overhead to the purchase of land. Witnesses Larkin and Deronne argue that this treatment appears consistent with SSU's own capitalization policies. The company policy for purchased assets states: "For capitalized assets other than construction, the original cost includes freight, sales tax, and installation costs." The company policy for constructed assets is as follows: "The cost of construction to be

included in the plant accounts consists of direct costs (which are necessary and clearly related to the construction of a depreciable asset) such as material and labor; overheads such as engineering supervision, general and administrative expense and insurance; and an allowance for funds used during construction (AFUDC)." The OPC witnesses contend the purchase of land should fall into the purchased asset category, not the constructed asset category. (TR 2629-2630)

Utility witness Bencini, argues that Mr. Larkin's assumption, regarding the disallowance of overhead because it is a land purchase, is false. He also disagrees with Mr. Larkin's presumption that SSU's policy regarding purchase assets excludes overhead charges. Mr. Bencini makes the claim that it is SSU's policy to include administrative overhead on all capital projects, operational as well as administrative. He contends this assumption is the foundation of the overhead process behind SSU's capital program. The detailed annual study considers all capital projects, whether constructed or purchased. The overhead rates are determined based upon the estimated work to be performed relating to these capital projects. (TR 5092)

Mr. Bencini argues that it is an erroneous assumption that overhead should not be applied to a purchased asset. He states, technically all of SSU's assets are "purchased", whether the purchase relates to parts and materials, whole assets, cost of construction, cost of engineering, or any combination thereof. He contends that, according to the theory used to apply overhead rates, it is administratively impossible to track the administrative support for each capital project individually. Therefore, a composite rate is applied to all projects based upon the total overhead pool. Mr. Bencini argues that if OPC believes that the Collier water supply source should not have overhead applied to it, then the pool must be applied over a smaller base number of direct capital dollars, which in turn results in higher overhead rates. He insists the total overhead pool must be applied to the capital program because they are prudent costs. He adds, a decrease in overhead to one project must be offset by an increase in overhead applied to all other capital projects. (TR 5093-5094)

Mr. Bencini testified that since the filing of the MFRs, the project cost has increased to $10,263,100, or $1,063,182 higher than that requested in the MFR's. The incremental cost reflects final payment of SSU's legal fees associated with the litigation. SSU requests that this additional investment be considered by the Commission in this proceeding as a set-off against any reductions which the Commission may determine are necessary. (TR 5094)

Staff believes that the OPC witnesses have brought out a plausible concern in respect to overhead being applied to purchased assets. However, the utility's rebuttal testimony affirms SSU's policy that administrative overhead is applied to all capital projects, operational as well as administrative. Staff believes that this methodology is reasonable and does not believe an adjustment is warranted. Also, staff is not persuaded by Mr. Bencini's argument that any reductions should be off-set by the increase in the project costs. This argument does not apply in this issue since we are not recommending any adjustments. However, as discussed in other issues we are not making adjustments based on actual amounts. Based on the above, staff is not recommending an adjustment be made to remove the overhead included in land for the Collier property purchase.

ISSUE 8: Should an adjustment be made to reclassify a portion of the Collier Property for Marco Island from rate base to non-utility property?

RECOMMENDATION: No. Staff believes that the entire 212 acres should remain in rate base at this time. However, should the non-development status of any portion of this land change, staff recommends that the Commission direct SSU to file notice to that effect, and that this deviation be examined and made issue of in the next rate proceeding which includes the Marco Island facility. (AMAYA)

POSITION OF PARTIES

SSU: No.

MARCO ET AL: Adopts Public Counsel's position.

NASSAU ASSOCIATIONS: Adopts Public Counsel's position.

OPC: A portion of the purchase price should be allocated to non-utility property. Rate base should be reduced by $5,833,617.

STAFF ANALYSIS: Staff witness Dodrill testified that he reviewed five appraisals pertaining to the condemned Collier property, and that those appraisals indicated that a portion of the land would not be used as a water source. (TR 3208-3209) Based on this, he recommended in Audit Exception No. 2 that the Commission reduce the land account by reclassifying that portion of land to non-utility property. (TR 3208-3209)

OPC argues in agreement with staff's witness that since all of this land, which consists of 56.29 acres of lakes, 71.28 acres of wetlands, and 84.93 acres of uplands, will not be fully utilized in the provision of water service to SSU's customers, that an amount be allocated to non-utility property. They propose that this allocation be based on either the direct acreage method or the lump sum purchase method and that it be excluded from rate base. (TR 2631, 3208-3209).

SSU argues that it presented evidence confirming specific reasons why this land should not be reclassified to non-utility property. The reasons given are: (1) the purchase of this land was the least cost alternative available, (2) the purchase of any less of the property would have cost more, (3) the entire property was required to ensure that the supply source was protected, (4) the property is strategically located as a water source, (5) the

Aquifer Storage and Recovery (ASR) project will be located there, and (6) the site is strategically located in conjunction with supplies from the 160-acre site [also known as Section 35]. Further, the utility believes it is not possible to use the property for commercial or residential development. (TR 747-750, 4423-4427, 4492-4502,4635-4639, 4716-4719, 4751-4752, 4755-4756, 4974-4985) (EXH 212, 222, 228, 232)

SSU attempted to discredit staff's witness during cross-examination for: (1) not being an engineer, (2) having no knowledge of property valuation, (3) having no experience in condemnation matters, (4) being unaware of SSU's use of the property for the ASR project and essential wells, (5) being unaware of water source protection requirements, (6) being unaware that it would cost SSU and customers more if less property was purchased, (7) being unaware of the strategic location of the property and the ASR project, and (8) failing to present any competent evidence in support of his use of the uplands as more valuable. (TR 3211-3217)

Staff believes that SSU has erred in aspects of its reasoning. First, when asked to supply a late-filed exhibit citing DEP's 500 foot setback distance from the wetted perimeter (TR 909), SSU witness Hartman provided portions of DEP Rule 62-521 (EXH 94) which pertains to wellhead protection. This rule does not pertain to surface water supplies, and the only way this particular argument could be credible is if SSU were applying this criteria to the potential ASR well. As SSU witnesses Terrero and Dilg testified, there are no surface water protection setbacks. (TR 4493, 4750) Second, SSU's argument that it does not believe it possible to develop the property for commercial or residential uses is not supported. Merely, it states in a footnote within its brief, the following:

> The site is in a prime location at the junction of two traffic arteries, yet the prior owners never developed the land for residential or commercial purposes. The prior owner refused to renew the 30 year water lease. These two facts go together. The prior owner could not develop the property while it was being used for a water supply source, thus their refusal to renew the lease.

(SSU Brief, p. 14) While this argument could have merit, the utility did not introduce evidence supporting the prior owners' reasoning nor its inability, or reasons therefore, to develop this property.

OPC's position follows the staff auditor's recommendations. While staff believes its witness had valid reasons for making his recommendation to reclassify portions of the land to non-utility property, (TR 3208-3209) staff does not believe any of the 212 acres should be removed from rate base at this time. Staff's recommendation relies in good part on the fact that the purchase of this amount of land incorporates less acreage than what the utility was previously leasing from the Colliers for the same purpose. (TR 4717) Further, the utility's anticipated construction of an ASR well on this site could leave the utility vulnerable to unauthorized users of its stored water if it did not have control over that surface land covering the higher concentrations of the stored water. (TR 4637-4638) (EXH 230) Finally, staff believes that this site is indeed strategic in that SSU plans to develop a wellfield on Section 35, (TR 4638-4639) and there exists ground storage in addition to the lakes on this property to hold water when that wellfield begins producing. Based on these merits, staff is recommending the inclusion of all 212 acres as utility land.

Staff believes, however, that should the non-development status of this property ever change, the Commission could direct SSU to file a notice to the Commission to that effect. Further, if such a change does occur, staff could examine and make issue of this deviation in the next future rate proceeding which includes the Marco Island facility.

Therefore, staff recommends leaving the entire 212 acres in rate base at this time. However, should the non-development status of this property ever change, staff recommends that the Commission direct SSU to file a notice to the Commission to that effect. Further, if such a change does occur, land size and cost should be examined and made an issue in the next future rate proceeding which includes the Marco Island facility.

ISSUE 9: Should the transfer of the Section 35 (160 Acres) property from plant held for future use to land be allowed for Marco Island?

RECOMMENDATION: No. Based on both the utility's estimate that this land will not actually be in-service until late 1997 and the fact that necessary easements had not been obtained by hearing, staff recommends this transfer not be allowed. (AMAYA)

POSITION OF THE PARTIES

SSU: Yes. Permits have been obtained. Easements are in progress. If this land had not been secured already by SSU's predecessor, it would have cost SSU and customers significantly more to acquire an alternative site, if one could be found.

MARCO ET AL: No. It appears unlikely that the site will have production facilities in place during 1996 and, therefore, be used and useful during the test period. The cost of the entire 160-acre facility should be removed from rate base.

NASSAU ASSOCIATIONS: Agrees with OPC.

OPC: No. Currently, it does not seem feasible that this facility will be put into service for the projected test year 1996 because no facilities have been constructed on the site. Therefore, the cost of the 160 acre new water supply site should be eliminated from the rate base in this filing.

STAFF ANALYSIS: In his direct testimony, SSU witness Terrero advocates moving $220,855 of land that has been in plant held for future use into plant in service. This land has been identified as a raw water supply for Marco Island. (TR 455) He also testified that this land was acquired in 1984 as a source of supply to meet future demand and that SSU has not obtained any return on this investment even though this site was used to store sludge from the lime softening treatment plant. (TR 4650-4651) Terrero also testified, however, that SSU does not have an easement to lay the raw water main and that the project will probably be started in 1996 but not be done until 1997/1998. (TR 464) In a response to a Commissioner's inquiry, Terrero testified that he believed it would actually be bringing water to Marco Island in 18 months. (TR 531) Staff's calculation of that time frame puts actual wellfield production to begin late in 1997.

SSU argues that excluding this land from rate base is contrary to common sense and to law. (Brief, p. 15 & 17) Staff disagrees.

This land has previously been booked in plant held for future use. As previously discussed, this land will likely not be used and useful to SSU customers until late 1997 or 1998. However, staff does not take issue with the prudence of such investment; and such investment is realized through Allowance for Funds Prudently Invested. Therefore, to include this land in rate base at this time is contrary to prior Commission practice. (See Order No. PSC-93-1070-FOF-WS, p. 14) SSU cites many cases in its Brief in which the Commission allowed land held for future use to be included in rate case. Four of the cases cited pertained to electric utilities, and the fifth case cited was a telephone proceeding. (Brief, p. 16)
While none of these cases were water or wastewater utilities, SSU argues that in each of the cases the FPSC allowed in rate base land held for potential use. (Brief, footnote pg 16)

OPC, Marco et. al, and the Nassau Associations all favor not including this site as utility land in service due to the improbability of construction being completed by the end of the test year. Staff agrees.

Therefore, based on the utility's testimony that this land will not be producing until late 1997, coupled with the fact that the utility still had not obtained the necessary easements by the time of hearing, staff recommends that the transfer of this land from plant held for future use to land in service not be allowed.

ISSUE 10: Should an adjustment be made to disallow the company's proposed transfer of a Deltona site and Marco Island site from property held for future use?

RECOMMENDATION: Yes. An adjustment should be made to transfer the Deltona site ($33,000) to property held for future use. (KAPROTH, RIEGER)

POSITION OF PARTIES

SSU: No.

MARCO ET AL: Adopt OPC's position.

NASSAU ASSOCIATIONS: Adopt OPC's position.

OPC: Yes. The Deltona site and Marco Island site should remain classified as property held for future use. Rate base should be reduced by $253,885. (Larkin/DeRonne schedule 13)

STAFF ANALYSIS: Utility witness Kimball proposed an adjustment to transfer the Deltona site for $33,000 and the Marco Island site for $220,885 from plant held for future use to the land account in the 1996 rate base. (EXH 67) Ms. Kimball explained that these sites were removed from rate base as non-used and useful in the last rate case and now should be considered used and useful. (TR 1362) By Order No. PSC-93-0423-FOF-WS, issued March 22, 1993, the Commission disallowed several parcels of land from rate base, including the Deltona Lakes site. The Commission found that there was no evidence that the property would be developed within 5 years. (Order at 43) This issue will only address the Deltona land since the Marco Island land in this issue was addressed in Issue 9.

Utility witness Terrero explained that the Deltona Lakes facility was designed in 1967 and the land was previously in plant held for future use. (TR 455-456) During cross examination, Mr. Terrero testified that although the Deltona Lakes site is now ready to provide service, SSU does not know when it will need the water out of the well. Since there is a well there and the distribution system is designed to take water out, then it should be included in rate base. When asked by the Chairman whether the wells would be used and useful by the end of 1996, Mr. Terrero hesitated and said it "could be, yes." (TR 529-530)

However, OPC contended that in response to OPC's Interrogatory No. 167, SSU stated it did not know when the ratepayers would require service from the Deltona Lakes site. Because SSU did not

know when service would be required from the Deltona Lakes site, OPC witnesses Larkin and DeRonne testified that the site should be removed from rate base. (TR 2639-2640) (EXH 174, Schedule 13)

Staff believes that the record is unclear as to whether the Deltona Lakes site will in fact be used in providing water service in 1996. We have testimony from OPC stating that SSU provided a response stating that it is unknown when the land will be in service and SSU's witness hesitating on his answer to say that it will. Given the conflicting evidence, staff believes that the utility has not fully demonstrated that this land is in fact used and useful. Therefore, staff recommends that $33,000 be removed from rate base as land held for future use.

ISSUE 11: Should Buenaventura Lakes' rate base be reduced to reflect adjustments made in Docket No. 941151-WS, pursuant to Order No. PSC-96-0413-S-WS, issued March 25, 1993, which approved the transfer?

RECOMMENDATION: Yes, the following adjustments should be made:

	WATER	WASTEWATER
Plant in Service	$ 31,494	$(284,536)
Land	0	(538)
Accum Depr	(290,368)	(605,930)
CIAC	(126,635)	(285,489)
CIAC Amort	87,319	245,723
TOTAL	$(298,190)	$(930,770)

A corresponding adjustment should be made to decrease depreciation expense for water and wastewater by $2,217 and $18,982, respectively. Accumulated depreciation should also be reduced, to reflect the error correction adjustment approved in Order No. PSC-96-0413-S-WS, by $6,381 and $233,895, for water and wastewater, respectively. (MONIZ)

POSITION OF PARTIES

SSU: Yes, as indicated in the argument in the brief.

MARCO ET AL: Yes. Rate base should be reduced by $298,190 for the water operations and by $930,770 for the wastewater operations. Depreciation expense should also be reduced by $2,261 for the water operations and by $22,173 for the wastewater operations, in accordance with adjustments reflected on K. Dismukes, Schedule 39

NASSAU ASSOCIATIONS: Yes. Rate base should be reduced by $298,190 for the water operations and by $930,770 for the wastewater operations. Depreciation expense should also be reduced by $2,261 for the water operations and by $22,173 for the wastewater operations., in accordance with adjustments reflected on K. Dismukes, Schedule 39.

OPC: Yes. Rate base should be reduced by $298,190 for the water operations and by $930,770 for the wastewater operations. Depreciation expense should also be reduced by $2,261 for the water operations and by $22,173 for the wastewater operations, in accordance with adjustments reflected on K. Dismukes, Schedule 39.

STAFF ANALYSIS: By Order PSC-95-1325-FOF-WS, issued October 31, 1995, the Commission approved the transfer of Orange Osceola Utilities, Inc. (Buenaventura Lakes, BVL, OOU) to SSU and made adjustments to reduce water and wastewater rate base by $298,190 and $930,777, respectively. On November 21, 1995, OOU filed a protest to this order. However, the protest was limited to the Commission's disallowance of capitalized interest in rate base. Pursuant to Order No. PSC-96-0411-S-WS, issued March 25, 1996, OOU and SSU agreed to stipulate all adjustments reflected in Order No. PSC-95-1325-FOF-WS, with the exception of the adjustments related to AFUDC/capitalized interest. Order No. PSC-96-0411-S-WS, also included adjustments to correct accumulated depreciation. This adjustment decreased water and wastewater accumulated depreciation by $6,381 and $233,895, respectively.

OPC witness K. Dismukes testified that rate base should be reduced by $298,190 for water and $930,770 for wastewater, to reflect the adjustments approved in the transfer order. She also included a corresponding adjustment to reduce depreciation expense by $2,261 for water and $22,173 for wastewater. (TR 2786)

Utility witness Kimball agreed that the adjustments proposed by Ms. Dismukes were consistent with those found in Order No. PSC-95-1325-FOF-WS, Docket 941151-WS. But, she argued that her adjustments do not reflect the correct adjustments that should be made in this docket. The adjustments in transfer docket were as of December 31, 1994, and this rate case has a December 31, 1996 test year. Ms. Kimball proposed adjustments to reduce rate base by $88,355 and $456,350, for water and wastewater, respectively. She testified that she included the adjustments in her late-filed deposition exhibit No. 1, (TR 5055) which was never entered in the record.

In its brief, SSU argued that the adjustments for Buenaventura Lakes rate base approved in Order No. PSC-96-0413-S-WS had already been reflected in the MFRs. Considering the fact that the utility's official date of filing was August 2, 1995 and the transfer order was not issued until March 25, 1996, staff believes it is highly unlikely the utility could have known to include these adjustments in its MFRs. Additionally, this argument is not part of the record.

Staff agrees with the Ms. Kimball's argument that rate base should be adjusted to reflect the test year. Regardless, since the support for her adjustments is not in the record, staff was unable to make the adjustments she suggested. However, we believe that pursuant to Order No. PSC-96-0413-S-WS, rate base should be reduced

Based on this, staff recommends the following adjustments be made and that the utility be ordered to correct its books accordingly.

	WATER	**WASTEWATER**
Plant in Service	$ 31,494	$(284,536)
Land	0	(538)
Accum Depr	(290,368)	(605,930)
CIAC	(126,635)	(285,489)
CIAC Amort	87,319	245,723
TOTAL	$(298,190)	$(930,770)

A corresponding adjustment should also be made to decrease depreciation expense for water and wastewater by $2,217 and $18,982, respectively. Accumulated depreciation should also be reduced, to reflect the error correction adjustment approved in Order No. PSC-96-0413-S-WS, by $6,381 and $233,895, for water and wastewater, respectively.

ISSUE 12: DROPPED.

ISSUE 13: Are adjustments necessary to the utility's additions to plant, both historic and projected?

RECOMMENDATION: Yes. The following adjustments should be made to plant in service:

	UPIS	Accum. Depr.	Depr. Expense
Project Slippage			
Water	($2,398,545)	$87,834	($87,834)
Wastewater	($464,915)	$17,562	($17,562)
Imperial Mobile Terrace Well	($80,858)	$2,700	($2,700)
Double Bookings & Overaccruals	($520,079)	$57,428	($28,736)

In addition, $111,384 should be moved from Marco Island plant in service to Marco Shores, in order to allocate a portion of the Marco Island percolation ponds. (AMAYA, CLARK)

POSITION OF THE PARTIES

SSU: No.

MARCO ET AL: Yes. SSU's construction forecasts are not reliable indicators of actual construction and have been inconsistent subsequent expenditures in every Sugarmill Woods rate case since 1990.

NASSAU ASSOCIATIONS: Agree with OPC.

OPC: Yes. Adjustments should be made to plant in service, accumulated depreciation, and depreciation expense on account of project slippage.

STAFF ANALYSIS: In the MFRs, the utility has projected capital additions of $27,015,825 for 1995 and $16,710,620 for the 1996 test year. These amounts represent the water, wastewater, and general plant additions to plant in service for the service areas under the Commission's jurisdiction. (EXH 67, Vol. II, Book 4, p.1)

OPC witnesses Larkin and DeRonne testified that as of August 31, 1995, SSU had experienced significant slippage in its capital

project schedule. (TR 2623) Based on an analysis of the utility's project status report, Mr. Larkin and Ms. DeRonne calculated that SSU was behind schedule by 69 projects. By comparing the difference between the budgeted and actual in-service dates for all projects scheduled to be in-service by August 31, they also determined that SSU was approximately two months behind schedule, on average. (TR 2624) Consequently, Mr. Larkin and Ms. DeRonne testified that SSU's projected plant in service balance used to calculate the 13-month average balance as of December 31, 1996 is overstated, since this calculation includes the balance as of December 31, 1995. (TR 2625)

Based on the results of their analysis, Mr. Larkin and Ms. DeRonne concluded that SSU's 13-month average plant in service balance for the projected test year should be recalculated for the period October 31, 1995 through October 31, 1996. As they testified, this adjustment should be made in order to reflect that the utility's projects are, on average, two months behind schedule. (TR 2625) Therefore, in order to account for project slippage, Mr. Larkin and Ms. DeRonne proposed that SSU's test year plant in service should be reduced by $1,973,372 for water and $372,937 wastewater, subsequent to OPC's recommended non-used and useful adjustments. (TR 2625, EXH 174, Schedules 6 & 7) Corresponding adjustments were also proposed to reduce test year accumulated depreciation and depreciation expense by $73,212 and $14,955, for water and wastewater, respectively. (TR 2627, EXH 174, Schedules 8 & 9)

In response to the project slippage adjustments proposed by OPC witnesses Larkin and DeRonne, SSU witness Kimball presented an updated project status report as of December 31, 1995, as well as a summary of budget versus actual comparisons based on this updated report. (TR 5033, EXH 242, JJK-4 and JJK-5) Similar project status reports were provided on a regional basis by SSU witnesses Westrick, Goucher, Bailey, and Paster. (EXH 216, 217, 220, & 221) Based on this summary schedule, Ms. Kimball testified that, on a year-end basis, total 1995 capital additions in the MFRs were overstated by $1,575,277, or 6.43%, excluding the Lehigh lines. (TR 5034, EXH 242, JJK-5) Further, Ms. Kimball claimed that a $190,579 (2.52%) positive variance exists between actual additions and the amount included in the MFRs, based on a 13-month average calculation. (TR 5034, 5077, EXH 242, JJK-5) Ms. Kimball summarized that based on the above, a project slippage adjustment was not warranted. (TR 5036)

In its brief, OPC argued that the rebuttal testimony provided by the utility supports the assertions of Mr. Larkin and Ms.

DeRonne that SSU's forecasted capital project additions are behind schedule. On cross examination, Mr. Westrick agreed that out of 164 projects, 117 were completed after the projected in service date. (TR 4525-4526, EXH 216) In addition, OPC argued that information provided by Mr. Goucher, Mr. Bailey, and Mr. Paster indicated a similar pattern with respect to projects not being completed on time. (EXH 217, 220, & 221)

On cross examination, staff posed questions to Ms. Kimball regarding the 13-month average calculation provided as part of Exhibit 242. (TR 5081-5082) Ms. Kimball indicated that the 13-month average numbers provided on Schedule JJK-5 were calculated by looking at the monthly additions for 1995. (TR 5082, EXH 242) In her own words, Ms. Kimball stated that, "[w]e took the January additions times 12. We took the February additions times 11. Took the March additions times ten. We added up all those totals and we divided by 13." (TR 5082) Ms. Kimball agreed with staff that when calculating a 13-month average, typically you use 13 months of data, divided by 13. However, she declared that SSU was strictly trying to demonstrate a comparison of 1995 actual plant additions versus what was filed in the utility's MFRs. (TR 5082)

Based on Ms. Kimball's statements, it appears that SSU was attempting to calculate some sort of weighted average budget-to-actual comparison. However, staff believes that the utility has made an error in labeling this calculation as a 13-month average. Ms. Kimball utilized 12 months of plant data, and simply because she divided by 13, labeled the average as such. (TR 5082) Based on the above, staff believes that the utility's suggestion of a positive variance, regarding its 1995 budget-to-actual plant additions, should be disregarded, as it relies on an inappropriate calculation of a 13-month average.

Project Slippage Adjustment

Staff is concerned with the utility's projected 1996 capital expenditures budget based on statements made by SSU witnesses Sandbulte and Terrero. These statements are important in that the utility is using a projected 1996 test year. Mr. Sandbulte stated that the rate structure has an impact on whether capital expenditures are made. (TR 202-203) In follow-up, Mr. Terrero testified that some of the projects budgeted for 1996 probably would not occur if stand-alone rates were imposed. (TR 498) However, he could not enumerate, speculate, or give any indication as to which projects would be eliminated, other than to say one such project would be Enterprise. (TR 498-502) However, according to the utility's filing, they have budgeted only $3,848 for the

Enterprise facility in 1996 which is due to allocated projects -- projects not specifically designated to benefit Enterprise. (EXH 67) Staff points out that the total 1996 budget reflects $16.7 million to be expended for its FPSC regulated plants. (Id.) Since there is no way to know which projects, if any, the utility intends to eliminate in the event of stand-alone rates being imposed versus uniform rates, staff believes that this concern boosts OPC's argument to impose an adjustment due to project slippage.

Based on the above, staff believes that the record supports an adjustment to the projected test year capital additions. Using the updated project status report provided by Ms. Kimball, (Exhibit 242, Schedule JJK-4), staff compared the differences between the budgeted and actual in-service dates for all projects scheduled to be completed by December 31, 1995. Staff notes that this information was also provided on a regional basis by SSU witnesses, Westrick, Goucher, Bailey, and Paster. (EXH 216, 217, 220, & 221) Staff's analysis is similar to the evaluation performed by Mr. Larkin and Ms. DeRonne, however, updated through year-end 1995. Based on this analysis, it appears that SSU's capital projects are still approximately two months behind schedule. Staff would like to point out that there were a number of projects listed on the updated project status report that have either been expensed or cancelled. (EXH 242, JJK-4) To be conservative, these projects were not factored into staff's analysis of the budget versus actual comparison of in-service dates, although we believe that this fact also supports an adjustment to plant in service.

Based on the above, with the exception of one plant addition discussed below, we believe that OPC's proposed project slippage adjustment is appropriate and reasonable. Consistent with OPC's analysis, staff is not recommending adjustments based on the utility's actual plant additions. On the contrary, staff is merely recognizing that the utility's projections for 1995 were not on point, and therefore, based on the testimony provided by Mr. Larkin and Ms. DeRonne (TR 2623-2625), we are reflecting the overstatement of project additions as of December 31, 1995, within the 13-month average calculation for the test year ending December 31, 1996. Thus, staff recommends that plant in service should be reduced by $2,398,545 for water and $464,915 for wastewater in order to account for project slippage. Corresponding adjustments should also be made to reduce accumulated depreciation and depreciation expense by $87,834 and $17,562 for water and wastewater, respectively. Staff notes that our recommended plant in service adjustments are prior to any non-used and useful adjustments.

Imperial Mobile Terrace Well

SSU included in its projected capital projects for 1996 a new well at Imperial Mobile Terrace. This facility, which currently has only one well, must have a back-up source of supply due to its size. (EXH 67, Rule 62-555.315(1), Florida Administrative Code) The projected capital expenditure is $175,192.

During discovery staff became concerned that the new well might not be constructed as planned. (EXH 106) During cross-examination of SSU witness Paster by OPC, Mr. Paster indicated that the most efficient alternative to building a second well would be to interconnect with the City of Tavares. He indicated that the utility was in negotiations with the City at that time. He also testified that the utility would proceed with constructing the new well only if the negotiations were unsuccessful. (TR 4624-4626) Further, if the negotiations with the City do not succeed, the likelihood of the well being completed in 1996 is low. (TR 4626)

Based on the foregoing discussion, staff believes that the most prudent avenue for the Commission to follow with respect to this project is to eliminate it from the 1996 budget. Therefore, staff recommends that $80,858 be removed from the Imperial Mobile Terrace plant schedules to reflect the 13-month average balance as of December 31, 1996, included in plant in service. Corresponding adjustments should also be made to reduce accumulated depreciation and depreciation expense by $2,700.

Historical Adjustments for Double Bookings and Overaccruals

In addition to the recommended adjustments based on project slippage, staff believes that historical plant in service should be adjusted to remove overstatements due to various double bookings. Exhibit 243 identified overstatements totaling $520,079, reflected in the MFRs due to double bookings and reversals of accruals. (TR 5080) The total overstatement affects various water and wastewater plants. (EXH 243) On cross examination, Ms. Kimball added that since then, the utility had discovered an additional $330,000 in underaccruals. Ms. Kimball contended that this should be offset against the $520,079 overstatement. (TR 5081) Staff notes, however, Ms. Kimball did not provide any documentation supporting the dollar amounts, nor any indication of what plant balances were actually understated. Consequently, staff believes there is insufficient evidence in the record to support the utility's assertion that these underaccruals exist. Therefore, staff recommends that plant in service should be decreased by $520,079 to remove overstatements due to double bookings and overaccruals. Corresponding adjustments should also be made to decrease

accumulated depreciation and depreciation expense by $57,428 and $28,736, respectively.

Allocation of Marco Island Percolation Ponds to Marco Shores

One final adjustment to plant in service relates to an allocation of the Marco Island Percolation Ponds to Marco Shores. Marco Shores almost exclusively uses the Marco Island percolation ponds which are located on the mainland. (EXH 224, TR 4765). The percolation ponds are basically a back-up and last resort for effluent disposal for the Marco Island wastewater plant. (TR 4764) However, according to the utility's summary of capital additions, no portion of the investment in these percolation ponds has been allocated to Marco Shores. Staff believes that a portion of the utility's investment in the percolation ponds, which was $4,333,994, should be allocated to the Marco Shores customers, based on their use of this disposal facility. (EXH 67) The capacity of these ponds is 3.5 million gallons (TR 4763), and according to Exhibit 224, for 1995, Marco Shores disposed of an average of approximately 45,000 gallons per day. The current capacity of the Marco Shores wastewater treatment plant is 90,000 gallons per day. (EXH 67) Therefore, staff recommends that an allocation in the ratio of 90,000 to 3,500,000 be made. That allocation is 2.57% of $4,333,994, or $111,384. Therefore, staff recommends that $111,384 be removed from account 380.4 under Marco Island, and moved to this same account under Marco Shores.

ISSUE 14: Are SSU's classifications of expenditures as to "growth", "regulatory", etc. well-founded and reasonable?

RECOMMENDATION: Yes. Although some projects may have been classified under a different code, such as "safety" or "quality of service" or "general improvement" each project was evaluated to determine if it was a prudent investment. (CROUCH)

POSITION OF PARTIES

SSU: Yes.

MARCO ET AL: No, the classifications have no basis in fact or law and have apparently been constructed for the purpose of misleading regulators, elected officials and customers into believing that capital expenditures and operating expenses are compelled by government action or otherwise necessary to protect the environment.

NASSAU ASSOCIATIONS: No. Agrees with Marco.

OPC: No, the classifications are neither well-founded nor reasonable.

STAFF ANALYSIS: This issue was raised by Mr. Hansen, a customer of Sugarmill Woods and a witness for Marco et al. Mr Hansen testified that, "SSU in their PR releases, likes to boast about all their environmental expenditures, most of which appear to be over-stated and misclassified." (TR 3123)

SSU's basic position, as shown in their Brief on page 22 is that this issue has no impact on revenue requirements. SSU presented several witnesses who testified that without sufficient funds, any utility will experience difficulty maintaining and replacing equipment to maintain an optimum performance level. (TR 3354-3358, 3441-3443, 3449, 3583-3584)

SSU filed their projects by five different priority codes: Safety; Regulatory Mandate; Growth; Quality of Service; and General Improvement. (TR 4602), (EXH 116) SSU puts forth the argument that this issue has no impact on revenue requirements. These priorities are set down by SSU and is really a judgement call. (TR 4605) SSU witness Westrick admitted that the company claims that anything they do to provide uninterrupted service is claimed to be a requirement of regulatory mandate, (TR 4530) and OPC suggests that this causes the classification of regulatory mandate to lose credibility. Both Marco and Nassau take the position that these

classifications give the false impression that the money is being spent in conformance with environmental regulations. SSU points out in its Brief, however, that while engineers and operators may differ concerning the priority code to attach to a particular project, no party presented any evidence that any of the projects were imprudent or unreasonable in cost. Following is the breakdown of projects by priority code: Safety - 9.5%; Regulatory Mandate - 34.5%; Growth - 35.4%; Quality of Service - 13.6%; and General Improvement - 6.9%. (EXH 116)

Staff believes that the prudency of the expenditure was far more important than the classification category. Staff agrees with SSU that while we might differ as to the assigned priority code or project classification, no evidence was presented to show that a project expenditure was imprudent or unreasonable in cost. Staff suggests that SSU's classifications of expenditures have no revenue impact therefore can be considered well-founded and reasonable.

Staff recommends that although some projects might have been classified under a different code such as safety, quality of service, or general improvement, each project was evaluated to determine if it was a prudent investment and, as such, a legitimate rate base component.

ISSUE 15: DROPPED.

ISSUES 16 AND 41 HAVE BEEN COMBINED

ISSUE 16: Is the utility's methodology of converting ERCs to connected lots for calculating used and useful for transmission, distribution, and collection lines appropriate?

RECOMMENDATION: Yes, in the absence of actual numbers of lots connected. (AMAYA)

POSITION OF PARTIES

SSU: Yes, but the issue is moot.

MARCO ET AL: Adopt Public Counsel's position.

NASSAU ASSOCIATIONS: Adopt Public Counsel's position

OPC: No. Actual connected lot numbers or customers should be used.

ISSUE 41: What is the appropriate method for determining used and useful percentages for water transmission and distribution mains and wastewater collection lines?

RECOMMENDATION: The appropriate methodology for calculating used and useful percentages on lines is to compare the number of lots connected to lots available. (AMAYA)

POSITION OF PARTIES

SSU: The lot count method is inappropriate. SSU has requested U&U for Sunny Hills, Citrus Springs, Marion Oaks and Pine Ridge using the hydraulic flow method which is the appropriate method. For all other service areas, SSU requests U&U levels be established, at a minimum, at the levels approved in the Commission's last rate orders which are acceptable at this time. Multi-family, large meter use and minimum sized facilities must be considered when such circumstances exist consistent with such prior orders and Commission practice.

MARCO ET AL: Existing lots connected compared to total lots available for water and wastewater services, consistent with PSC practice and provided that the proper allowance is made recognizing

that multi-family lots and lots zoned "commercial" will have more connections than single-family lots.

NASSAU ASSOCIATIONS: Adopts Public Counsel's position.

OPC: Existing lots connected compared to total lots available for water and wastewater services.

STAFF ANALYSIS: The analysis for Issues 16 and 41 are combined below. The methodology offered by SSU witness Bliss, in the "Key to Used and Useful Calculations for Water" and in the "Key to Used and Useful Calculations for Wastewater" for determining used and useful on mains is to take the average number of ERCs, multiplied by the "ratio of customers" to ERCs, add margin reserve, and then divide this total by the number of lots with lines in front of them. (EXH 67) The derivation of this "ratio of customers" for each facility is shown in Exhibit 103. In short, the utility compared the historical number of meters in service to the historical number of ERCs, yielding a ratio of lots (meters) to ERCs. This ratio was then applied to the projected number of ERCs to yield a projected "number of lots" (meters) connected to the mains. (EXH 103) This methodology was filed by the utility, apparently in lieu of providing the actual number of connected lots. As testified to by SSU witness Bliss, it would be feasible, albeit very time consuming, to count all of the connected lots off of the maps. (TR 1202-1203)

SSU makes the argument that this issue poses an irrelevant, academic question and that it inaccurately infers that this conversion is instrumental to used and useful calculations on lines. They advocate being allowed the used and useful percentages authorized in the last rate proceeding for lines, or for the four Deltona facilities, those percentages achieved through hydraulic analysis. Staff disagrees. Not only is the issue relevant, but this conversion process must be addressed as it directly affects the used and useful percentages calculated for the utility's investment in mains.

As can be seen from close review of Exhibit 103, there are many instances where the derived "number of lots" connected exceeds the actual number of lots available, thereby achieving a used and useful percentage greater than 100%. (TR 1202) OPC argues that in order to compare "apples with apples", the actual connected lots should be compared to the actual lots available. (BR 33) Staff agrees. However, neither the utility, OPC, nor staff has undertaken the arduous task of counting the actual number of lots connected as shown on the utility's maps. Therefore, staff

believes that in lieu of numbers that accurately reflect connected lots, the utility's conversion method utilizing meters is appropriate to use. This methodology more closely portrays lots connected than does the use of ERCs, which was the methodology proposed in Docket No. 920199-WS and approved by this Commission.

Issue 41 addresses the proper methodology for determining used and useful on water and wastewater mains. As that issue is in sync with this issue, staff will address the utility's and intervenors' arguments regarding Issue 41 here.

The methodology used to determine used and useful percentages for mains is very important. In Docket No. 920199-WS, the utility calculated, and the Commission allowed, used and useful percentages for water and wastewater mains calculated by comparing ERCs to lots available. (TR 1203, 1205) To portray the potential mismatch under that methodology, the following example is provided. A 3" meter is equivalent to 15 ERCs. Thus, comparing 15 ERCs to 1 lot yields 1,500% used and useful.

Using SSU's derived number of lots connected to lots available in this proceeding in many cases results in a significantly lower used and useful percentage than that determined and/or allowed in the previous proceeding. (EXH 103) When asked during cross-examination if the method filed in this proceeding (derived number of lots connected to lots available) was a better method than that used in the previous rate case, SSU witness Bliss stated that "Yes, I guess I would concede, yes, it's a better method." (TR 1205)

In staff's cross-examination of Mr. Bliss, the used and useful percentage for mains at Druid Hills was examined. Using the ERCs to lots methodology, the mains were found to be 100% used and useful in Docket No. 920199-WS. However, using the meters to lots available as filed in this proceeding, the resulting used and useful is 73.33%. (TR 1207-1209) However, Mr. Bliss did not agree that the difference between 73.33% and 100% was significant. (TR 1208) Further, he stated that the utility is requesting 100% used and useful again in this proceeding because (1) it was authorized in the last rate proceeding and (2) no less of a system could provide the service to those customers in Druid Hills. (TR 1209) He points out, further, that the notation for Druid Hills reflects that the 100% used and useful number was based on customer density, pipe size and system layout. (TR 1210, EXH 105) This "customer density" argument was reflected for several facilities. (EXH 105) Staff believes that the customer density argument should be looked at very closely and not adopted merely because the utility requests it. When a utility is requesting 100% used and useful on lines due

to customer density, pipe sizes, and system layout, it is saying that the utility could not have installed fewer or smaller diameter lines to serve its entire customer base, and that the customers are located close to one another which yields the high density result. The problem with this is that it is very subjective; the lot count methodology is not.

The issue of which used and useful percentage is the appropriate percentage to use when a lower percentage is achieved in the current proceeding, as seen in the Druid Hills example, is addressed in detail under Issue 44.

Another problem encountered in determining the appropriate methodology for determining used and useful on mains becomes apparent when considering Marco Island's transmission and distribution facilities. That facility's transmission and distribution mains have been considered 100% used and useful at least since May 26, 1987. FPSC Order No. PSC-93-1070-FOF-WS, p. 12. Yet, even in the cited order, the utility was noted as projecting growth on the water side of 200 ERCs per year. (Order at 11) Under the lot count methodology in the instant case, 44.1% used and useful was calculated. Again, the issue of which percentage to apply to the utility's investment is addressed under Issue 44.

SSU lays out a very lengthy argument to support the inappropriateness of the lot count method, that the hydraulic analysis is the appropriate methodology for four plants, and finally that previously established used and useful percentages should be retained. (BR 48-52) SSU does not provide argument to support its previous methodology of comparing ERCs to lots.

SSU states that the focus of a proper used and useful analysis is the extent to which prudent investment is used and useful to existing customers, and argues that the prudence of SSU's investment in lines it now owns and maintains is not at issue in this proceeding. (BR 48) It is of course true that investment may be prudent, but not used and useful, and recoverable through mechanisms other than a return on rate base. Staff believes that it is a threshold question whether SSU's investment in the lines it now owns and maintains was prudent when made. In Order No. 22307, Order Approving Topeka Group, Inc.'s Transfer of Majority Organizational Control of Deltona Corporation's Utility Subsidiaries, Requiring Monthly Update on Status of Land Ownership, and Requiring Utilities to Honor Prior Commitments Made to Deltona Lot Owners, issued December 12, 1989, this Commission found that if an extension of service to a Deltona lot purchaser in accordance

with the offering statements would result in an imprudent investment, either Deltona or Topeka would be liable for up-front costs. Order at 13. Thus, for the former Deltona service areas, staff believes the Commission may appropriately determine, on the basis of record evidence, whether lines installed in those service areas since the transfer to Topeka have been prudent investments, subject to used and useful analysis.

To illustrate how a utility should be allowed to earn a return on its minimum required investment, SSU witness Hartman gives an example using an 8" diameter sewer lateral as compared to a 10" diameter sewer lateral. In his example, this sewer lateral is to serve one customer, and the assumption is made that in order to meet regulatory requirements, the 8" diameter is needed at minimum. He then compares the capacities of the two pipes, and states that the capacity difference is 60%. (TR 831-832) He then takes his example one step further and compares the cost of the 8" lateral to 60% of the cost of the 10" lateral to show how the utility's investment could be treated through used and useful. This approach gives the utility the opportunity to earn a return on a smaller portion of its actual investment. (TR 831-832) The problem with this approach is that it is based on volumetric capacity of the main. The Commission does not consider the volumetric capacities of mains under the lot count methodology. Staff acknowledges that it will likely cost more to install 10" diameter mains as compared to 6" diameter mains; however, the used and useful percentage derived by the lot count method is applied to the total investment regardless of main diameters. Therefore, the utility, using Mr. Hartman's example and current Commission practice, will have the opportunity to earn a return on its entire investment in the larger, 10" diameter lateral.

SSU witness Hartman's argument using the laterals also supports his threshold approach. (TR 831-832) The argument he makes is that if an 8" main is required by regulation, and the utility decides to oversize and install a 10" main, then the investment differential between the 8" main and the 10" main should be the only investment at risk. (TR 831-832) Staff believes that this could be a reasonable approach. If the utility, however, does not provide the investment it would have needed to make in order to comply with regulations (the threshold investment), along with its actual investment made for the oversized main or other component at issue, there is no threshold investment level to compare.

OPC argues that by use of the lot count method, the water main (and presumably the wastewater main) cost is allocated evenly to all customers. Further, OPC witness Biddy testified that the lot

count method does not fail to recognize cost to accommodate fire flow and looped lines, because it allocates the total cost through used and useful percentages. (TR 2512-2513)

In its Brief, SSU filed a "Comparison of Lot Count Used and Useful Investment to the Ideal Development Investment", as Appendix B. The utility argues that even with an ideal developer controlled situation wherein each lot is developed consecutively, the lot count methodology still falls short. Staff believes this aggregation of numbers portrays just what the utility wants it to portray. The fact is, this conglomeration of information was filed after the hearing ended, and while the individual numbers themselves may not be disputed, how they are used in this schedule may be. For example, the utility has mixed numbers from its Service Availability filing with this used and useful schedule, and has assumed an average pipe size based on a weighted average of pipe sizes for each facility. Further, Marco Island is cited in footnote 14, but is not one of the four facilities compared. Staff has not undertaken the arduous task of compiling a similar schedule, and does not believe it necessary.

As argued by OPC, the lot count methodology does allocate the total investment more fairly to each customer. Further, the utility is not penalized for installing larger diameter mains to meet fire flows through the lot count methodology. Staff believes that the appropriate methodology to use for determining used and useful percentages for lines is to compare lots connected to lots available. If the Commission were to continue to allow the comparison of ERCs connected to lots available, there exists the potential for skewed used and useful percentages. However, in recommending used and useful percentages for mains in this instance, staff is proposing in its primary recommendation that the Commission allow the utility the same percentages authorized in the last rate proceeding unless capacities have changed, even though those percentages are, or may have been, based on ERCs connected to lots available.

ISSUE 17: Should a margin reserve be included in the calculations of used and useful for each facility?

RECOMMENDATION: Yes, for those facilities that are demonstrating growth, and that can accommodate growth. Margin reserve should be included in the following facilities which are not yet built out or are not using the total capacity of their water and/or wastewater facilities:

WATER:

Amelia Island	BayLake Est.	Beacon Hills
Buenaventura Lks	Burnt Store	Carlton Village
Citrus Springs	Chuluota	Crystal River
Deep Creek	Deltona Lakes	Enterprise
Fishermans Haven	Fountains	Geneva Lake Est.
Gospel Island	Hobby Hills	Intercession City
Interlachen	Keystone Club	Lakeside
Lehigh	Marco Shores	Marion Oaks
Oak Forrest	Palisades	Palm Port
Pine Ridge	Piney Woods	Point O'Woods
Pomona Park	Postmaster Vil.	Quail Ridge
Reming'n Forrest	Rosemont	Silver Lakes Est
Spring Gardens	St Johns H'lands	Sugar Mill
Sugarmill Woods	Sunshine Pkwy	University Shores
Venetian Village	Welaka	Woodmere
Wootens		

WASTEWATER:

Amelia Island	Beacon Hills	Buenaventura Lks
Burnt Store	Chuluota	Citrus Springs
Deep Creek	Deltona Lakes	Fl Cent/Cmrce Pk
Lehigh	Marco Shores	Marion Oaks
Palm Port	Palm Terrace	Park Manor
Point O'Woods	South Forty	Spring Gardens
Sugar Mill	Sugarmill Woods	Sunny Hills
Sunshine Pkwy	Tropical Isle	University Shores
Venetian Village	Woodmere	

(CROUCH)

POSITION OF PARTIES

SSU: Yes.

MARCO ET AL: Adopts Public Counsel's position

NASSAU ASSOCIATIONS: Utilities should require developers to contribute water and wastewater lines, and treatment plant

capacities. Existing customers should not pay any margin reserve for future development.

OPC: No. Reserve capacity needed to meet the demands of growth should be paid by growth. The cost of any prudently constructed reserve capacity should not be borne by current ratepayers through a margin reserve, but by future ratepayers through various forms of CIAC, AFPI and guaranteed revenues.

STAFF ANALYSIS: Margin Reserve is that capacity or investment needed to meet changing demands of existing customers and the demands of potential customers within a reasonable time and in an economic manner. According to SSU witnesses, "Margin Reserve" refers to plant capacity necessary to meet daily and seasonal variations in demand and to accommodate a reasonable allowance for growth. (TR 690-691, 720-723, 3485, 3487, 3504, 2225, 2226) SSU presents the basic argument that a margin reserve must be included in the rate base to reduce costs to customers, comply with environmental regulations, protect the public health, preserve the environment, promote administrative efficiency, and to take advantage of economies of scale. (TR 707-723, 3439-3523, 3815-3829, 3566-3607, Hartman's EXH 90 & 91, Harvey's EXH 198)

OPC witness Biddy, on the other hand, testified that a well planned phased development of distribution and collection lines and phased treatment plant expansions can reduce or eventually eliminate the need for a margin reserve. (TR 2498-2499) Mr. Biddy also testified that the cost to support prudently constructed reserve capacity should be paid for by future customers. (TR 2497-2499)

Section 367.111(1) Florida Statutes, provides that "Each utility shall provide service to the area described in its certificate of authorization within a reasonable time." The Commission recognizes that for a utility to meet its statutory responsibilities, it must have sufficient capacity and investment to meet the existing and changing demands of present and potential customers. Hence, staff agrees with SSU that a margin reserve must be included in calculations for used and useful plant.

In the summary of his testimony, OPC's Biddy stated that "all margin reserve should be eliminated from used and useful calculations, therefore, forcing utilities to do real world projections of utility need growth." (TR 2519-2520) Under cross examination, however, Mr. Biddy admitted that economies of scale exist and that they must be weighed very carefully by the utility or developer. (TR 2562) And a little later in an answer to a

cross examination question, Mr. Biddy agreed that the utility needs a cushion, a safety factor in design but he stated that these factors should be recovered from the future customers. (TR 2563)

While staff agrees with OPC that "well planned and phased" expansions could reduce or eventually eliminate the need for a margin reserve, this is not the real world. The utility is asked to forecast when and where development might take place and then incrementally build just that exact amount of plant to serve the new development and to build it just in time to serve the new customers. Many of the facilities considered in this rate case are built out or have no excess capacity with which to serve additional growth without constructing additional plant. (EXH 67) No margin reserve need be considered for these facilities when calculating used and useful.

Listed below are those facilities which are demonstrating growth and which are not yet built out or using the total capacity of their existing water and/or wastewater facilities. (EXH 67)

Staff agrees with SSU's Hartman that some amount of margin reserve must be included in used and useful calculations to accommodate current demand variations and a reasonable allowance for growth. (TR 690-691)

The Commission has consistently recognized margin reserve as an element in used and useful calculations. Order No. 22844, March 23, 1990; Order No. PSC-92-0594-FOF-SU, July 1, 1992; and Order No. PSC-93-0423-FOF-WS, March 22, 1993 Staff recommends that a margin reserve be authorized and included in the calculations for the following facilities:

WATER:

Amelia Island	BayLake Est.	Beacon Hills
Buenaventura Lks	Burnt Store	Carlton Village
Citrus Springs	Chuluota	Crystal River
Deep Creek	Deltona Lakes	Enterprise
Fishermans Haven	Fountains	Geneva Lake Est.
Gospel Island	Hobby Hills	Intercession City
Interlachen	Keystone Club	Lakeside
Lehigh	Marco Shores	Marion Oaks
Oak Forrest	Palisades	Palm Port
Pine Ridge	Piney Woods	Point O'Woods
Pomona Park	Postmaster Vil.	Quail Ridge
Reming'n Forrest	Rosemont	Silver Lakes Est

WATER (cont'd):

Spring Gardens	St Johns H'lands	Sugar Mill
Sugarmill Woods	Sunshine Pkwy	University Shores
Venetian Village	Welaka	Woodmere
Wootens		

WASTEWATER:

Amelia Island	Beacon Hills	Buenaventura Lks
Burnt Store	Chuluota	Citrus Springs
Deep Creek	Deltona Lakes	Fl Cent/Cmrce Pk
Lehigh	Marco Shores	Marion Oaks
Palm Port	Palm Terrace	Park Manor
Point O'Woods	South Forty	Spring Gardens
Sugar Mill	Sugarmill Woods	Sunny Hills
Sunshine Pkwy	Tropical Isle	University Shores
Venetian Village	Woodmere	

ISSUE 18: If margin reserve is included in the calculation of used and useful, what is the appropriate margin reserve period?

RECOMMENDATION: Twelve (12) months for water transmission and distribution facilities and wastewater collection facilities; eighteen (18) months for source of supply and pumping, water treatment, storage facilities and high service pumping; thirty-six (36) months for wastewater treatment plant and effluent disposal are the appropriate margin reserve periods. [This is a change in Commission Policy] (CROUCH)

POSITION OF PARTIES

SSU: Three years for water treatment plant. Five years for wastewater treatment plant. Twelve months for water distribution/transmission facilities and wastewater collection facilities.

MARCO ET AL: If margin reserve is included, the twelve months as margin reserve for water mains and sewer lines, and eighteen months as margin reserve for water and wastewater treatment facilities historically allowed by the PSC should be utilized.

NASSAU ASSOCIATIONS: Adopts Public Counsel's position.

OPC: Three years and five years of margin reserve should not be allowed in the used and useful calculations for water and wastewater treatment facilities, respectively. The Commission traditionally uses twelve months as margin reserve for water mains and sewer lines, and eighteen months as margin reserve for water and wastewater treatment facilities.

STAFF ANALYSIS: SSU provided several witnesses (Harvey, Hoofnagle, Sowerby, York) who are, or were, employed by DEP. These witnesses attempted to justify the need for a five (5), seven (7), or even ten (10) year period for calculating a margin reserve (TR 3520-3521). SSU witness Harvey and witness Sowerby testified that DEP Rule 62-600.405, F.A.C., either mandates or implicitly requires the Commission to impose a 5 year margin reserve for wastewater treatment facilities. During cross examination, however, it became evident that these witnesses were actually discussing and describing a "reserve capacity" and not "margin reserve". Reserve capacity is an engineering design consideration which insures that a system has sufficient capacity to meet unexpected demands while Margin Reserve is an economic consideration used when determining rates for existing customers. Witness Harvey admitted that the rule did not require a 5 year reserve capacity for wastewater

treatment, (TR 3489-3490) or even a requirement for a 4, or even a 3 year minimum reserve capacity. (TR 3492-3500) As pointed out by OPC witness Biddy, the DEP Rule merely requires the utilities to submit capacity analysis reports (CAR) to DEP under various conditions. (TR 2497) Staff believes that reserve capacity is a justified capacity consideration well within the purview of DEP regulations while margin reserve is a strictly economic or rate making function. OPC stated that the DEP witnesses were simply not credible witnesses to advise the Commission concerning the imputation of any margin reserve period. (OPC Brief, pg 36)

On the other hand, SSU presented a strong argument for some changes to margin reserve periods allowed by past Commission orders. SSU witness Hartman provided convincing testimony regarding economies of scale [where larger systems have a lower per unit cost] and threshold facility sizing [the smallest system that can be built and still function properly]. (EXH 91) DEP Rule 62-600.405, F.A.C., does in fact place additional burdens upon the wastewater utility to plan and construct a system of sufficient capacity to meet future demands. It "forces" utilities to act with sufficient leadtime to put that capacity in place when needed. The utility is required to maintain reserve capacity under the DEP Rule, and staff agrees that it would be economically and administratively inefficient to allow only 18 months margin reserve for wastewater treatment plants. (TR 3459-3461, 3556-3567, and 3818-1819)

OPC witness Biddy states that the DEP Rule mandates WWTP owners to prepare plans for possible future expansion. (TR 2497) Staff agrees that the DEP rule encourages utilities to continuously plan and prepare for future expansions in order to insure adequate capacity.

It is staff's opinion that there is a degree of expense required to plan and prepare sites for future WWTP expansion and that eighteen (18) months is not sufficient time to comply with the DEP Rule requirements. DEP does not, however, have similar rules for water treatment facilities, (TR 2498); therefore staff believes the eighteen (18) month timeframe is still adequate for water treatment plants.

Staff, therefore, recommends that the Commission retain the twelve (12) months margin reserve for water transmission/distribution facilities and wastewater collection facilities; and eighteen (18) months for source of supply and pumping, water treatment and storage facilities and high-service pumping. This is consistent with Commission policy as shown in

Order No. PSC-93-03120-FOF-WS and there was no valid testimony provided to support changing those timeframes. Staff does recommend that the margin reserve timeframe for wastewater treatment facilities be increased from 18 months to 36 months, however, in view of the added burden placed upon the utilities by DEP 62-600.405, F.A.C. This is a change from previous Commission policy.

ISSUE 19: STIPULATION.

ISSUE 20: What is an acceptable level of unaccounted for water?

RECOMMENDATION: Staff recommends that 10 percent of the water pumped or purchased is an acceptable level of unaccounted for water. (MCROY)

POSITION OF PARTIES

SSU: Unaccounted for water equal to or less than 12.5 % on a company-wide basis is acceptable without further explanation, as SSU proposes. Alternatively, the same percentage on a plant-specific basis is also acceptable without further explanation.

MARCO ET AL: Unaccounted for water should be calculated on a system-by-system basis so that excessive losses can be tracked and corrected were occurring. No more than 10 percent of unaccounted for water should be accepted at each individual water system. The current average of 10.9 percent is unacceptable. (Hansen)

NASSAU ASSOCIATIONS: Adopts Public Counsel's position

OPC: To achieve appropriate levels of unaccounted for water, PSC should allow no more than 10 percent of unaccounted for water for each water system. The Commission should not allow the 12.5 percent company-wide level of unaccounted for water requested by SSU. (Biddy)

STAFF ANALYSIS: Utility witness Denny, reading from the American Water Works Association (AWWA Manual M8), testified that, "unaccounted for water in any given distribution system might range from 35 percent to as little as 5 percent with the higher percent going to distribution systems with such factors as variable and or high system pressures, old piping, extensive piping and distribution systems serving customers which use small amounts such as where the customers are 100 percent residential customers." Witness Denny further quoted from the manual, "A fair average of unaccounted for water might be 10 to 20 percent for fully metered systems with (a) good meter maintenance programs and average conditions of service." (TR 395)

The F-1 Schedules in the MFRs (EXH 67) shows column (2) total gallons pumped and column (3) gallons purchased for each month for each plant. Column (4) shows gallons sold (revenue producing) while column (5) shows other uses such as line flushing,

plant use, fire department use, lift stations, stuck meters, tank flushing and water used for chlorination at water and wastewater treatment plants. The water in column (5) is estimated or otherwise determined by the plant operator. (TR 419) Column (6), unaccounted for water, is the result of column (2) plus column (3) minus column (4) and column (5). (EXH 67) Unaccounted for water then is that "non revenue producing" water which can not be accounted for in any of the purposes covered under column (5).

Commission policy has been to allow 10 percent of the water available (pumped or purchased) as an acceptable level of unaccounted for, non revenue producing water. OPC witness Biddy provided testimony that stated "To achieve low levels of unaccounted for water, FPSC should allow no more than 10 percent for each water system" (TR 2501) The Commission took administrative notice of Commission Orders No. 23511, issued September 18, 1990, and 24485 issued May 7, 1991, which explain the Commission's policy that 10 percent unaccounted for water is an acceptable level. The utility claims that the explanations and adjustments contained in the MFRs for each plant should be consolidated to produce a company-wide unaccounted for water level of 10.9 percent. The utility also proposes that no adjustments be made to operations and maintenance expense associated with unaccounted for water levels. (TR 395)

Witness Biddy testified that "FPSC should evaluate the level of unaccounted for water on an individual basis." (TR 2501) Staff agrees with witness Biddy. A company-wide unaccounted for water percentage does not accurately depict a true picture of the utility's unaccounted for water. Staff believes that each service area should be evaluated on a service area by service area basis. The utility should be encouraged to lower unaccounted for water on each of its service areas. Utility witness Denny testifies that:

> a plant by plant unaccounted for water evaluation, and resulting unaccounted for water expense and used and useful adjustments, encourage SSU to incur costs to lower a high UFW percentage in a low use service area rather than lower an already acceptable UFW percentage in a high use service area without regard to the fact that 1 percent reduction to UFW in the high service area may represent a much greater water saving than a 10 percent reduction to UFW in a low use service area. (TR 4919)

When asked which large facility was being evaluated for unaccounted for water, witness Denny could not provide an example. (TR 4957) Since the utility did not specifically identify a facility where

their position applied, staff believes a facility by facility approach for unaccounted for water should be utilized.

Commission policy has been to accept up to 10 percent as unaccounted for water and anything above that should normally be considered excessive and adjustments should be made to rate base and expenses as discussed in Issue 21 and 45.

ISSUE 21: Do any water facilities have excessive unaccounted for water and, if so, what adjustments are necessary?

RECOMMENDATION: Facilities with excessive unaccounted for water and the recommended adjustments for chemicals, purchased power and purchased water are listed in Attachment A (MCROY)

POSITION OF PARTIES

SSU: No. Company-wide UFW is below 12.5%. Alternatively, if UFW is examined on a plant-specific basis, no adjustments are appropriate. Instances where an SSU plant experienced UFW above 12.5% can be explained or is otherwise justified.

MARCO ET AL: Adopt Public Counsel's Position.

NASSAU ASSOCIATIONS: Yes. Test year expenses should be reduced by 67,121 to adjust for chemical, purchased water, purchased wastewater, and purchased power expenses for excessive unaccounted for water.

OPC: Yes. Test year expenses should be reduced by 67,121 to adjust for chemical, purchased water, purchased wastewater, and purchased power expenses for excessive unaccounted for water. (Biddy, K. Dismukes)

STAFF ANALYSIS: As discussed in Issue 20, this Commission has historically approved 10 percent as an acceptable level for unaccounted for water. In addition to used and useful adjustments to plant discussed in Issue 45, the Commission has traditionally adjusted the chemical, purchased power and purchased water expenses where appropriate such as in Order Nos. 23511 and 24485. This is done to compensate for the additional chemical, purchased power required to treat the unaccounted for, non-revenue producing water. In the case of purchased water, the adjustment disallows expenses for excess water purchased by the utility and unaccountably lost.

OPC witness K. Dismukes provided testimony on unaccounted for water. Witness K. Dismukes also provided an Unaccounted for Water Adjustment for Variable Expense Schedule which shows an adjustment of $67,121 for unaccounted for water. (EXT 175) Witness K. Dismukes agreed that she had used the wrong column from the MFRs to calculate the excess unaccounted for water adjustment in her schedule. (TR 2934) Staff has recalculated excessive unaccounted for water using the proper column and the total unaccounted for water adjustment is $50,130. When staff subtracts the five

excluded service areas the total adjusted unaccounted for water is $22,774. The details are shown in Attachment A.

Utility witness Denny provided testimony stating that an "UFW adjustment should not be allowed for the following plants: Amelia Island, Beecher's Point, Woodmere, Lehigh, and Valencia Terrace." (TR 4923) Witness Denny provided the reasons for the unaccounted for water problems for the five service areas.

AMELIA ISLAND

Witness Denny stated the following justification for not adjusting for unaccounted for water. "The two well meters were replaced in May 1995 and since that time UFW has been at 4.8%" (TR 4923)

BEECHER'S POINT

Witness Denny stated the following justification for not adjusting for unaccounted for water. "At Beecher's Point, since April 1994 we have purchased water from the town of Welaka and the UFW had been 5.7%, which indicates a metering problem had existed at SSU's plant" (TR 4923)

WOODMERE

Witness Denny stated the following justification for not adjusting for unaccounted for water. "In June 1995, we installed meters on both wells and the UFW since then has been 5.3%" (TR 4923)

Lehigh

Witness Denny stated the following justification for not adjusting for unaccounted for water. "The water plant distribution meter was calibrated in July 1995 and UFW has been 1.7%" (TR 4923)

Valencia Terrace

Witness Denny stated the following justification for not adjusting for unaccounted for water. "Upon investigating the cause for the high UFW, SSU discovered that several landscaped strips belonging to a homeowners association were found to be unmetered. The Commission should recall that SSU acquired the Valencia Terrace plant in 1995. All landscape areas are now metered, customer accounts are set up, and the meters are read on a monthly basis." (TR 4923)

Witness Denny testified that the Amelia Island, Beecher's Point, and Woodmere plant meters along with the distribution meter at Lehigh were registering higher than true flows. (TR 4956) Witness Denny stated, "These meters that I'm referring to here are mostly well meters, and it's really not that uncommon for a well meter to register fast." (TR 4957) Since the utility presented testimony that these well meters were registering fast, staff believes it's not appropriate to make any adjustment for unaccounted for water on water plants where well meters were recalibrated or replaced and a significant reduction in unaccounted for water occurred.

Staff also agrees with the utility that an adjustment for unaccounted for water should not be made on the Valencia Terrace facility since the utility acquired the facility in 1995 and unmetered water is now being metered.

Southen States Utilities Inc.

ATTACHMENT NO. A

Unaccounted For Water Adjustment for Variable Expenses

	Plant Name	Gallons Pump/Prch (000's)	* UFW Percent	Excess Gallons (000's)	Excess Gallons gpm	Purchased Water	Purchased Power	1996 Chemicals	Total Variable	1996 Cost Per/1000	Excess Cost	ADJUSTMENTS Purchase Water	Purchase Power	Chem.
	UNIFORM PLANTS													
1	Amelia Island	419,359	11.66%	49,736	94.63	$0	$36,620	$12,973	$49,593	$0.12	$5,882	None	None	None
2	Apache Shores	5,555	1.86%	103	0.20	$0	$792	$518	$1,310	$0.24	$24	$0	$15	$10
3	Beecher's Point	7,928	7.63%	605	1.15	$25,404	$552	$0	$25,956	$3.27	$1,980	None	None	None
4	Carlton Village	14,102	9.90%	1,396	2.66	$0	$2,761	$261	$3,022	$0.21	$299	$0	$273	$26
5	Citrus Springs	203,865	7.88%	16,065	30.56	$0	$21,076	$1,467	$22,543	$0.11	$1,776	$0	$1,661	$116
6	Deltona	3,038,671	1.56%	47,403	90.19	$0	$384,100	$136,691	$520,791	$0.17	$8,124	$0	$5,992	$2,132
7	Druid Hills	45,456	4.20%	1,909	3.63	$0	$6,406	$4,071	$10,477	$0.23	$440	$0	$269	$171
8	Fountains	3,998	3.63%	145	0.28	$0	$1,105	$293	$1,398	$0.35	$51	$0	$40	$11
9	Golden Terrace	5,423	7.57%	411	0.78	$7,773	$0	$0	$7,773	$1.43	$588	$588	$0	$0
10	Hobby Hills	7,442	1.76%	131	0.25	$0	$994	$98	$1,092	$0.15	$19	$0	$17	$2
11	Holiday Haven	6,057	11.74%	711	1.35	$17,452	$0	$0	$17,452	$2.88	$2,049	$2,049	$0	$0
12	Intercession City	21,472	12.31%	2,643	5.03	$0	$1,381	$585	$1,966	$0.09	$242	$0	$170	$72
13	Interlachen Lakes/Pk Man	14,684	14.85%	2,181	4.15	$0	$2,320	$2,286	$4,606	$0.31	$684	$0	$345	$339
14	Keystone Heights	122,042	1.78%	2,172	4.13	$0	$19,269	$2,988	$22,257	$0.18	$396	$0	$343	$53
15	Leisure Lakes	8,804	4.71%	415	0.79	$0	$1,105	$1,595	$2,700	$0.31	$127	$0	$52	$75
16	Oak Forest	16,722	16.07%	2,687	5.11	$0	$1,911	$287	$2,198	$0.13	$353	$0	$307	$46
17	Palm Port	6,215	2.36%	147	0.28	$0	$884	$867	$1,751	$0.28	$41	$0	$21	$20
18	Palm Terrace	78,533	1.96%	1,539	2.93	$93,333	$3,534	$146	$97,013	$1.24	$1,901	$1,829	$69	$3
19	Picciola Island	13,454	7.38%	993	1.89	$0	$2,209	$98	$2,307	$0.17	$170	$0	$163	$7
20	Point O Woods	24,889	6.21%	1,546	2.94	$0	$3,559	$518	$4,077	$0.16	$253	$0	$221	$32
21	Pomona Park	13,439	8.37%	1,125	2.14	$0	$2,504	$867	$3,371	$0.25	$282	$0	$210	$73
22	Skycrest	8,567	7.14%	612	1.16	$0	$1,491	$98	$1,589	$0.19	$113	$0	$106	$7
23	St. Johns Highlands	4,921	29.20%	1,437	2.73	$0	$736	$769	$1,505	$0.31	$439	$0	$215	$225
24	Stone Mountain	2,845	48.77%	1,388	2.64	$0	$994	$87	$1,081	$0.38	$527	$0	$485	$42
25	Tropical Park	36,764	3.29%	1,210	2.30	$2,448	$4,639	$2,864	$9,951	$0.27	$327	$81	$153	$94
26	Westmont	13,854	1.98%	274	0.52	$18,409	$0	$0	$18,409	$1.33	$364	$364	$0	$0
27	Woodmere	309,614	28.56%	88,426	168.24	$0	$30,361	$8,727	$39,088	$0.13	$11,164	None	None	None
	UNIFORM TOTAL	4,454,675		227,408		$164,819	$531,303	$179,154	$875,276		$38,620	$4,912	$11,127	$3,556
	NON UNIFORM PLANTS													
28	Buenaventura Lakes	624,873	3.50%	21,871	41.61	$0	$64,018	$12,882	$76,900	$0.12	$2,692	$0	$2,241	$451
29	Geneva Lake Estates	13,585	7.22%	981	1.87	$0	$1,657	$1,210	$2,867	$0.21	$207	$0	$120	$87
30	Keystone Club Estates	13,564	2.64%	358	0.68	$0	$1,878	$122	$2,000	$0.15	$53	$0	$50	$3
31	Lehigh	482,637	3.63%	17,520	33.33	$0	$73,557	$95,602	$169,159	$0.35	$6,140	None	None	None
32	Remington Forest	11,057	5.47%	605	1.15	$0	$1,546	$141	$1,687	$0.15	$92	$0	$85	$8
33	Spring Gardens	8,415	9.79%	824	1.57	$0	$1,317	$65	$1,382	$0.16	$135	$0	$129	$6
34	Valencia Terrace	32,492	39.74%	12,912	24.57	$0	$5,214	$298	$5,512	$0.17	$2,190	None	None	None
	NON UNIFORM TOTALS	1,186,623		55,070		$0	$149,187	$110,320	$259,507		$11,510	$0	$2,623	$556
	TOTALS	5,641,298		282,478		$164,819	$680,490	$289,474	$1,134,783		$50,130	$4,912	$13,750	$4,112

***Actual percentages are reduced by Staff's recommended acceptable level of 10 percent.**

9583

ISSUE 22: What is an acceptable level of infiltration and/or inflow?

RECOMMENDATION: Where populations are known with reasonable accuracy and do not vary seasonally, the EPA population based method is appropriate. This method is found in the EPA Handbook Sewer System Infrastructure Analysis and Rehabilitation. This method allows 120 gallons per capita per day (GPCD). The 120 gallons per capita per day is composed of allowances for 80 GPCD of domestic flows and 40 GPCD of allowable infiltration. A second method of determining an infiltration and/or inflow allowance is found in the Water Pollution Control Federation Manual of Practice No. 9. This manual recommends infiltration and inflow allowance of 375 to 625 gallons per inch diameter of pipe per mile per day, taking into account the type and age of the collection system. The second method is preferred because of difficulties in accurately determining service areas. Where populations are known with reasonable accuracy and do not vary seasonally, is appropriate where populations are not known with reasonable accuracy or vary seasonally, the Water Pollution Control Federation methodology is appropriate. (MUNROE)

POSITION OF PARTIES

SSU: Acceptable levels depend upon the circumstances and cost/benefit considerations.

MARCO ET AL: Adopt Public Counsel's position.

NASSAU ASSOCIATIONS: In the Recommended Standards for Wastewater Facilities 200 gallons per inch of pipe diameter per mile per day is the recommended guideline, and that criteria is generally used by the FDEP staff. However, from the response to OPC documents request no. 279, SSU indicated that eight out of forty have excessive inflow and infiltration based on the 120 gallons per capita per day EPA guideline. Without knowing the total sewer line footage of each system, engineers could use the 120 GPD guideline as SSU did.

OPC: In the Recommended Standards for Wastewater Facilities 200 gallons per inch of pipe diameter per mile per day is the recommended guideline. Without knowing the total sewer line footage of each system, engineers could use the 120 GPD guideline as SSU did.

STAFF ANALYSIS: For purposes of determining whether the level of infiltration and inflow in wastewater facilities is acceptable, SSU

used the method set out in U.S. Environmental Protection Agency (EPA) handbook Sewer System Infrastructure Analysis and Rehabilitation (EPA/625/6-91/030) at page 7 (EXH 222) This method provides that no further analysis is necessary if domestic wastewater plus non-excessive infiltration does not exceed 120 gallons per capita per day (GPCD) during periods of high ground water. The flow rate of 120 GPCD consists of 80 GPCD domestic waste and 40 GPCD of non-excessive infiltration. On this basis, SSU presented an infiltration/inflow analysis of its 45 wastewater plants (five nonjurisdictional) that showed eight of them with infiltration/inflow in excess of allowance. (EXH 81) To determine the populations for each of the related service areas, SSU used a factor of 2.7 persons per meter, (EXH 81, TR 4805) even though the EPA method recognizes the use of a factor varying from 2.2 to 3.5, as stated by witness Terrero. (TR 522) SSU stated that the use of this factor for service areas with large multi-family condominiums or apartments or commercial or industrial complexes, such as Amelia Island, Sunshine Parkway, South Forty, Florida Central Commerce Park, and Marco Island results in understatements of allowable infiltration and inflow. (EXH 81) Moreover, SSU stated that for the company as a whole the level of infiltration and inflow is well within EPA guidelines at 26.3% under allowance. (EXH 81)

OPC witness Biddy proposed that the infiltration and inflow allowance be determined using a method set out in Ten States Standards, Recommended Standards for Wastewater Facilities. That method allows 200 gallons per inch of pipe diameter per mile per day as an acceptance guideline. (TR 2514-15) Another allowance guideline is set out in Water Pollution Control Federation (WPCF) Manual of Practice No. 9. (EXH 172) This guideline allows from 375 to 625 gallons per inch diameter of pipe per mile per day, depending on the type and the age of the collection system. Mr. Biddy acknowledged that the WPCF guideline is a more appropriate allowance for old systems, (TR 2592), whereas the Ten States Standard guideline is a more appropriate guideline for new systems. (TR 2593)

Staff believes that the EPA population method is appropriate when service area populations are known and do not vary seasonally. However, staff further believes that the use of the factor of 2.7, to normalize meter connections leads as readily to overstatements of infiltration and inflow allowances in the service areas composed of retired single family and/or seasonal residents. SSU witness Terrero (TR 4805-06) and Mr. Biddy (TR 2589) concur. Of the 40 jurisdictional plants analyzed in Exhibit 81, staff believes that for as many as eight infiltration and inflow allowances are

overstated, which is to say that infiltration and inflow in these service areas may exceed allowances if determined on accurate populations.

Staff believes that the preferred method for determining the amount of infiltration and inflow is to subtract 80 per cent of water sold from the wastewater flows measured at the treatment plant. This method is found at section 3.5.7.4.a in the aforementioned EPA handbook. Mr. Biddy stated that this would produce as accurate a measurement of infiltration and inflow as is possible. (TR 2590-91)

Staff recommends that the method of determining infiltration and inflow by subtracting 80 per cent of water sold from wastewater flows measured at the treatment plant be applied to those plants where populations are not known with reasonable accuracy or vary significantly by season. This method is based on the physical attributes of the collection system, and does not require consideration of populations. Where populations are known with reasonable accuracy and do not vary seasonally, the EPA population method should be appropriate. Furthermore, staff recommends that the WPCF infiltration and inflow allowance of 375 to 625 gallons per inch diameter of pipe per mile per day, taking into account the type and age of the collection system, be applied in the former case to determine whether the amount of infiltration and inflow is excessive.

9596

ISSUE 23: Do any wastewater facilities have excessive infiltration and/or inflow and if so what adjustments are necessary?

RECOMMENDATION: Yes, the following wastewater facilities have been identified as having excessive infiltration and/or inflow: Burnt Store, Holiday Haven, Jungle Den, and Lehigh. Of these four, adjustments are necessary only for Holiday Haven and Jungle Den. Adjustments necessary to reflect excessive infiltration and/or inflow to Holiday Haven are 3593.1 gpd for used and useful calculation and 16.8 percent of lift station power and plant operating expenses, power and chemicals. Adjustments for Jungle Den are 7379.5 gpd for used and useful calculation and 56.5 percent of lift station power and plant operation expenses, power and chemicals. (MUNROE)

POSITION OF PARTIES

SSU: No adjustments are appropriate under the facts and circumstances of this case.

MARCO ET AL: Adopt Public Counsel's Position.

NASSAU ASSOCIATIONS: Yes, excessive inflow and infiltration should be removed from wastewater influent prior to determining the used and useful percentages for the following plants: Amelia Island, Sunshine Parkway, South Forty, Florida Central Commerce Park, Lelani Heights, Beecher's point and Marco Island.

OPC: Yes, excessive inflow and infiltration should be removed from wastewater influent prior to determining the used and useful percentages for the following plants: Amelia Island, Sunshine Parkway, South Forty, Florida Central Commerce Park, Lelani Heights, Beecher's Point, and Marco Island.

STAFF ANALYSIS: Based on the methodology recommended in Issue 22, four wastewater facilities have excessive infiltration and/or inflow: Burnt Store, Lehigh, Holiday Haven and Jungle Den. Burnt Store and Lehigh service areas were omitted from adjustments because SSU has begun corrective action for the infiltration problems in these facilities by inspecting collection lines with motorized TV cameras. The adjustment amounts for Holiday Haven and Jungle Den were calculated by first estimating the infiltration amount as total wastewater flows minus 80 percent of potable water, (TR 2590 - 2591) and second calculating an allowance amount as 500 gallons per inch of pipe diameter per mile per day. (TR 2592)

OPC witness Biddy stated that adjustments should be made for all wastewater facilities listed as having excessive infiltration and/or inflow in Exhibit 81, OPC's Document Request No. 279. (TR 2515) The plants are Amelia Island, Sunshine Parkway, South forty, Florida Central Commerce Park, Lelani Heights, Beecher's Point and Marco Island. In the narrative that accompanied this document request, SSU included a statement which indicated their application of the EPA allowance of 40 gallons per capita per day had under stated allowances for Amelia Island, Sunshine Parkway, South Forty, Florida Central Commerce Park and Marco Island due to under estimated populations. (EXH 81) After admitting this indicated a need for further analysis, (TR 2588) Mr. Biddy stated no additional analysis of infiltration and/or inflow was preformed because of lack of time and funds. (TR 2588) Staff's recommended analysis method shows no adjustments were necessary for any of the plants indicated in OPC Document Request No. 279.

In support of SSU's analysis, witness Terrero argues that their selection of 2.7 from a range of 2.2 to 3.5 persons per household represents a reasonable average, (TR 522), to be used for infiltration and/or inflow analysis, and that this range of numbers come from nationwide studies. Staff would suggest that if a single number was used it would be much closer to 2.2 because of the large number of retirees and part-time residents as compared to the nation. Also, this number could have easily been varied to better estimate each type of service area, rather than using one number for all service areas. Admitted inaccuracies, possible inaccuracies along with witness Terrero's statement that OPC POD 279 (EXH 81) was a "preliminary view" (TR 517) support staff's recommended method for determining excessive infiltration and/or inflow on which adjustments are made.

With an infiltration and/or inflow allowance of 12.7 percent of wastewater flows, Holiday Haven had infiltration/inflow rate of 29.5 of total flows, or an excessive infiltration and/or inflow of 16.8 percent. With an allowance of 25.6 percent of wastewater flows, Jungle Den had an infiltration/inflow rate of 82.1 percent of total flows, or an excessive infiltration and/or inflow of 56.5 percent. Lift station power for these facilities is in Exhibit 237. The plant operating expenses, power and chemicals, are located in the schedule B-7 of the MFRs.

ISSUE 24: Should the hydraulic analyses performed on the Citrus Springs, Marion Oaks, Pine Ridge, and Sunny Hills transmission and distribution lines be the basis for determining used and useful percentages for water transmission and distribution facilities at these four sites?

RECOMMENDATION: No. The used and useful calculation for the transmission and distribution systems for these four facilities should be calculated using the lot count method as recommended in Issue 41. (AMAYA)

POSITION OF THE PARTIES:

SSU: Yes. The hydraulic flow method is the best measure of actual use of the facilities. T&D facilities are planned, designed and constructed using the hydraulic flow method. The lot count method ignores (i) reality, (ii) engineering design requirements and (iii) construction requirements with which SSU must comply and results in a confiscation of SSU property.

MARCO ET AL: No. Hydraulic analysis modeling is a design tool and should not be used for regulatory used and useful calculations. It unfairly shifts non-used and useful cost burdens to existing customers. It is also too expensive, complicated, and time consuming.

NASSAU ASSOCIATIONS: No. Hydraulic analysis modeling should not be used for water transmission and distribution used and useful calculations. Hydraulic analysis modeling unfairly shifts the majority of the cost burden to existing customers, especially in new or sparsely developed areas. The build out flows generated from the hydraulic analysis modeling do not represent the ultimate capacity of water mains. Hydraulic analysis modeling is too complicated, time consuming, and can be manipulated to produce almost any desired result.

OPC: No. Hydraulic analysis modeling should not be used for water transmission and distribution used and useful calculations. Hydraulic analysis modeling unfairly shifts the majority of the cost burden to existing customers. Hydraulic analysis modeling is too complicated, time consuming, and can be manipulated to produce almost any desired result.

STAFF ANALYSIS: To set the stage for staff's analysis and resulting recommendation, the following language is quoted from SSU's MFRs. (EXH 67)

> Southern States Utilities (SSU) is proposing the use of a hydraulic analysis method to determine the portion of the Citrus Springs, Marion Oaks, Pine Ridge and Sunny Hills water distribution systems that are "used and useful in the public service." **SSU chose these areas because of its substantial investment in distribution lines that would be considered non-used and useful under the lot count method.**

(emphasis added) SSU presented five engineering witnesses (Messrs. Terrero, Hartman, Elliott, Edmunds, and Bliss) to testify on and support hydraulic analysis for 4 of its 97 water distribution systems. The difference in the amount of investment in water mains found used and useful between the lot count methodology and the hydraulic analysis is approximately $6.9 million, as shown below.

	Lot Count	Hydraulic Analysis
Citrus Springs	$ 732,719	$ 1,878,418
Marion Oaks	1,459,331	4,245,848
Pine Ridge	812,238	3,485,998
Sunny Hills	174,625	445,928
Total	$3,178,913	$10,056,192
Difference:		$ 6,877,279

(EXH 67)

One of SSU's arguments relies heavily on the use of hydraulic analysis for design aspects of a water transmission and distribution (T&D) system. (TR 702, 739, 759, 1034-1035, 1060) The other major argument presented addresses the recovery of investment in lines for providing fire flows. (TR 954, 1052-1053)

SSU witness Edmunds talked of the uniqueness of the T&D system. "[W]e need to recognize that a hydraulic network is an organism that is unique. It is composed of pipes. Each pipe, if it were removed and placed in another hydraulic organism, could function at a different capacity." (TR 974) OPC witness Biddy testified that the hydraulic analysis modeling is appropriate for design; however, it does not necessarily follow that it is appropriate and applicable in economic regulation. (TR 2509-2510) He went on to state that the use of hydraulic modeling shifts the majority of the cost to existing customers. (TR 2510) Staff agrees. As discussed previously, use of the hydraulic analysis

methodology increases the amount of used and useful investment in water mains by $6.9 million.

Staff does not believe the necessity or appropriateness for utilizing hydraulic analysis for used and useful purposes has adequately been demonstrated. SSU offered witnesses who supported the hydraulic analysis in a general sense as a tool, but did not specifically analyze and support the results SSU has obtained. For example, Mr. Edmunds stated: "I have not reviewed the specifics of the used and useful calculations that SSU has presented." (TR 1004) Further, Mr. Edmunds had not reviewed in great detail Volume VI, Book 2 of 2 of the MFRs which contains the hydraulic analyses. He testified that he had glanced through it and looked at some of the summary pages. (TR 1029) SSU witness Hartman had not analyzed the analyses of the four facilities involved either. (TR 878)

One of OPC's arguments addresses the complexity of conducting hydraulic analysis. SSU witness Edmunds agreed that it is complicated relative to the lot count method. (TR 1012) When asked, he stated that he believed [intervenor] clients would have a chance at analyzing whether SSU has conducted the hydraulic analysis methodology properly if they hired an expert with that capability. (TR 1012-1013) SSU witness Elliott, however, did not believe the hydraulic modeling to be unduly complicated. (TR 1041) Staff believes that the methodology is not unduly complicated; however, depending on how the facility is modeled and the number of runs undertaken, the amount of outputs can be unduly burdensome for review.

Staff's major concern, though, has to do with the fact that the model's outputs are susceptible to inflation by varying inputs such as customer demands and adding fire flows, and by modeling all or parts of the T&D system. Staff believes that this methodology should be separately reviewed and guidelines established, such that this methodology (which probably cannot be accomplished by the majority of regulated water utilities in Florida) is at least comparable to the lot count methodology. SSU witness Elliott does not appear to agree. He believes that since this is SSU's case and involves SSU's hydraulic models, the economic feasibility for other utilities should not be of concern. (TR 1043)

One of the unique features of hydraulic modeling is the ability to incorporate fire flow demands on the T&D system. SSU has done this by applying a 500 gpm demand at each hydrant. (TR 1106) The significance of this demand is clear when compared to the 0.9 gpm demand utilized for each customer connection. (TR 1176) This feature of incorporating fire flows is not available

through utilizing the lot count method, (TR 953), and by this process alone, significant differences are achieved. However, staff believes that this difference alone can and will shift the majority of investment, as has been demonstrated, to the current customers unless the T&D system is approaching build-out.

SSU witness Bliss stated during the hearing that this Commission has previously accepted hydraulic analysis for determining used and useful with respect to Marco Island's lines. (TR 1144-1146, 1184-1185) Mr. Bliss' reference was apparently to Docket 850151-WS, which was a Marco Island rate case. Staff has reviewed the final order in that docket, Order No. 17600, issued May 26, 1987. That order does not address hydraulic analysis, nor does it lend itself to imply that hydraulic analysis was performed. It states, at page 7:

> In determining the used and useful percentage for the water distribution and sewage collection systems, we do not believe it is appropriate to take the total number of lots with service connections and divide by the total number of lots available to calculate the used and useful percentage. When there is a mix of large condominiums and single family residences, there must be a complete evaluation of the water distribution and sewage collection systems to include the location of existing customers and the extent of the systems.... [T]he staff engineer concluded after an evaluation of the system that the water distribution and sewage collection systems were 100% used and useful. We agree and find that the water distribution and sewage collection systems are 100% used and useful.

Staff believes that what was evaluated was the overall density of customers to mains to make that determination. Staff does not believe that any hydraulic modeling as part of that docket was performed. As follow-up, staff reviewed Order No. 20567, issued January 9, 1989. This order addresses the spin-off docket, Docket No. 870648-WS, which was mandated by Order 17600 to investigate certain quality of service issues at Marco Island. On page 5, the following language exists:

> Given the complexity of the water pressure problem and the expense of any large-scale

> solution, a complete, computer-assisted evaluation of Marco Island Utilities transmission and distribution system is probably needed. ... The proof of any computer simulation of the utility's water system is that it correspond to customer experience.

Staff believes that had hydraulic modeling already been accomplished, this follow-up order would not have specifically addressed that necessity. Therefore, staff does not believe this Commission has previously accepted hydraulic modeling for the determination of used and useful.

Staff has reviewed at length the hydraulic inputs and outputs and the model itself, and is concerned with the manipulability of the model. For example, SSU compared the flows in the pipe today supplied by today's water supply to the flows in the pipes at build-out supplied by today's water supply. (TR 1022, emphasis added) Mr. Edmunds considered this appropriate, however, for determining used and useful on the distribution component. (TR 1022-1023) Staff questioned how a build-out flow of 4,300 gpm achieved through the modeling could be valid when there was only 500 gpm being supplied, and was told that the two components need to be looked at separately. (TR 1021) Staff is not convinced. As supply is added to a facility, the hydraulics change. (TR 1023) Therefore, staff does not necessarily agree that for used and useful purposes, supply can, or should, be divorced from the T&D component as advocated by Mr. Edmunds. (TR 1022-1023) One component drives the other component. In order to circumvent this argument, Mr. Terrero stated at hearing that he had run Cybernet using future sources and got a higher used and useful percentage. (TR 4769, 4828-4829) However, neither the model, its inputs, nor its outputs were made part of the record nor were they available for discovery; therefore, staff can not rely on this particular testimony, and dismisses it from consideration.

Mr. Bliss testified that the build-out runs utilized the same demand per customer of 0.9 gpm even though reality would dictate a smaller demand. (TR 1176) SSU argues that this would tend to understate used and useful. While this may be true, and staff notes that this theory has not been fully tested, it is illustrative of the model's sensitivity. As SSU witness Elliott stated, "It is beyond dispute that flows are determined more by the type of customer being served, the personal water consuming habits or needs of the people being served, the irrigation requirements, the number of people in each household and a number of other

factors than from a simplistic determination of lots platted versus lots connected." (TR 1035) While hydraulic modelling may be very useful for design, trying to economically distribute the hydraulic requirements of each customer is not a simple matter.

A concern raised by Staff early in this rate case had to do with calibration. When a T&D system is modeled, it may be important to verify that the model is truly reflective of the system in place in the field. (TR 961, 965) SSU witness Edmunds testified that they performed a field calibration on the Pine Ridge facility. (TR 962) He stated that the calibration confirmed the validity of the model of the east part of the facility, and when air release valves are installed, the west part will also be calibrated. (TR 962-963) Mr. Edmunds described the calibration process and stated that full calibration is fairly expensive and could cost $25,000 - $60,000 for each service area. (TR 963-965)

SSU argues that the lot count methodology does not necessarily consider those mains used for looping in the network. (TR 954) Staff does not agree. If the looped mains also add lots to the service territory, then those lots are taken into consideration; however, if those looped mains do not add lots, the same used and useful percentages is applied to the total investment which does incorporate the looped mains.

Mr. Edmunds also stated that the lot count method doesn't take into account the entire distribution system until it approaches build-out. (TR 977) He testified that the lot count basis always projects underutilization. (TR 1004) Marco et al witness Hansen posed the question in his direct testimony that since the Pine Ridge [T&D] facility was considered 100% used and useful through hydraulic modeling, would SSU increase its line capacity [to serve more customers]? (TR 3138-3139) A review of the number of lots available at Pine Ridge indicates that would not be necessary; the lot count methodology with a one year margin reserve achieves 23.3% used and useful. (EXH 103) SSU witness Elliott testifies that "Mr. Hansen's statement illustrates the distorted perception the lot-count method, or any other used and useful method, produces when viewed exclusively as a crude point-in-time measuring stick instead of being viewed as an evaluation of needs and uses." (TR 1044) Staff believes, however, that for rate setting purposes, point-in-time is, and must be, the underlying precept, otherwise the Commission would be trying to hit a moving target. Staff believes also that Mr. Hansen has raised an important question as it relates to rate setting in this proceeding; staff cannot recommend 100% used and useful on an investment of $3,485,998 (EXH

67, p. 792) when only 892 lots are projected to be connected in 1997 of the 3,828 lots available on lines. (TR 1063, EXH 103)

Lengthy discourse occurred regarding developer incentives and responsibility versus that of the customer. Although Mr. Edmunds would not initially concede, staff believes it is the developer who should bear the risk of investment, not the customer. (TR 990-996) SSU argues that prudence is not at issue in its argument discussing Issue 41 which addresses the appropriate used and useful methodology to use on T&D and wastewater collection lines. (BR 48) However, Mr. Edmunds acknowledged that SSU should have known the number of lots connected as well as the number of lots available at Citrus Springs at the time it purchased this facility. (TR 1008-1009) Staff believes that SSU did know the developed status at the time of purchase of each of the four facilities at issue with the hydraulic analysis. Order No. 22307, which addressed Topeka Group's transfer of majority control from Deltona, provides the Commission's finding as to who would bear the responsibility of imprudent line extensions made by Deltona. (TR 4771) To summarize, the Commission found that the commitment by Topeka (SSU) to fund line extensions to Deltona lot owners was an imprudent utility decision because to install lines that can serve more customers than are expected to connect in a reasonable time results in utility plant not used and useful. (TR 4798-4799)

As to whether hydraulic analysis is an appropriate tool for rate setting, when questioned, Mr. Edmunds acknowledged that the Commission has jurisdiction over rates and that he does not have experience in calculating rates, with possibly one exception. (TR 984, 997-998, 1006-1007) Similarly, SSU witness Elliott does not claim economic regulatory rate making experience either. (TR 1061) Mr. Edmunds believes that the hydraulic analysis would not create an inequitable distribution of costs or allocation between present and future customers because of the effect of uniform rates. (TR 1020) However, he acquiesced that under stand-alone rates, there would be the potential for unfair rate allocation. (TR 1028)

As noted, there are distinct benefits to using hydraulic analysis. For one, it is the basis for the design of T&D systems. For another, it easily allows the incorporation of fire flows to customer demands on T&D, the lot count method does not. Finally, its manipulability is both an asset and a liability, and inputs must be thoroughly evaluated in order to determine their validity. To the contrary, however, the Commission is obligated to setting rates in an equitable and just manner. To achieve the most fair distribution of investment at this time, staff believes that the lot count methodology does that job better.

As stated by SSU witness Hartman (TR 902), the Commission's used and useful methodology has changed over the years. Staff does not wish to impede the progression towards other, perhaps better, methodologies; however, staff believes that such change should be meticulously thought out, investigated, and the outcomes of such changes fully evaluated prior to adopting wholesale any new methods. When unreasonable results are achieved, such as 100% used and useful at the Pine Ridge facility given that only 23.30% of the potential customers are connected one year hence, the entire methodology must be questioned. Further, staff believes that there is a direct correlation between the lines installed to those lots they are intended to serve. Water lines are installed where there are lots available.

Therefore, staff recommends that the hydraulic analysis methodology for determining used and useful for the four Deltona facilities not be accepted. As recommended in Issue 41, used and useful for Sunny Hills, Citrus Springs, Marion Oaks, and the Pine Ridge Utilities transmission and distribution systems should be calculated on a lot count basis.

ISSUE 25: Should adjustments be made to SSU's filing for its deep injection well on Marco Island?

RECOMMENDATION: No other adjustments need to be made other than staff's recommended used and useful adjustments for water components and wastewater treatment and disposal at Marco Island. (AMAYA)

POSITION OF PARTIES

SSU: No adjustment should be made.

MARCO ET AL: Yes. According to the Late Filed Deposition Exhibits No. 4, 5, and 6 of Terrero and Response to OPC Document Request No. 289, the deep injection well on Marco Island is 37.24% used and useful, which mandates that $2,132,776 of plant should be removed from rate base.

NASSAU ASSOCIATIONS: Adopts Public Counsel's position

OPC: Yes. The deep injection well on Marco Island is 37.24% used and useful and an adjustment of $2,132,776 should be made, accordingly.

STAFF ANALYSIS: A review of the final order in the last Marco Island rate case indicates that the utility's investment in the deep well was allocated between water and wastewater. (Order No. PSC-93-1070-FOF-WS, pg. 10) That order also implies that no non-used and useful adjustment was made to the deep well on the water side of the investment, and the Commission found the wastewater plant to be 78% used and useful. Therefore, staff believes each use of the well needs to be reviewed in terms of its used and usefulness to both water and wastewater customers, similarly, in this rate proceeding.

OPC and Marco et al rely on Late Filed Deposition Exhibits of Mr. Terrero and a response to OPC Document Request No. 289. Staff points out that only the Late Filed Deposition Exhibits are part of the record. (EXH 224) Therefore, the information in the cited production response is not in the record, and can not be relied upon.

OPC witness Biddy calculated a 37.24% used and useful percentage based on the average daily flow in the maximum month, projected to 1996. This flow appropriately included both effluent from the wastewater plant and brine from the reverse osmosis water plant. (EXH 170, 224) However, Mr. Hartman testified that no less

of a facility could have been constructed to meet the present functions. (TR 743) There is no other evidence in the record to dispute this statement.

SSU witnesses Hartman and Terrero testified that 100% of the well is needed for the reverse osmosis plant and as a back-up for effluent disposal/reuse. (TR 743, 4662) SSU witness Terrero testified that effluent (reclaimed water) from the Marco Island wastewater plant goes first to irrigating golf courses then to the injection well. Because of the costs, the last disposal option is to transport effluent to the percolation ponds. (TR 4764, EXH 224) Additionally, Mr. Terrero pointed out that the percolation ponds are needed as a back-up to the injection well. (TR 4764) Staff believes that, based on this evidence, the injection well is an integral component to both the reverse osmosis plant on the water side and to the wastewater treatment plant on reuse side.

For the foregoing reasons, staff is not recommending any adjustments be made to the utility's investment in the deep injection well other than applying 78% used and useful to wastewater treatment plant and effluent disposal. Staff is recommending 100% used and useful for all of Marco Island's water components.

Since the investment in the deep well appears to have been allocated and booked to both the water and wastewater facilities, staff's recommended used and useful adjustments are appropriately applied to that investment based on its used and usefulness to both water and wastewater customers.

ISSUE 26: Should an adjustment be made to the Burnt Store water plant capacity?

RECOMMENDATION: The Burnt Store water plant capacity should be changed from 333 gpm to 378 gpm. (AMAYA, CROUCH)

POSITION OF PARTIES

SSU: No adjustment should be made.

MARCO ET AL: Adopts Public Counsel's position.

NASSAU ASSOCIATIONS: Adopts Public Counsel's position.

OPC: Yes. The capacity of the Burnt Store reverse osmosis water plant should be 380 gallons per minute (gpm) instead of 333 gpm.

STAFF ANALYSIS: Before discussing adjustments, it is necessary to establish what Burnt Store's water plant capacity was as filed. In the F-5 Schedule of the original MFRs, SSU claimed a 333 gpm capacity. (EXH 67, Vol VI, Book 1 of 2, pg 134) In their response to FPSC Interrogatory No.360, SSU revised their F-5 Schedules to indicate a capacity of 378 gpm. (EXH 102, pg. 14)

OPC's witness Biddy also arrived at a 378.6 gpm capacity in his testimony but rounds this up to 380 gpm. (TR 2517) Mr. Biddy refers to a statement in Mr. Terrero's (SSU's witness) deposition in which Mr. Terrero confirmed that he considered each skid to have a capacity of 190 gpm resulting in a total capacity of 380 gpm. (TR 2517) In Mr. Terrero's sworn testimony, however, he gives a capacity of 367 gpm and then deletes 10% of that for maintenance procedures resulting in only 333 gpm. (TR 4669) Under questioning by OPC, Mr. Terrero could give no justification for the 10% maintenance procedures reduction other than his "experience." (TR 4731)

SSU claims that no adjustment should be made, and yet their own revised F-5 Schedule shows 378 gpm capacity. (EXH 102) Staff accepts the 378 gpm capacity as the most reasonable of the several testified to. OPC's Biddy arrived at 378.6 gpm in his calculations and SSU provided 378 gpm in their revised F-5 schedules. Therefore staff recommends that an adjustment should be made. The Burnt Store water plant capacity should change from 333 gpm to 378 gpm..

ISSUE 27: What is the correct wastewater treatment plant capacity to use for calculation of SSU's used and useful percentage at Sugarmill Woods?

RECOMMENDATION: The correct plant capacity to be used is 500,000 gpd. (WALDEN)

POSITION OF PARTIES

SSU: 500,000 gallons per day as indicated on the current operating permit DO09-218511 on page 661 of Volume XI, Book 15 of 17.

MARCO ET AL: At a minimum, the DEP Operating Permit Capacity of 500,000 gpd should be utilized, not the 400,000 gpd used by SSU from the solicited engineer's letter. SSU's attempt to massively increase the used and useful percent by this ploy should be viewed as an attempt to punish Sugarmill Woods for its opposition.

NASSAU ASSOCIATIONS: Construction permit capacity should be used.

OPC: Construction permit capacity should be used.

STAFF ANALYSIS: Witnesses Bliss and Goucher testified that the correct wastewater treatment plant capacity is 500,000 gpd. (TR 1150-1151; 4544-4545; 4568-4569) Witness Terrero stated that a study made of the plant showed its capacity due to the clarifier was 400,000 gpd, even though the operating permit is for 500,000 gpd, but for the purposes of this rate case, the utility is agreeing to recognize the plant capacity as being 500,000 gpd. (TR 4740)

The utility was granted a construction permit by the DEP to enlarge the plant to 700,000 gpd by re-rating the oxidation ditch, adding a new [second] clarifier, dual chlorine contact chambers, and sludge holding pond. (EXH 219) Both Messrs. Bliss and Goucher affirmed that the additional clarifier was not constructed. (TR 1154; 4566-4567) Mr. Goucher elaborated further and stated that this second clarifier is not planned or budgeted to be constructed. (TR 4567-4568) Additionally, to re-rate the oxidation ditch to 700,000 gpd, another rotor would be needed on the ditch. (TR 4566, 4569)

From the evidence in the hearing, staff concludes the Sugarmill Woods wastewater treatment plant capacity is 500,000 gpd. Enlargement of this capacity can only occur with additional construction of at least a clarifier and another rotor on the

oxidation ditch. Staff therefore recommends the correct plant capacity to be recognized is 500,000 gpd.

ISSUE 28: Should rate base include water mains laid in the ground but not connected to the existing distribution system?

RECOMMENDATION: No. Water mains installed but not connected to the existing distribution system were prudent investments but are non-used and useful and should not be included in rate base. (AMAYA, CROUCH)

POSITION OF PARTIES

SSU: SSU agrees that unconnected crossings are not used and useful. The crossings, all prudently installed, should remain in plant and a used and useful percentage applied, consistent with SSU's last case, so as to allow SSU to recover AFPI on the carrying costs.

MARCO ET AL: Adopts Public Counsel's position.

NASSAU ASSOCIATIONS: Adopts Public Counsel's position. According to late filed Deposition Exhibit No. 8 of Charles M. Bliss, the following dollar amounts should be removed from each water system: $913,386.25 from Citrus Spring; $204,309.60 from Marion Oaks; $45,144.00 from Pine Ridge; and $686,711.20 from Sunny Hills.

OPC: No, any water mains constructed in place but which do not connect to the existing system should be considered non-used and useful and excluded from rate base.

STAFF ANALYSIS: Both SSU and OPC agree that any water mains constructed in place but which do not connect to the existing distribution system should be considered non-used and useful (OPC's Biddy (TR 2514) and SSU's Bliss. (EXH 8) Witness Bliss agreed that these dry mains should be considered non-used and useful plant-in-service. (TR 1136-1137) SSU and OPC agree that these dry mains are reserved for future customers. (TR 2514, 1137)

Under cross examination by Mr. Reilly, Mr. Bliss stated that the SSU position was that these lines should be considered a prudently installed investment that should be recovered by AFPI. Mr. Reilly then asked, "So it's in plant-in-service, but not in rate base?" and Mr Bliss answered, "Yes." (TR 1136-1137)

Staff recommends that the investment in these "dry" lines be considered prudent but non-used and useful and the amounts shown in SSU's witness Bliss's testimony (TR 1137) be removed from rate base.

ISSUE 29: Should an adjustment be made to Buenaventura Lakes rate base to remove non-used and useful wetlands?

RECOMMENDATION: If appropriate, an adjustment to the Buenaventura Lakes rate base for the wetlands reuse system can be employed in the general used and useful issues in this docket. (RIEGER)

POSITION OF THE PARTIES

SSU: No adjustment is justified since wetlands are required by DEP permit as backup for reuse disposal.

MARCO ET AL: Agree with OPC.

NASSAU ASSOCIATIONS: Agree with OPC.

OPC: Yes. Rate base should be reduced by $1,019,119. Depreciation expense should be reduced by $15,707, in accordance with adjustments reflected on exhibit 175, schedule 40.

STAFF ANALYSIS: According to the present domestic wastewater facility permit, the 3-celled, 169 acre, treatment wetland reuse system is permitted at 100,000 gallons per day. It is required to hold emergency discharge from the REB's (Rapid Exfiltration Basins), storage during wet weather, and reuse water for wetlands enhancement to maintain a productive wildlife habitat. The overall permitted disposal capacity of 1.930 MGD for the wastewater treatment facility, includes the REB's at 1.330 MGD, the golf course at .500 MGD, and the wetland system at .100 MGD. (EXH 222)

SSU believes that no adjustment is justified since the wetlands are required by DEP permit as backup for reuse disposal at Buenaventura Lakes. SSU witness Terrero testified that the wetlands are an important part of the effluent disposal facilities for the wastewater treatment plant. Referring to an evaluation of several years of historical data, it was determined that the disposal capacity of the wetlands is 100,000 gallons per day. As a result, the wetlands are part of the wastewater facility permit issued by DEP. (EXH 222) Disagreeing with OPC's position, Mr. Terrero stated that it should be understood that without the wetlands as a source of overflow disposal, the environment and public health could be adversely effected because SSU would have no other alternative available for disposal. (TR 4669-4672)

In its brief, OPC indicated that the Buenaventura Lakes rate base should be reduced by $1,019,119, with a depreciation expense reduction of $15,707. (EXH 175, Schedule 40) This is because it

believes that the majority of the wet lands is not in use, and SSU knew of the non-used and useful nature when it purchased Buenaventura Lakes. Noting that the upper wetlands (130 acres) have not been used since 1989, OPC witness K. Dismukes believed it necessary to make the adjustment. (TR 2786-2788) That adjustment is reflected in Exhibit 175, Schedule 40. However, when asked at the hearing about the permitted effluent disposal capacity, witness K. Dismukes agreed that the 169 acre wetlands system was part of the overall effluent disposal capacity for this facility. (TR 2933-2934)

Staff believes that OPC's proposed adjustment concerning the wetlands is not appropriate in this situation. It has been sufficiently proven that the wetlands are entirely included as part of the permitted effluent disposal capacity for the Buenaventura Lakes wastewater treatment facility. Since it has been demonstrated that the wetlands are a necessary part of the disposal capacity of this facility, staff does agree with the utility that a used and useful adjustment as recommended by OPC is unnecessary. However, it is believed that nothing brought forth in this issue would preclude the wetlands from consideration in the general used and useful issues to this docket. Any discussion concerning possible adjustments concerning reuse facilities in general, should best be considered in the general reuse issue No. 42.

ISSUE 30: Should the fire flow requirement be included in used and useful calculations?

RECOMMENDATION: Yes, if the utility has fire hydrants in place such that fire flows can be delivered; otherwise, no. Further, fire flow should be incorporated into demands for facilities with storage available when calculating used and useful for storage and high service pumping. As recommended under Issue 37, for high service pumping, fire flows should be included only when using the maximum day demand as opposed to a peak demand. For those water facilities without storage, fire flows should be incorporated in demand for supply wells and water treatment equipment. Staff believes that it is appropriate, and consistent with prior Commission practice, not to incorporate fire flow in calculating used and useful on transmission and distribution mains; however, the utility's investment in fire hydrants has been considered 100% used and useful. (AMAYA)

POSITION OF THE PARTIES:

SSU: Yes. When fireflow is part of the design criteria it must be acknowledged in the used and useful consideration.

MARCO ET AL: Adopt Public Counsel's Position.

NASSAU ASSOCIATIONS: Agrees with OPC.

OPC: Fire flow should be included in the used and useful calculation only if fire flow provision is proven by sufficient fire flow test records.

STAFF ANALYSIS: There are two main concerns regarding fire flows. One, that there be fire hydrants available from which fire flows can be provided, and, two, that such requested flows actually be available.

In support of its position, SSU argues that there was no instance where SSU was unable to meet a demand for fire flow. The testimony the utility relies on for this argument occurred during redirect examination by Mr. Feil of Mr. Bliss. That examination is as follows:

> Q. ... With regard to fire flow, can you tell me whether or not SSU was allowed fire flow for various service areas in its last rate case?
>
> A. Was allowed fire flow? Yes.

Q. Can you tell me whether or not you're aware of any evidence presented here or in the last case that SSU could not provide the fire flow at that time?

A. No.

(TR 1252) Similarly, Mr. Bliss testified that he was unaware of any instances where SSU was unable to [supply enough water] to put out fires, and stated that the utility was complimented for their provision of more than adequate fire flows at a Deltona system. (TR 1259) While Mr. Bliss' testimony addresses past treatment of fire flow allowances, it does not specifically address the concern that there be fire hydrants available from which fire flows can be provided nor the concern that such requested flows actually be available.

OPC witness Biddy testified that "No fire flow should be applied to high service pumps, finished water storage or water supply wells without confirming the fire fighting capability of each system. Installing a fire hydrant in the distribution system does not guarantee the required fire flow." (TR 2500) While staff inspects the utility's service territory, staff does not test hydrants. However, the Commission does not generally require proof that hydrants are functional or that the required flows are available. The Commission has, however, allowed pro forma investment in plant in order to achieve required fire flows when problems have been noted. (Order No. PSC-95-1376-FOF-WS, p. 9)

Staff has reviewed the utility's filing, comparing required fire flows to source of supply flows or storage available, and in some instances those flows do not appear available. (EXH 67, Attachment B) However, staff has not assessed in this proceeding that the required fire flows, or any portion of the required flows, are indeed available at each and every fire hydrant, but notes that no specific problems have been discovered. As argued by SSU, the only service area for which current ability to provide fire flow was questioned at hearing was at Pine Ridge. (TR 1186) There, the total well capacity is 1,150 gpm while the required fire flows are 1,500 gpm, and there is no storage. Mr. Bliss believed that the utility nevertheless could perhaps obtain those flows. (TR 1186)

SSU also argues that its requested allowance for fire flow is consistent with Commission precedent. Staff agrees. The Commission allowed fire flows in the last SSU rate proceeding, Docket No. 920199-WS. (EXH 105) It also allowed fire flows in both the Lehigh and Marco Island proceedings, Docket Nos. 911188-WS

and 920655-WS, respectively. Order Nos. PSC-93-0301-FOF-WS at p. 7, PSC-93-1070-FOF-WS, at p. 13, (EXH 101)

Staff's draft rules, Rule 25-30.432, Florida Administrative Code, regarding used and useful includes the following language: "However, any utility that receives an allowance for fire flow in used and useful calculations shall maintain the ability to provide adequate, reliable fire flow at all times in the future, ..." (EXH 95, p. 8) The draft rules also allow the Commission the ability to reduce rate of return for failure to maintain such adequate fire flow. SSU witness Hartman agreed when questioned that there should be some means of providing fire flow in order for the utility to receive the allowance. (TR 913) In fact, he agreed with staff's draft rule language regarding fire flows up to the penalty provision against rate of return. (TR 914) The draft rules, however, are just that and do not enforce the requirement to actually provide fire flows at this time.

SSU witness Terrero testified that fire flow should be included even if hydrants have not been installed. (TR 4642) He testified that if the design of the system included fire flows, then an allowance for fire flows should be given. (Id.) He further stated that "...the utility is not encouraged by existing used and useful rules to provide the excess capacity required for fire flow since it is not known when fire hydrants will be added to the distribution system." (TR 4643) This argument is correlated with SSU's desire to use hydraulic modeling in determining used and useful for T&D (Issue 24). Since staff is not recommending the hydraulic analysis methodology, the inclusion of fire flows with respect to lines is moot. As discussed under Issue 24, there is no way to incorporate fire flow demands in calculating used and useful via the lot count methodology.

OPC witness Biddy proposed allowing fire flow for seven water facilities due to test records received from SSU. (TR 2499, EXH 170) He would disallow fire flow for those facilities without fire flow test records. (TR 2499)

Mr. Terrero testified that there are some small facilities, either without storage or with inadequate storage, that can provide fire flow and cited Point 'O Woods and Fox Run. (TR 4643) Staff is not disputing these examples, and in fact, has included fire flow requirements for each facility for which fire flow was requested and fire hydrants exist in the service territory. However, staff has only included fire flow in the demands for source of supply and water treatment plant for those facilities without storage, and has incorporated fire flows in demands in

storage and high service pumping for those facilities with storage. Further, staff agrees with OPC witness Biddy that high service pumps are designed to handle maximum day demands plus fire flow or peak hourly demands, whichever is greater. (TR 2508) (emphasis added) Therefore, if maximum day demand plus fire flow resulted in a higher used and useful percentage, staff used that approach; otherwise, peak demand alone was used. Mr. Biddy relied in part on AWWA Manual M31 which states: "Design flow should be based on the peak hourly demand or the peak daily demand plus the fire flow requirement, whichever is greater." (TR 2508)

Therefore, staff recommends the inclusion of fire flow in calculating used and useful for certain components, when fire flow is requested and required, and some means exists for providing such flows. For its calculations in obtaining used and useful percentages as shown under Issue 45, fire flows have been included in source of supply and water treatment plant for those facilities without storage. Further, staff has included fire flows when calculating used and useful for facilities with storage, in the storage and high service pumping calculations. Staff notes that when it included fire flows in the demands for high service pumps, it was only incorporated with the maximum day demand and was not included with peak hour demands.

ISSUE 31: Should a single maximum day flow be used in calculating the used and useful percentages for water facilities instead of the average of 5 maximum day flows?

RECOMMENDATION: Yes, a singular maximum day demand, exclusive of any abnormal events such as fire flows and line breaks, is the appropriate flow to use when calculating used and useful. This differs from past commission policy. (AMAYA)

POSITION OF THE PARTIES:

SSU: Yes, the single maximum day demand should be used in the calculation of percentages for water supply wells and water treatment equipment at plants with finished water storage. Peak hour demands and fire flows should be used in the calculation of used and useful percentages for water supply wells at plants with no finished water storage, for high service pumps and for the determination of the equalization and fire flow volumes of the finished water storage. Annual average daily demand should be used for the determination of the emergency storage volume portion of the finished water storage.

MARCO ET AL: No, the single maximum day flow should not be used in the used and useful calculations in this filing. Rather, the average of the highest 5 days of the maximum month should be used.

NASSAU ASSOCIATIONS: Agrees with OPC.

OPC: No, the single maximum day flow should not be used in the used and useful calculations in this filing.

STAFF ANALYSIS: The Commission has historically used the average of the 5 highest days, in the maximum month, to portray the largest usage on water plant components. (TR 873, 2522) By using an average, any spikes due to anomalies such as line breaks, extensive flushing, or other unusual usage, were diminished. At issue in this proceeding is whether to depart from prior Commission practice and use a singular maximum day to reflect the largest usage on water plant components or to continue using the average of the 5 highest days in the maximum month. Whichever demand is selected is then used as part of the used and useful calculation in order to compare customer needs to plant component capacity.

OPC argues that the single maximum day flow may include undetected or unrecorded leaks, flushing and unusual usage, in addition to allowable unaccounted-for-water. (TR 2501-2502) Therefore, OPC advocates using the average of the 5 largest days in

the maximum month. (TR 2502, 2522) However, SSU witness Bliss testified that he and his staff reviewed the Monthly Operating Reports (MORs) which show the daily flows and they excluded any maximum days which reflected any unusual demand occurrences or notable anomalies in flow recordation. (TR 1102) Further, he testified that those unusual demand occurrences or anomalies included main breaks, line flushing, and major leaks. (TR 1187) However, staff reviewed the utility's filing, which includes the MORs, and disagreed with some of the maximum days selected by the utility. As a result of discovery, the utility reviewed the data and filed revised F-5 schedules incorporating correct maximum day flows. (EXH 102)

As testified to by SSU witness Hartman, the single maximum day is used as the basis for designing water facilities. (TR 679) He relies on regulatory requirements as well as standard engineering design manuals, as well as his professional opinion, in making that statement. (TR 679-680) As he further testified, different components of the water system are utilized for different purposes and thus have different demands, and cited storage and pumping as exceptions which need to meet higher (peak) demands while other components need to meet maximum day demands. (TR 680) The utility is proposing the singular maximum day, with known anomalies excluded, for calculating used and useful for all water plant components, except storage. For calculating storage, 8 hours of the maximum day are used which constitutes peak hour demands and, where applicable, 8 hours of average annual daily demand is used for emergency storage. (EXH 67)

The Commission has in the past not used a singular maximum day, as stated earlier, because of the possibility of it being a spike which would include abnormal events. Order No. PSC-93-1070-FOF-WS, p. 13 Mr. Hartman did agree that by utilizing the average of the highest five days in the maximum month it could level the effect for known or unknown water loss or breaks. (TR 799-800) However, based on evidence in the record, staff believes the utility has eliminated such events, or spikes, in its selection of the appropriate maximum day events.

Therefore, staff recommends that the Commission allow the use of a singular maximum day in this rate proceeding due to the evidence in the record that anomalies and/or abnormal events have been excluded.

ISSUE 32: Should the Commission use operating permits instead of construction permit capacities for used and useful calculations?

RECOMMENDATION: The Commission should use the most recent operating capacity permitted by the Department of Environmental Protection for used and useful calculations. (FUCHS, WALDEN)

POSITION OF PARTIES

SSU: The capacities should be those used in the MFRs.

MARCO ET AL: Adopt Public Counsel's Position

NASSAU ASSOCIATIONS: Adopt Public Counsel's Position

OPC: The construction permit should be used because they represent the actual capacities constructed.

STAFF ANALYSIS: The concept of using DEP permits is also discussed in Issue 39. This issue pertains to wastewater treatment plants, since DEP issues only a construction permit for water treatment plants. Staff believes that, for wastewater treatment plants, the current operating permit, which may mirror the construction permit, issued by the DEP should be the determining factor for used and useful calculations unless prudency indicates differently. As stated by SSU witness Bliss, construction proposed in the permit is not always the construction completed. (TR 1128) Witness Bliss also testified that the construction permit may typically reflect only the capacity that is being added. (TR 1127) Also plants have the ability to treat markedly different capacities depending on the type of treatment. SSU witness Terrero testified that the Beacon Hills wastewater treatment plant can treat either 0.836 MGD or 1.78 MGD depending on the treatment process. It is currently utilizing extended aeration and is permitted at 0.836 MGD. If the plant were changed to the contact stabilization method, it could treat 1.78 MGD. This, however would take additional work and facilities which are not currently installed. (TR 4742-4744) It would also require a new DEP permit.

OPC witness Biddy testified that the fair used and useful percentage for a ratepayer should be based on the very minimum required by all authorities. (TR 2558) Witness Biddy further testified that engineers tend to be conservative in their designing and permit applications. (TR 2559) Witness Biddy testified that a prudent utility should have some cushion and some safety factor for excess capacity to meet reasonable growth. (TR 2595)

Based on the record in this issue regarding construction permits versus operating permits and, since staff relies on the knowledge and expertise of the DEP, which issues permits regarding the safety and efficiency of treatment plants and the protection of the health of citizens, we recommend the Commission approve continuing the use of currently issued DEP operating permit and prudency as the basis for used and useful calculations.

ISSUE 33: Should the "firm reliable capacities" be used in used and useful calculations for supply wells, high service pumps and water treatment facilities?

RECOMMENDATION: Yes, it is appropriate to remove one component from the total capacity of such like components in determining the firm, reliable capacity available. (AMAYA)

POSITION OF PARTIES

SSU: Yes. These firm reliable capacities are required to permit uninterrupted service to SSU's customers. To deny recovery of investment in these assets would be confiscation.

MARCO ET AL: Adopt Public Counsel's Position.

NASSAU ASSOCIATIONS: Adopt Public Counsel's Position.

OPC: No, it is not justified to use firm reliable capacity on more than one component.

STAFF ANALYSIS: Firm reliable capacity was well defined by OPC witness Biddy. He stated that "[t]he firm reliable capacity is the total capacity of supply wells, high service pumps, filters, or other treatment plant facilities without the largest unit in operation. That largest unit is assumed to be out of service for routine maintenance or emergency repair." (TR 2503) Per SSU, when there are multiple wells, two of the largest wells need to be considered unavailable. (EXH 67) At issue in this proceeding is whether to remove the largest unit(s) from the total capacity when determining used and useful. By removing the largest unit(s), a higher used and useful is achieved. Not at issue, as all parties agree, that when there is only one component on the water side, then that one component is considered 100% used and useful. (EXH 170, 102, Attachment B)

SSU relies on the Commission's finding in its last rate proceeding, Docket No. 920199-WS, to support its position. (BR 43-44, TR 730) While it is true that the Commission accepted a firm reliable capacity approach in that proceeding, staff is hesitant to agree that once a methodology has been accepted in a given rate case, that it is then automatically the methodology to use in future cases, without further review. In the majority of past cases, the Commission has simply calculated used and useful for the water plant as a whole, with lines calculated separately; in those cases firm reliable capacity was not appropriate and therefore, not at issue. In this proceeding, components have been segregated and

used and useful calculated on each. (EXH 67, Vol. VI) As is discussed under Issue 44, there are times when the Commission may need to deviate from prior decisions; however, as will be discussed, staff believes the firm reliable capacity approach should be continued.

SSU witness Hartman testified that there is a confluence of scheduled and emergency events. (TR 729-730) As Mr. Biddy testified, the largest unit is considered out of service for routine maintenance or emergency repair. (TR 2503) Removing the largest unit(s) is a conservative approach from a safety standpoint, which allows the utility to look at how it is meeting customer demands in such a situation. As OPC witness Biddy testified, "[a]n engineer designing anything should be conservative and follow all the standard safety precautions and safety factors built into all engineering designs." (TR 2560)

OPC argues that it is not justified to use firm reliable capacity on more than one component. (TR 2503) As the word "component" is being used in two different contexts, staff understands OPC's use of component to mean that if the Commission were to allow firm reliable capacity on wells, for example, it would not be appropriate to also allow firm reliable capacity for high service pumps. Mr. Biddy stated that it would be unlikely that two facility components would be scheduled for service at the same time. He also testified that the chance of having two facility breakdowns, simultaneously, is slim. (TR 2503) He does not believe it is economically justified to calculate used and useful for wells, treatment facilities, and high service pumps all with firm reliable capacity. (TR 2504) However, SSU witness Terrero stated that "... mechanical equipment will fail at the 'worst possible time' and this is not limited to one component. (TR 4648) DEP mandates a back-up well when there are 150 or more connections. Rule 62-555.315(1), F. A. C. Therefore, removing the largest one from used and useful considerations is appropriate. AWWA Manual M-31 states: "The reliability of a water supply system is dependent on the reliability of all the system components within that system." Staff believes that the use of firm reliable capacities in the used and useful calculations for wells, high service pumps, and water treatment components is appropriate because it economically encourages utilities to meet any redundancy requirements, while also meeting safety design standards.

OPC witness Biddy also testified that when a facility only has wells and no storage or high service pumps, then the use of firm reliable capacity is appropriate. (TR 2504, 2523) However, when storage or high service pumps are available, he stated firm

reliable capacity on wells is not applicable. (TR 2504, 2523) He quoted Recommended Standards for Water Works which states that the groundwater source (wells) shall equal or exceed maximum day demand and equal or exceed average day demand with the largest producing well out of service. (TR 2504) He relied on this to support his argument that when storage or high service pumps are available, firm reliable capacity on wells is not applicable. (TR 2505)

OPC's concerns are valid; however, utilities must provide safe, efficient, and sufficient service. (Section 367.111(2), F.S.) By recognizing firm reliable capacities for wells, water treatment components, and high service pumping, the Commission is, in effect, encouraging utilities to meet such standards. Therefore, based on the above discussion, staff recommends that the Commission recognize and allow the utility to calculate used and useful on wells, high service pumps, and water treatment components through the use of firm reliable capacities for each, as opposed to total capacities for these components or firm reliable capacity on only one component.

ISSUE 34: Should an emergency storage of 8 hours of average daily flow be allowed in used and useful calculations?

RECOMMENDATION: Yes. Further, such storage should be added to the numerator of the storage calculation, rather than removed from the denominator, and is applicable only to large facilities. (AMAYA)

POSITION OF PARTIES

SSU: SSU's request for emergency storage, 8 hours of average daily flow, is reasonable and consistent with precedent and should be approved where requested. SSU agrees the allowance should be added to the numerator of the storage calculation, rather than removed from the denominator.

MARCO ET AL: Adopt Public Counsel's position.

NASSAU ASSOCIATIONS: Adopt Public Counsel's position.

OPC: No emergency storage requested by SSU should be allowed because the utility was unable to confirm the emergency storage in the original plant designs.

STAFF ANALYSIS: Emergency storage is defined in AWWA Manual M-32 as follows: "Emergency storage provides water during emergency situations, such as pipeline failures, major trunk main failures, equipment failures (such as high service or booster pumps), electrical-power outages, water treatment facility failures, raw-water supply contamination, or natural disasters." It also states that the amount of emergency storage is an owner option based on risk and desired degree of system dependability. SSU is requesting emergency storage only for its larger facilities. (EXH 67, Vol. VI, Book 1 of 2, p. 10) Supply sizes of 1.0 mgd or greater are considered large. Staff believes that having emergency storage for the large customer bases, above and beyond equalization storage to meet peak demands and storage for fire flow, is reasonable. Staff reasons that the larger the customer base and facility, the more potential for mechanical problems exist and there is less economic burden per customer for such larger sizing of storage. By allowing emergency storage, however, an increased used and useful percentage results for storage investment. Initially, SSU deducted the amount of emergency storage from the denominator of the used and useful calculation; it has since revised that position and agrees with staff that it belongs in the numerator.

SSU bases part of its argument for including emergency storage on the basis of need and cost, and states that history has shown

that this storage was necessary during the last hurricane on Marco Island and in fighting a fire at Deltona. (TR 733-734) SSU witness Hartman explained that fire flow storage, which is in addition to emergency storage, is used for residential or commercial fires, and that the Deltona fire mentioned was a forest fire emergency situation. (TR 861) SSU witness Terrero also testified to the need for emergency storage during a raw water main break which supplies raw water to the Marco Island lime softening plant. (TR 4649)

OPC witness Biddy did not agree with allowing emergency storage for any facility due to the lack of such criteria in the original design information for the utility's storage facilities; he did not include such storage in his used and useful calculations. (TR 2506, 2523-2524, EXH 170) He further testified that emergency storage is not a design criteria in Recommended Standards for Water Works. (TR 2506) Also, he stated that it is seldom included in designs because of costs. (TR 2506) However, as argued by SSU, there are tremendous economies of scale associated with ground storage tanks. (TR 707-715, 765-773, EXH 91)

Lastly, the other leg of SSU's argument stems from prior Commission decisions. In Docket No. 911188-WS, the Commission allowed the use of emergency storage in calculating used and useful for Lehigh. (EXH 101) Staff points out that Lehigh is one of SSU's large facilities, and therefore, SSU's request in this proceeding is consistent with the allowance of emergency storage in Docket No. 911188-WS. (EXH 67, Vol. VI, Book 1 of 2, p. 10)

Based on the foregoing discussion, staff recommends an allowance for emergency storage of 8 hours of the Average Annual Daily Flow. This allowance is to be added to the numerator in the used and useful calculation for storage for large facilities. The facilities which have been given emergency storage in the used and useful calculations are: Amelia Island, Beacon Hills, Buenaventura Lakes, Burnt Store, Citrus Springs, Deltona Lakes, Lehigh, Marco Island, Marco Shores, Marion Oaks, Sugarmill Woods, University Shores, and Woodmere. (EXH 102, Attachment B) Although they do not meet the size criteria SSU included emergency storage for Burnt Store and Marco Shores. Staff believes that the need exists at these two sites for emergency storage. Burnt Store is a reverse osmosis plant such that water treatment is more complex and emergency storage would benefit the customers. Marco Shores is entirely dependent upon Marco Island for its raw water, and therefore emergency storage is also reasonable for this facility. SSU also requested emergency storage for Chuluota, Sugar Mill, and

Sunshine Parkway; however, due to the size of these facilities, staff did not include emergency storage for these three facilities. (Attachment B)

ISSUE 35: What peaking factor should be allowed for peak domestic hour demands in finished water storage used and useful calculations?

RECOMMENDATION: The appropriate peaking factor to use in deriving peak hour demands is two. Peak hour demand is then calculated as two times the maximum day demand. (AMAYA)

POSITION OF PARTIES

SSU: The peaking factor requested in the MFRs -- 2 times maximum day.

MARCO ET AL: Adopt Public Counsel's position.

NASSAU ASSOCIATIONS: Adopt Public Counsel's position.

OPC: AWWA M32, Distribution Network Analysis for Water Utilities, suggests a peak factor range of 1.3 to 2.0 for peak-hour demand to maximum-day demand. The minimum requirement 1.3 should be used.

STAFF ANALYSIS: As discussed under Issue 34, storage can meet a variety of needs. One of those needs is to meet peak demands. If a utility records its flows from storage on a diurnal basis, then the historical data to determine peak demands can be obtained. However, in the absence of such historical data, as with SSU, the peak demands need to be estimated. How to determine those peak demands is at issue. As stated in AWWA Manual M-32, peak demands can be estimated by applying an appropriate peaking factor to the maximum day demand.

As OPC witness Biddy argues, the AWWA Manual M-32 gives a range of peaking factors which is applied to maximum day demands. (TR 2505, 2523) However, he advocates using 1.3 simply because it is the minimum of the range. (TR 2505)

SSU argues that the peaking factor of 2.0 reflects reality and sound engineering design. (TR 732-733) In fact, during cross-examination, Mr. Biddy agreed that for a facility serving approximately 10,000 people he used a peaking factor of 2. (TR 2558) As SSU witness Hartman testified, the smaller the system, the larger the peaking factor needed. (TR 732, 844) In fact, he stated that Melrose, which he considered very similar to SSU facilities, had a peaking factor of 2.9. (TR 844) And while he agreed that the peak demand could be determined on a plant-by-plant basis and then averaged, he did not advocate that approach. (TR 845) Staff does not believe that based on the information filed by

SSU, however, such a possibility could be undertaken. As stated earlier, the peak demands need to be recorded on an continuous, instantaneous basis. The information filed by SSU contains data recorded approximately once every 24 hours; this reflects demands on a daily, not instantaneous, basis. (EXH 67, Additional Engineering Information)

In light of the more persuasive argument offered by SSU, staff is recommending the use of a 2.0 peaking factor applied to the maximum day demand of each facility to determine the peak hour demands.

ISSUE 36: Should 10% of the finished water storage be treated as dead storage?

RECOMMENDATION: Yes, for ground storage. No, for elevated storage. (AMAYA, CROUCH)

POSITION OF THE PARTIES

SSU: Yes.

MARCO ET AL: Adopts Public Counsel's position.

NASSAU ASSOCIATIONS: Adopts Public Counsel's position.

OPC: No, it is not justified to assume 10% of the storage capacity is dead storage for every single storage tank. Dead storage should be allowed only if it is confirmed in as-built drawings.

STAFF ANALYSIS: Dead storage is that capacity of a ground storage tank which is not drained out during normal use. The centerline of the pumping units are above the bottom of the tank. (TR 734) Basically, all parties are in agreement on this issue. Dead storage is not considered in elevated storage tanks since the pumps or drains can be placed at the lowest part of the tank. This was testified to and/or agreed to by SSU's Hartman, (TR 734) and OPC's Biddy. (TR 2506) Staff agrees. Ground storage, on the other hand, usually does have some dead storage. OPC's witness Biddy states that as-built drawings should be able to reveal the minimum operating level [of ground storage tanks]. Since Mr. Biddy did not have access to as-built drawings or any other supporting data he applied full storage tank capacity in his used and useful calculations. (TR 2506, EXH 170) According to SSU's witness Hartman, as-built drawings do not always give the latest dead storage information. Dead storage is a function of the net positive suction head (NPSH) of the installed pumps and if you change out the pump, you change the (NPSH) and alter the dead storage. (TR 862) SSU's Biddy agrees that the (NPSH) may affect the storage capacity of ground storage tanks. (TR 2506)

Dead storage has been recognized by the Commission as a consideration when calculating ground storage capacity and by DEP when issuing permits. (TR 734) Hartman agrees that, while all ground storage tanks may not have 10% dead storage, it is a good average. (TR 868) Staff recommends that, in consideration of evidence in the record, 10% dead storage should be considered when calculating the used and useful capacity of ground storage tanks

and that no dead storage be considered when evaluating elevated storage tanks.

ISSUE 37: For high service pumps used and useful calculations, should the maximum daily flows or peak hourly flows be used for peak demands?

RECOMMENDATION: For peak demands, either maximum day demand plus fire flow or peak hour demand alone should be used when calculating used and useful for high service pumps, whichever results in the higher used and useful percentage. (AMAYA)

POSITION OF PARTIES

SSU: For plants where fire flow is requested, peak hour plus fire flow should be used for plants less than 1 MGD and maximum day plus fire flow should be used for plants greater than 1 MGD. For plants where no fire flow is requested, peak hour demand should be used.

MARCO ET AL: Adopt Public Counsel's position.

NASSAU ASSOCIATIONS: Adopt Public Counsel's position.

OPC: When fire flow requirement is provided by high service pumps, only maximum daily flows should be added to the capacity requirement. If the system is not designed to provide fire flow, then the high service pumps should be designed to meet peak hourly flows.

STAFF ANALYSIS: A review of the utility's water facilities shows that only those water plants which have finished water storage, exclusive of hydropneumatic tanks, have high service pumps. (EXH 67, Vol VI, Book 1 of 2) Those plants without storage do not have high service pumps; therefore, this issue addresses only those water plants which have finished water storage.

Although SSU states in its position plant size criteria, no such distinctions were made in its narratives explaining its used and useful calculations. (EXH 67, Vol. VI, Book 1 of 2, p. 10-11) It states in its "Key to Used and Useful Calculations for Water" that its formula for High Service Pumps Calculation for 1996 that the maximum day, projected for growth, with the addition of fire flow, be compared to the firm reliable pump capacity. Id. at 15. It did not include a peaking factor in the description of the formula; however, in the actual calculations, it did. (EXH 67, Vol. VI, Book 1 of 2, EXH 102) In its Description of Methods and Engineering Practices which precedes the used and useful calculations filed by the utility, Rule 62-555.320, Florida Administrative Code, is relied upon. Id., p. 10-11. The applicable part of the rule states: "High service pumping and

distribution facilities shall be designed to provide maximum hourly system demand without either development of a distribution pressure lower than 20 psi or other health hazards. Elevated storage with appropriate hydraulic characteristics may be combined with service pumping units or distribution components to meet this system demand." Rule 62-555.320(7), Florida Administrative Code. This rule does not explicitly state that peak demands plus fire flows should be determined, which is the utility's approach. Further, SSU has only two facilities with elevated storage. (TR 2507)

In its used and useful calculations, the utility has calculated peak hour demands as two times the maximum day demand and added to this the required fire flow to determine the total demands made upon high service pumps. Further, the utility used the firm reliable capacity (see Issue 33) of these pumps in its calculations. SSU's approach is very conservative from a safety standpoint and by using this approach, a higher used and useful percentage is calculated. The Commission allowed the utility to use peak hour demands plus fire flow in Docket No. 920199-WS; however, staff believes this was an error and that the appropriate methodology is as recommended. (EXH 105)

OPC argues that high service pumps are normally designed to handle maximum daily flows and that any demands beyond maximum daily flows should be met by distribution storage tanks. (TR 2507) Staff notes that since only those SSU facilities with storage have high service pumps, the demands on the high service pumps will include maximum daily flow and fire flows, when needed. OPC states that without elevated storage, high service pumps need to operate in a higher and wider range of pumping head, which results in higher capital costs and less operating efficiency. (TR 2507-2508) However, OPC recognizes in its position that maximum day demand plus fire flow or, when fire flow is not incorporated in the design of a facility, peak hour demand, is appropriate for calculating used and useful for high service pumps. (BR 60-61)

As support for its position, the utility relies on Mr. Hartman's testimony that in small service areas small pumps are used to meet peak flows and that a single fire rated pump may be used for fire flow requirements. (TR 735-736) Mr. Hartman also testified that "... when distribution storage is not available and fire flow service is available, the standard design condition according to the Insurance Services Office ("ISO") in Jacksonville, many of the county codes, city codes and related standards, is the single maximum day plus fire flows or peak hourly demand whichever is greater..." (TR 736) Staff agrees with this criterion, even when storage is available. OPC witness Biddy testified that "[i]f

fire flows are provided by distribution storage, no fire flow should be included in high service pump used and useful calculations. (TR 2507) AWWA Manual M-32, which was relied upon in part at hearing, states: "According to the Insurance Services Office, fire-flow demands should be superimposed on the average demand of the maximum day." Further, AWWA Manual M-31 states the following in a discussion regarding rates of water use: "Design flow should be based on the peak hourly demand or the peak daily demand plus the fire flow requirement, whichever is greater." AWWA Manuals M-31 and M-32 were not introduced as evidence in this hearing but are accepted as engineering standards for designing water systems.

Based upon the above discussion, staff recommends that in determining used and useful percentages for high service pumps, that the demands to be used are either the maximum day demand plus fire flows or the peak hour demand, whichever is greater.

ISSUE 38: Should facility lands, hydro tanks, and auxiliary power be considered 100% used and useful without analysis?

RECOMMENDATION: No; for those situations where a utility has clearly oversized land, then analysis should be conducted. Hydropneumatic tanks and auxiliary power, however, need not be analyzed in order to achieve 100% used and useful. Staff is recommending that SSU land, hydro tanks, and auxiliary power should be considered 100% used and useful. (AMAYA, FUCHS)

POSITION OF THE PARTIES

SSU: Yes.

MARCO ET AL: Adopt Public Counsel's position

NASSAU ASSOCIATIONS: Adopt Public Counsel's position

OPC: No. Calculations should be performed to justify the 100% used and useful allocation for facility lands, hydro tanks and auxiliary power.

STAFF ANALYSIS: SSU witness Terrero testified that hydro tanks should be 100% used and useful because they have been installed for surge suppression. (TR 4652) He further testified that standby power is required by regulatory agencies and that the power equipment has been designed to provide the least amount of power required to meet the needs of each plant. (TR 4652) Witness Hartman testified that to follow OPC witness Biddy's suggestion of reducing U&U percentages would result in significantly more expense to the existing customers because of the phasing in process required by that method. (TR 737) OPC witness Biddy reiterated OPC's position on this issue but provided no additional support for it. (TR 2508-09, 2525)

Staff recommends that for those situations where a utility has clearly oversized land, then analysis should be conducted. Staff has not discerned any situation in this rate proceeding where the utility has clearly oversized land. Hydropneumatic tanks and auxiliary power, however, need not be analyzed in order to achieve 100% used and useful. While they may be larger than necessary for a particular site, the utility has the option of transferring them to other plants with larger requirements. Staff is recommending that, in this instant rate proceeding, SSU land, hydro tanks, and auxiliary power should be considered 100% used and useful.

ISSUE 39: What is the appropriate flow data to use for calculating used and useful for wastewater treatment plant and effluent disposal?

RECOMMENDATION: The appropriate flow data to use is the flow upon which the DEP Operating Permit is based. Since only the newer DEP operating permits contain the most recent and accurate information describing the flows upon which operating capacity is based, when such information is not available, the average daily flow in the maximum month should be used. (AMAYA, FUCHS)

POSITION OF PARTIES

SSU: The average daily flow in the maximum month should be used.

MARCO ET AL: Adopt Public Counsel's position.

NASSAU ASSOCIATIONS: Adopt Public Counsel's position.

OPC: Flow data in the used and useful calculation should be consistent with FDEP permits. Usually the permit flow requirement is in terms of annual daily flow or could be three month average daily flow.

STAFF ANALYSIS: SSU witness Hartman testified that most or all calculations for wastewater treatment plants are based on the maximum month utilization. (TR 889) He further testified that this maximum month meant the average of the days of the maximum month. (TR 889) Recommended Standards for Wastewater Facilities (10 States Standards) also states that the design maximum day flow shall be used as a basis for design for sewers, lift stations, wastewater treatment plants, treatment units and other wastewater handling facilities. (EXH 171, pg. 10 - 3) Staff has reviewed the utility's DEP operating permits for WWTP's and where the permit shows the flow upon which the capacity is based, that flow should be used in used and useful calculations. For example, the following facilities have permits that specify annual average daily flows:
Beacon Hills, Buenaventura Lakes, Citrus Park, Holiday Haven, Jungle Den, Leisure Lakes, Marco Island and Marco Shores.

Discussion of using DEP permits is also covered in Issue 32, which deals with whether to use operating or construction permits for used and useful calculations. Historically, staff has turned to the most recent DEP operating permit to calculate used and useful percentages. Therefore, staff recommends the Commission approve continuing this means of determining that the appropriate flow data

to use is the flow upon which the DEP operating permit is based. The most recently issued DEP operating permit for a facility contains information describing the flows upon which operating capacity is based. Staff further recommends that when such information is not available, the average daily flow in the maximum month, contained in the monthly operating reports submitted to the DEP, should be used.

ISSUE 40: Should iron filtration equipment be considered water treatment plant, and if so, what is the appropriate used and useful percentage?

RECOMMENDATION: Yes, iron filtration should be considered water treatment plant. The appropriate used and useful percentage is derived in the same manner as other water treatment plant on a facility by facility basis. (AMAYA, FUCHS)

POSITION OF PARTIES

SSU: Iron filtration equipment may be considered water treatment plant for used and useful purposes only.

MARCO ET AL: Adopt Public Counsel's position

NASSAU ASSOCIATIONS: Yes.

OPC: Yes.

STAFF ANALYSIS: All parties of record are in agreement with considering iron filtration equipment as a water treatment component for used and useful purposes. SSU witness Biddy acknowledged that iron removal filters are classified as treatment. (TR 2533) OPC agrees with the concept but provided no calculations to support its position, for the seven facilities which have iron filtration equipment.

Following are the staff recommended used and useful percentages, including a 1.5 year Margin Reserve, SSU's requested percentages and the percentages from the last rate case, when available, regarding water treatment plant used and useful allowance for iron filtration equipment:

Service Area	Staff Rec.	SSU requested	Last rate case
Apache Shores	56.78	66.67	30.00
Crystal River	100.0	48.39*	100.0
Fox Run	100.0	100.0	N/A
Gospel Island	100.0	100.0	100.0
Lakeside	100.0	100.0	N/A
Palms MH Park	100.0	100.0	N/A
Point O'Woods	100.0	100.0	N/A

*In the "F" schedules, the Utility noted that the supply well used and useful percent was applied to iron removal filters. (EXH 67, F-5, pg. 3 of 13)

Calculations for all water treatment facilities are based on the maximum day demand, adjusted for growth, minus unaccounted for water, divided by the firm reliable capacity. When calculating the Crystal River percentage, the result equals more than 100%. Staff used 100% to be consistent with the last rate case.

Staff recommends that iron filtration should be considered water treatment plant. The appropriate used and useful percentage is derived in the same manner as other water treatment plant on a service area by service area basis.

ISSUE 41: Will be addressed with Issue 16.

ISSUE 145 SHOULD BE CONSIDERED BEFORE ISSUE 42.

ISSUE 42: What wastewater plant components should be considered as reuse components? And, if not 100 percent used and useful pursuant to Sections 367.0817 and 403.064, what are the appropriate used and useful percentages for such components?

STAFF RECOMMENDATION: Additional components required to achieve a level of treatment qualifying for reuse, as approved by the DEP, should be considered reuse components. Reuse and what is considered to be reuse components should be evaluated on a case by case basis. Used and useful percentages should be applied to reuse components in a similar manner as those applied to standard treatment. That is, calculated as a function of capacity required by actual usage versus capacity constructed or permitted by FDEP. Reuse is beneficial because it contributes to a reduction in the demand of water from aquifers and other water resources. Components such as percolation ponds or injection wells do not contribute to a reduction of demand on water resources, therefore should not be eligible for reuse consideration. If a WWTP and its components are considered 100% used and useful excluding reuse components, that portion used for reuse should also be considered to be 100% used and useful. Staff recommended used and useful percentages for SSU's reuse facilities are contained in Issue 45. (FUCHS, DAVIS)

POSITION OF PARTIES

SSU: Wastewater plant components that should be considered reuse components include the following: (a) equalization basin; (b) automatic screens (c) dual aeration tanks; (d) dual filters; (e) dual chlorine contact; (f) substandard ponds; (g) injection wells; (h) monitoring wells; (h)[sic] monitoring equipment (chlorine residual, turbidity); (i) pumping facilities; (j) transmission mains; (k) booster stations; (l) percolation ponds; and (m) standby power.

MARCO ET. AL: Adopts Public Counsel's Position

NASSAU ASSOCIATIONS: Adopts Public Counsel's Position

OPC: Any additional facilities required to achieve reuse standards should be considered as reuse facilities. The appropriate used and useful percentages are dependent upon actual reuse demands and available reuse capacities.

STAFF ANALYSIS: SSU, in its position, includes several wastewater plant components that it believes should be considered to be reuse. With rare exception, all the items listed in SSU's position are considered to be standard for all wastewater treatment plants and are included in the 1990 edition of the Recommended Standards for Wastewater Facilities. (EXH 171) Dr. David York, P.E., Reuse Coordinator for the Bureau of Wastewater Facilities at the DEP, defines reuse as ...."the deliberate application of reclaimed water in concert with the department, as well as water management district rules, for a **beneficial purpose**"..., (emphasis added) as contained in Chapter 62-610 of the Florida Administrative Code, Section 200. (TR 3890) Witness York agreed that Chapter 367 of the Florida Statutes states that the utilities are to recover the full **prudently incurred cost** (emphasis added) of such facilities as a condition to allowing recovery in rates. (TR 3899) Utility witness Richard Harvey testified that facilities necessary to provide reuse should be considered 100% used and useful ..."as a matter of law...." (TR 3466) Under cross examination by staff, witness Harvey agreed that the words "prudently incurred" in the statute modified his position. (TR 3551) The witness further stated that it was his interpretation of the statute that reuse facilities are 100% used and useful if they are prudently constructed, based on his definition of what is prudent. (TR 3552) The statute contains no specific reference to used and useful. Witness Harvey agreed that Chapter 403.064 and Statute 367.0817 both contain language referring to the recovery of "prudent costs" incurred regarding reuse facilities. (TR 3551, 3552) Utility witness Gerald C. Hartman, P.E., also agreed that the referenced Statute 367.0817 qualified the recovery of costs to prudent investment. (TR 804) Staff has recommended in Issue 145 that sections 367.0817 and 403.064, do not mandate that reuse facilities be considered 100% used and useful. This issue addresses the appropriate used and useful percentages, if the Commission agrees with staff's recommendation.

SSU witness Mark Farrell, Assistant Executive Director of SWFWMD testified that ensuring adequate water supplies is central to the mission of Florida's water management districts. (TR 3730) Witness Farrell further testified that, among others, ..."reuse of reclaimed water,..." is an integral component of meeting the state's future water demands. (TR 3731) Witness Farrell testified that, "According to the Memorandum of Understanding between the Florida Public Service Commission and Florida's five Water Management Districts, it is a common objective of both the FPSC and the Water Management Districts to foster conservation and the reduction of withdrawal demand of ground and surface water...."

(TR 3731) Witness York also testified to the need to reduce the demand on water resources. (TR 3911)

Staff agrees that utilities should recover "prudently invested costs" involved with reuse of reclaimed water, as charged by F.S. 367.0817 and testified to by the above witnesses. We have difficulty accepting some of the components identified as reuse by those witnesses. For example, percolation/evaporation ponds and deep injection wells. Witness York stated that the single pond system that is always wet has been specifically excluded from the definition of reuse. (TR 3896) Staff fails to grasp the logic of one percolation pond being effluent disposal and more than one being reuse simply because it is charging the aquifer. Witness York testified to the depletion of water resources despite the use of percolation ponds in several areas of the state. (TR 3908) Witness York also testified that percolation ponds do not contribute to a customer reduction in demand for water. (TR 3910)

Witness Hartman testified that, "If it's effluent disposal only, of course it's not reused." (TR 906) Witness Denny testified that a wastewater treatment plant with one percolation pond will not cause a customer reduction in demand on the water source. He further testified that two or more would not contribute to a customer reduction in demand for water. (TR 434) As witness York testified, reuse is the "deliberate application of **reclaimed** water ....for a **beneficial** purpose..." (TR 3890) Applying this standard, the percolation ponds do not have that beneficial purpose.

Witness Denny testified that holding ponds are completely different from percolation/evaporation ponds. He further testified that a holding pond can not be utilized as a percolation pond. (TR 433) Witness Denny also testified that percolation ponds do not contribute to customer reduction of demand for water. (TR 434)

Deep injection wells are for effluent disposal only, since there is no way of retrieving the effluent to reuse it. Additionally, the effluent is not even recharging the aquifers because it is deposited far below the level of aquifers. Witness York stated that deep well injection was injecting into a subsurface formation, saline in nature, unusable.."...in essence eliminating that water from the normal realm of utilization that pass through the hydrologic cycle;...." (TR 3916) He further testified that..."From the reuse perspective, you're offering the advantage of taking that water and possibly getting it back into the groundwater cycle or using it for nonpotable purposes at this point. That will offset demands on other either surface or

groundwaters." (TR 3916) It seems obvious to staff that the primary reason for encouraging reuse is the reduction of demand on water resources. Anything that does not encourage reduction of demand or conservation should not be considered reuse. From this perspective, percolation/evaporation ponds and deep well injection are eliminated from reuse consideration.

A specific example of the non inclusion of deep well injection and percolation ponds is the Marco Island facility. SSU witness Terrero testified that percolation ponds could be considered holding ponds but holding ponds cannot be percolation ponds. The witness further testified that the ponds in the Marco Island facility are combination percolation/holding ponds. (TR 4788, 4789) Witness Terrero then testified that the ponds principal purpose is to be a backup for the irrigation system and also a backup for the injection well. (TR 4765, 4789) The witness continued that Marco Shores plant, which uses the Marco Island ponds, is not an advanced wastewater treatment plant therefore produces no reclaimed water. (TR 4765, 4789, 4790) Witness Terrero then stated that there are no facilities available to pump the effluent from these ponds. (TR 4790) Staff concludes that, if the effluent does not meet reclaimed water standards and there are no pumps available to remove the effluent from the Marco Island percolation ponds, these ponds cannot be considered to be reuse and should be removed from that category.

Staff recommends that the record shows that a primary reason for encouraging reuse of reclaimed water is to reduce the demand for water from available water resources and that percolation ponds and deep injection wells do not contribute to reduction of customer demand for water. In fact testimony shows that injection wells exacerbate the water supply problem by eliminating water from the hydrologic system by pumping it into salt water rendering it unusable, therefore percolation ponds and deep injection wells should not be considered as reuse components. Staff additionally recommends that many of the components used for reuse are standard to all wastewater treatment plants and that reuse consideration must be considered on a case by case basis and that, if reuse is considered on a case by case basis, that is the time to consider the used and useful percentage of the reuse facilities. Staff further recommends that, based on the record, the Commission accept the percentages presented in Issue 45, for the reuse facilities which were derived from total facility calculations.

ISSUE 43: Should an adjustment be made to reflect non-used and useful lines constructed by Lehigh Acquisition Corporation?

RECOMMENDATION: Yes. The approved non-used and useful percentages should be 37.43% and 22.33% for water and wastewater lines, respectively. Non-used and useful wastewater advances should also be decreased by $424,119. No adjustment should be made to non-used and useful water advances. The net non-used and useful adjustments should be a decrease to water rate base of $670,056 and a decrease to wastewater rate base of $289,397. (WEBB)

POSITION OF THE PARTIES

SSU: The refundable advances from Lehigh Corporation do not impact rate base nor the used and useful calculations for the Lehigh service area.

MARCO ET AL: Adopt Public Counsel's Position.

NASSAU ASSOCIATIONS: Yes. Rate base should be reduced by $1,297,253. Depreciation expense should be reduced by $40,706, in accordance with adjustments reflected on K. Dismukes' Schedule 38.

OPC: Yes. Rate base should be reduced by $1,297,253. Depreciation expense should be reduced by $40,706, in accordance with adjustments reflected on exhibit 175, schedule 38.

STAFF ANALYSIS: As we begin discussion on the current issue, staff will herein illustrate the similarity of Issues 43 and 49, only with regard to SSU's relationship with its affiliates LAC and MP&L. More specifically, staff will discuss the Developer's Agreement between SSU and LAC, and the Modified Escrow Agreements between LAC and the states of Michigan and New York. Both of these agreements are an element to the above referenced issues. To that extent, staff will endeavor to prevent duplicity of the facts; however, some duplicity will be necessary in order to properly develop each issue. Also, staff points out that within this issue Ms. Dismukes refers to LAC as the party that constructed the non-used and useful lines. In fact, Lehigh Corporation (referred to as Lehigh throughout this recommendation) is the developer that constructed the lines. Lehigh is a wholly owned subsidiary of LAC. To remain consistent with the testimony provided, staff utilized the "LAC" acronym throughout this issue, keeping in mind that the entity to which we are really referring is Lehigh Corporation.

Background information set forth by OPC witness Dismukes in her prefiled direct testimony aids in understanding the

relationship between LAC and SSU. In 1992, Lehigh Utilities, Inc. (hereinafter referred to as SSU or utility) and LAC executed a developers agreement which detailed the construction of water and wastewater facilities that would be used to serve customers in Lehigh Acres. Under the agreement, LAC would construct utility assets, advance those assets to the utility, and subsequently be reimbursed by the utility as customers connect to the system. In 1994, the terms of the agreement were enhanced (resulting in a modified developers agreement) pursuant to modified escrow agreements with the states of Michigan and New York, wherein LAC is permitted to withdraw escrowed funds to construct utility assets in the Lehigh service area. According to the terms of the new agreement, SSU will now record those assets constructed by LAC with an offsetting refundable advance to LAC. As future customers connect, SSU reimburses LAC for the connection charges. (TR 2781-2782)

In utility witness Kimball's direct testimony, she addresses SSU's adjustment to UPIS for the cost of constructing lines in the Lehigh water and wastewater service areas. Ms. Kimball explains that the associated advances (from LAC) are reflected in the MFRs; further, that the value of constructed facilities was not included in the 1995 and 1996 capital budget of SSU because they are not SSU funded projects. Therefore, the utility has made an adjustment to UPIS to offset the advances for construction shown in rate base for the same period/year. (TR 1359-1360)

In the MFRs for the Lehigh plants, Schedules A-1(W), A-7(W), A-2(S), and A-7(S) depict the rate base impact of SSU's calculation of non-used and useful plant in relation to the appropriately recorded advances for construction. Reviewing these schedules, one can clearly see the positive impact on rate base of the non-used and useful amount in both the water and wastewater plants. Witness Kimball addresses the utility's positive balance for non-used and useful in rate base and the related advances in response to OPC Interrogatory 343. (EXH 242, JJK-9) Basically, her explanation states that all utility assets constructed with advances are included in UPIS. A non-used and useful percentage is applied to this large UPIS balance (total UPIS, not just UPIS constructed through advances) resulting in a non-used and useful amount smaller than any associated advances.

It is OPC witness Dismukes' belief that the utility did not properly calculate Lehigh non-used and useful plant. Ms. Dismukes contends that the utility included substantial amounts of non-used and useful assets constructed by LAC in rate base without the corresponding offset to refundable advances. She explains that the

utility proposed certain dollar amounts of assets (related to LAC and the modified escrow agreement) to be included in water and wastewater rate base. However, according to the utility's response to OPC's document request 196, of the proposed amounts, only a small portion relates to customers that have already connected to the plant. (TR 2782-2783)

In reviewing the F Schedules in the MFRs, Ms. Dismukes notes that between 1994 and 1996 the non-used and useful percentage of transmission, distribution, and collection lines decreased. The percentage did not increase as one might expect when a company projects a certain amount of customer growth. Witness Dismukes further states that the utility failed to add to the denominator of the used and useful calculation the increase in lots as a result of the addition of T&D and collection lines. This oversight was apparently clear when an analysis of the number of available lots for both the water and wastewater plants remained unchanged between 1994 and 1996. (TR 2783-2786) Utilizing the above data, witness Dismukes arrived at her own adjustments to increase non-used and useful for both Lehigh plants as depicted on her Schedule 38, Exhibit 175, and explained in detail on pages 2785-2786 of her direct testimony.

Utility witness Kimball rebuts Ms. Dismukes' analysis of Lehigh non-used and useful plant based on simple average versus an appropriate use of a 13-month average methodology. Further, witness Kimball challenges Ms. Dismukes' assertion that the utility's response to OPC's Document Request 196 indicated that only a small portion of the proposed assets related to customers that have connected to the plant. Ms. Kimball states that perhaps Ms. Dismukes inferred this from looking at the numbers alone; however, Ms. Dismukes' rationale was not made clear. Ms. Kimball accepts OPC's assertion that the utility failed to calculate the appropriate non-used and useful percentage. She further states that if a downward adjustment is made to Lehigh UPIS as indicated in Exhibit 242, JJK-5, she believes the same adjustment should be made to the advances before a non-used and useful percentage is applied. The result being a zero rate base impact, thus no impact on the revenue requirement. (TR 5051-5053)

Staff believes that the major points of contention in this issue are that (1) SSU's calculation of non-used and useful lines contained the wrong number of lots in the denominator of the formula, and (2) the non-used and useful lines and advances per the MFRs do not reflect a zero rate base impact. Staff analysis verified the inaccuracies in the lot counts as indicated by OPC witness Dismukes. Referring to the plant maps provided in the

MFRs, Exhibit 67, actual lot counts are 9607 and 5992 for the water and wastewater plants, respectively. This results in non-used and useful of 37.43% for water and 22.33% for wastewater. The supporting rationale for the methodology of determining used and useful lines was discussed in Issues 16 and 41.

In applying the above percentages to Lehigh UPIS, staff arrived at a net non-used and useful adjustment to water T&D mains of $2,306,461. When compared to the associated advances of $1,903,990 reflected on the utility's water rate base schedule it is clear that no adjustment to non-used and useful advances is necessary, as net non-used and useful lines more than offsets advances. Staff's net non-used and useful adjustment to wastewater collection lines amounts to $1,171,850. Compared to the associated advances of $1,595,969 reflected on the utility's wastewater rate base, it is apparent that a decrease of $424,119 should be made to non-used and useful wastewater advances to affect a zero rate base impact.

Staff's recommendation, therefore, is to decrease non-used and useful wastewater advances by $424,119. We recommend no adjustment be made to non-used and useful water advances. Based on the foregoing adjustments, the net non-used and useful adjustments should be a decrease to water rate base of $670,056 and a decrease to wastewater rate base of $289,397.

ISSUE 44: If the used and useful calculations in this rate proceeding result in used and useful percentages lower than those allowed in previous rate cases, which percentages should be used?

RECOMMENDATION: This Commission must consider three separate scenarios in this situation. The first occurs when customer demands are lower than in the previous rate proceeding thus creating a lower used and useful percentage. Under this scenario, the percentage found in the previous proceeding is the appropriate percentage to use, provided that no new plant component(s) have been added. The second scenario occurs when plant component(s) have been added, and a used and useful percentage on the new capacity yields a lower percentage than the last proceeding. In this scenario, the new used and useful percentage is appropriate if the resulting plant in service (UPIS) is greater than the UPIS granted in the last proceeding. The third scenario allows for errors in the Commission's previous methodology or calculation of used and useful percentages. Under this scenario, the new used and useful percentage should be used, even if previous investment is affected. (CROUCH)

POSITION OF THE PARTIES

SSU: Used and useful percentages may not be adjusted downward absent a change in the capacity of the facility due to expansion. Even under these circumstances, no change to used and useful would be appropriate if the capacity change was consistent with the most economical design and construction. To decrease used and useful solely on reduced consumption would discourage utility conservation efforts and result in a confiscation of utility property which was properly built at the time the decision to build was made to meet engineering requirements and customer needs.

MARCO ET AL: The Commission should utilize the used and useful calculation resulting from the lot count filed by the utility in the instant proceeding. Pretending that used and useful should be greater now because of some action in the past is not rational.

NASSAU ASSOCIATIONS: The Commission should not automatically assume that because it approved a used and useful percentage in a prior case that anything less than that previously approved should [not] be adopted in the instant rate case. A variety of factors could have contributed to the decline in used and useful percentages - including plant expansions. Further more, to the extent that the decline was caused by conservation, this frees up capacity for future additions

and customers. To ignore this fact is to suggest that current customers that have conserved - if that is the cause - should pay for plant capacity that is available for future customers.

OPC: The Commission should not automatically assume that because it approved a used and useful percentage in a prior rate case that anything less than the previously approved should not be adopted in the instant rate case.

STAFF ANALYSIS: Staff agrees with OPC that the Commission should not automatically assume that because it approved a used and useful percentage in a prior case that anything less than that previously approved should not be adopted. There are a variety of factors which could have contributed to a decline in used and useful percentages.

SSU bases its argument on only one of the three possible scenarios - a lower used and useful caused by a decrease in demand would be confiscatory. Utility witness Hartman noted several prior Commission orders which recognized that decreases in demand should not result in decreases in used and useful. (TR 684-687) Staff agrees with this when the only cause was a decrease in customer demand. Staff also agrees with SSU that second guessing a prior Commission used and useful determination where there is no evidence to conclude that the Commission's initial determination of used and useful was flawed in the first instance would not be reasonable or justified and as SSU witness Hartman testified, would be punitive to the utility. (TR 685-686, 744-745) Utility witness Ludsen states that SSU has not adjusted the used and useful levels for facilities to a level below the level set forth in the prior Commission order establishing the used and useful level of such facilities--absent some modification by Southern States of the capacity of the particular facility [emphasis added]. (TR 1423) This is exactly the situation envisioned by staff in the second scenario: a change in investment or capacity of a facility would require a change in the used and useful percentages. The utility does not, however, address the third scenario: where there is evidence to support the fact that the Commission erred in a previous used and useful decision. It is staff's recommendation that a revised used and useful percentage is justified in this scenario. None of the intervening parties provided testimony on this issue.

ISSUE 45: What are the appropriate used and useful percentages for each facility?

PRIMARY RECOMMENDATION: The percentages highlighted in Attachment B are the appropriate used and useful percentages. (AMAYA)

ALTERNATE RECOMMENDATION: Where the newly calculated used and useful is lower than the Commission authorized in the last rate proceeding, and good reason exists to lower the percentage, the newly calculated percentage should be used. Consistent with its recommendation in Issue 41, staff believes transmission and distribution lines as well as the collection system should be calculated based on lots connected (or derived number of meters in this instance) to lots available. Therefore, even though the Commission authorized a higher used and useful in the last rate proceeding due to calculating used and useful for lines based on the number of ERCs connected to lots available, staff recommends that the new, lower used and useful percentage is appropriate. The remaining used and useful percentages are as recommended in the primary. (AMAYA)

POSITION OF PARTIES

SSU: The appropriate used and useful percentages for water supply wells, high service pumps, water treatment equipment and finished water storage are as stated in the response to FPSC Interrogatory No. 360 [EXH 102]. The used and useful facilities for water transmission and distribution are as stated in the used and useful summary schedules on pages 21 through 33, Book 1 of 2, Volume VI, of the MFRs. The appropriate used and useful percentage for wastewater treatment, effluent disposal and collection/pumping plant are as stated in the used and useful summary schedules on pages 831 through 937, Book 1 of 2, of Volume VI, of the MFRs with the exception of Sugarmill Woods where the wastewater used and useful should be 99.86% and the effluent disposal used and useful should be 85.59%

MARCO ET AL: Adopt Public Counsel's position.

NASSAU ASSOCIATIONS: Adopt Public Counsel's position.

OPC: The appropriate used and useful percentages for the water and wastewater facilities are presented in Exhibit TLB-3 and TLB-4, respectively [EXH 170].

STAFF ANALYSIS: The used and useful percentages are basically fall-out numbers due to Commission decisions on previous issues. However, there is a primary and alternate staff recommendation in this proceeding due to the differing methodologies available for calculating used and useful for lines. As discussed at length under Issues 16 and 41, the Commission in Docket No. 920199-WS accepted the utility's methodology for calculating used and useful for lines based on the number of connected ERCs to the number of lots available which yielded higher used and useful percentages than using connected lots to lots available achieves.

Staff has calculated the used and useful percentages contained in Attachment B, which follow staff's analysis. These schedules reflect any capacity changes or other modifications in the record. In addition, staff has calculated used and useful without margin reserve and with varying time periods for margin reserve. This was done so that the effects of the various time periods proposed by the parties can be easily compared. In addition, the used and useful percentages proposed by both SSU and OPC are also shown, for comparison purposes.

For used and useful percentages for lines, the primary recommendation merely accepts those used and useful percentages authorized in the last rate proceeding based on the ERCs connected to lots available methodology, if that percentage is higher than what has been calculated in this proceeding, unless there has been a change in the capacity. The alternate recommendation, however, uses the derived number of meters to lots available, which generally results in lower used and useful percentages for lines.

In addition, there are also some specific situations which need to be addressed due to the uniqueness of each.

Situations Applicable to Both Water and Wastewater Facilities

Iron Filtration

As discussed under Issue 40, staff believes that those facilities with iron filtration equipment should have a separate used and useful percentage calculated as water treatment equipment, consistent with used and useful treatment for other water treatment processes such as reverse osmosis and lime softening facilities. Therefore, staff has consistently calculated used and useful for each of the seven facilities which have iron filtration, based on its recommendation under that issue. The utility, however, requested the same used and useful percentage as it requested for supply wells. (EXH 67) As a result, there are instances where

staff's recommended percentage is greater than what the utility requested, due to this separate treatment. Staff believes, however, its calculated percentage is the correct one to use.

Rounding Up to 100%

Wherever a used and useful percentage was calculated which was equal to or greater than 95.00%, staff recommends rounding the used and useful up to 100%. However, staff has considered the number of ERCs involved in that rounding up as margin reserve.

Used and Useful Percentages Greater than 100%

Staff's calculated used and useful percentages on Attachment B in many instances exceed 100%. Staff realizes that no percentage greater than 100% can be applied as used and useful; however, there is a benefit to showing the calculated number. If a component is 700% used and useful, for example, it is a clear indication that the utility may need to increase capacity.

Situations Applicable Only to Water Facilities

Special Calculation on ERCs

SSU provided different projections for ERCs for both Marco Shores and Burnt Store in its revised F-5 schedules. (EXH 102) However, not all the data needed by staff was included; therefore, staff derived the linear equation based on the given data so that the data needed could be calculated.

East Lake Harris/Friendly Center

A review of Exhibits 67 and 105 reveals that the Commission found these two facilities, which were stand-alone in the last rate proceeding, 100% used and useful for all components except for hydropneumatic tanks. As discussed under Issue 38, staff believes that in this proceeding the Commission should find hydropneumatic tanks to be 100% used and useful. These two plants have since been interconnected, and staff believes that since the water components for each were found 100% used and useful previously, that even with the interconnection, they should be found no less than 100% used and useful.

Imperial Mobile Terrace

As discussed under Issue 13, the projected second well which was anticipated to be in-service in 1996 when the utility original

filed, is speculative at best. Therefore, staff has not added any capacity to source of supply which is consistent with the utility's revised F-5 schedules. (EXH 102)

Sunny Hills

SSU calculated used and useful percentages separately for the Sunny Hills two service territories. However, the investment for these components are not segregated. Therefore, staff has applied the used and useful percentages calculated for the larger service territory to the total investment.

Situations Applicable Only to Wastewater Facilities

Buenaventura Lakes

Staff's recommended used and useful percentages for wastewater plant and effluent disposal are greater than what the utility requested for this facility. However, staff believes the utility erred in that it did not include margin reserve in its calculation. Staff believes that its calculated percentage is correct, and is consistent with its treatment of other wastewater plant and effluent disposal facilities.

Jungle Den

Staff is recommending that Jungle Den be considered as having excessive infiltration and inflow. (Issue 23) However, for consistency with other treatment, staff is recommending in its primary recommendation that the used and useful percentage authorized in Docket No. 920199-WS also be authorized in this proceeding as it is higher than what was calculated in this case. As such, there has been no reduction to demands made due to excessive infiltration and inflow.

Different Used and Useful Percentages for Plant and Effluent Disposal

SSU requested separate used and useful percentages for plant and disposal, and staff has performed such separate calculations. (EXH 67, Attachment B) There are four instances, however, where the capacities are different for wastewater treatment plant and effluent disposal. A problem arose due to NARUC Account 380.4, which is an aggregate of both treatment plant and effluent disposal investment, and the utility did not file a break-out of separate investment for these facilities. Therefore, for those instances where there are different used and useful percentages, staff has

done the following. For Deltona Lakes and Lehigh, the break-out of investment is provided in Schedule F.6.1, and the appropriate percentages were applied to the appropriate dollars. (EXH 67, Vol. VI, Book 1 of 2) For Salt Springs and Zephyr Shores, staff has applied the 100% used and useful to account 382.4, while the treatment plant used and useful percentages were applied to 380.4.

Reduced Wastewater Treatment Plant Capacities

There are three wastewater treatment plants which have a limit on their operating capacity due to effluent disposal capacity limitations. (EXH 112) For Citrus Park and Sunshine Parkway, DEP has noted the limitation on the operating permits. (EXH 67, Additional Engineering Information) The permit for South Forty has no such notation; however, for consistency, staff has utilized the lower capacity as was filed by SSU. (EXH 67, Vol. VI, Book 1 of 2)

Reduced Demands

In several service territories, demands on the wastewater facilities are lower than what was in demand in Docket No. 920199-WS, yielding a lower used and useful percentage than that authorized in that proceeding. (EXH 105) Staff is not recommending the lower used and useful percentages based on these lower flows; this information is merely pointed out so as to explain significant differences in the calculated used and useful and what staff is recommending. The facilities with significantly reduced demands are: Chuluota, Leisure Lakes, Morningview, Salt Springs, and Zephyr Shores. (EXH 67) This is not an inclusive list, however, of all facilities with lower demands.

Conclusion

Based on the foregoing discussion, staff is recommending, in its primary, that those highlighted used and useful percentages on Attachment B be approved. In its alternative, staff is recommending that, consistent with its recommendation in Issue 41, that the newly calculated used and useful percentages for both water and wastewater lines are appropriate and be approved. All other calculated percentages are the same as in its primary recommendation.

DOCKET NO. 950495-WS, ATTACHMENT B
SSU - WATER SYSTEMS WITH GROUND STORAGE
7-22-96 - Staff Recommended %'s are Highlighted

Item Description	[em stg] AMELIA ISLAND	APPLE VALLEY	[lem stg] BEACON HILLS	[em stg] BUENA-VENTURA	[em stg] BURNT STORE	[em stg] CHULUOTA	[em stg] CITRUS SPGS **
MAXIMUM DAY, 1994 (gallons)	2,110,842	960,000	2,849,200	2,753,000	239,040	488,000	1,384,800
MAXIMUM DAY, 1994 (gpm)	1,466	667	1,979	1,912	166	339	962
AVG. FIVE MAX. DAY DEMAND (A5MDD, gal)	1,727,071	736,800	2,477,540	2,610,400	194,688	352,400	960,200
AVERAGE ANNUAL DAILY FLOW	798		941	1,188	101	0	389
EXCESS UNACCOUNTED-FOR-WATER (gpm)	94.63	0.00	0.00	41.61	0.00	0.00	30.57
CALCULATED PEAK HOUR (2*A5MDD)	3,454,142	1,473,600	4,955,080	5,220,800	389,376	704,800	1,920,400
REQUIRED FIRE FLOW (gallons)	180,000	72,000	180,000	300,000	150,000	72,000	180,000
REQUIRED FIRE FLOW (gpm)	1,000	600	1,500	2,500	1,250	600	1,500
AVERAGE NO. OF ERCS, 1994	2,187	1,001	3,401	7,075	724	692	1,960
AVERAGE NO. OF ERCS, 1996	2,449	1,043	3,749	7,506	967	721	2,078
AVERAGE NO. OF ERCS, 1997 [1.0 YR MR]	2,583	1,064	3,962	7,731	1,089	735	2,135
AVERAGE NO. OF ERCS, 1997.5 [1.5 YR MR]	2,650	1,074	4,069	7,846	1,150	742	2,164
AVERAGE NO. OF ERCS, 1999 [3.0 YR MR]	2,850	1,105	4,388	8,202	1,332	763	2,250
AVERAGE NO. OF ERCS, 2001 [5.0 YR MR]	3,118	1,147	4,815	8,701	1,575	791	2,364
SOURCE OF SUPPLY & PUMPING							
Supply Wells							
MAXIMUM SUPPLY WELL (gpm)	1,400	600		2,500	250	500	500
1996 TOTAL CAPACITY (gpm)	2,800	1,100	3,850	4,700	750	1,300	1,500
1996 RELIABLE CAPACITY (gpm)	1,400	500	2,350	2,200	500	800	1,000
CALCULATED U/U W/O MR	109.68%	138.93%	92.81%	90.19%	44.35%	44.14%	98.72%
CALCULATED U/U WITH 1.5 YEAR MR	118.68%	143.06%	100.73%	94.28%	52.72%	45.42%	102.80%
CALCULATED U/U WITH 3.0 YEAR MR	127.64%	147.19%	108.63%	98.55%	61.08%	46.71%	106.89%
CALCULATED U/U WITH 5.0 YEAR MR	139.64%	152.78%	119.20%	104.55%	72.23%	48.42%	112.30%
1996 UTILITY REQUESTED U/U	100.00%	100.00%	100.00%	100.00%	100.00%	46.73%	100.00%
1996 OPC RECOMMENDED U/U	56.22%	54.15%	44.12%	55.29%	51.87%	18.04%	38.00%
LAST RATE CASE ORDER	67.70%	100.00%	58.90%	63.20%	80.10%	98.50%	100.00%
High Service Pumping			n/a	n/a		MDD+FF	PK HR	MDD+FF
MAXIMUM HIGH SERVICE PUMP (gpm)	1,875	1,200	4,675	5,900	1,500	950	950	1,500
1996 TOTAL CAPACITY (gpm)	5,200	2,400	6,975	7,400	2,400	1,950	1,950	4,500
1996 RELIABLE CAPACITY (gpm)	2,645	1,200	4,000	4,400	900	1,450	1,450	3,000
CALCULATED U/U W/O MR	95.86%	107.89%	92.03%	101.91%	163.53%	65.73%	48.70%	82.91%
CALCULATED U/U WITH 1.5 YEAR MR	100.62%	109.61%	96.64%	105.96%	168.18%	66.44%	50.12%	84.27%
CALCULATED U/U WITH 3.0 YEAR MR	105.37%	111.33%	101.32%	106.09%	172.82%	67.15%	51.54%	85.63%
CALCULATED U/U WITH 5.0 YEAR MR	111.72%	113.66%	107.53%	109.09%	179.02%	68.09%	53.43%	87.43%
1996 UTILITY REQUESTED U/U	100.00%	100.00%	100.00%	100.00%	100.00%	92.95%		100.00%
1996 OPC RECOMMENDED U/U	44.73%	44.43%	41.41%	42.18%	17.01%	17.58%		21.70%
LAST RATE CASE ORDER	64.20%	100.00%	100.00%	83.20%	100.00%	100.00%		N/A
WATER TREATMENT PLANT								
1996 TOTAL CAPACITY (gpm)	N/A	N/A	N/A	N/A	378	N/A		N/A
1996 RELIABLE CAPACITY (gpm)					378			
CALCULATED U/U W/O MR					58.67%			
CALCULATED U/U WITH 1.5 YEAR MR					69.73%			
CALCULATED U/U WITH 3.0 YEAR MR					80.79%			
CALCULATED U/U WITH 5.0 YEAR MR					95.55%			
1996 UTILITY REQUESTED U/U					88.07%			
1996 OPC RECOMMENDED U/U					40.30%			
LAST RATE CASE ORDER					100.00%			
TRANSMISSION AND DISTRIBUTION								
Finished Water Storage								
1996 TOTAL CAPACITY (gal)	1,000,000	100,000	433,600	1,206,000	500,000	150,000		500,000
1996 RELIABLE CAPACITY (gal)	900,000	90,000	390,240	1,085,400	450,000	135,000		450,000
CALCULATED U/U W/O MR	144.59%	415.43%	407.73%	164.02%	78.21%	170.99%		180.37%
CALCULATED U/U WITH 1.5 YEAR MR	154.16%	425.34%	438.14%	169.87%	84.66%	174.28%		185.93%
CALCULATED U/U WITH 3.0 YEAR MR	163.68%	435.25%	468.45%	175.99%	91.12%	177.57%		191.50%
CALCULATED U/U WITH 5.0 YEAR MR	176.44%	448.67%	509.02%	184.59%	99.72%	181.96%		198.87%
1996 UTILITY REQUESTED U/U	100.00%	100.00%	100.00%	100.00%	91.36%	100.00%		100.00%
1996 OPC RECOMMENDED U/U	56.67%	100.00%	100.00%	72.63%	16.43%	69.28%		54.72%
LAST RATE CASE ORDER	100.00%	100.00%	100.00%	60.10%	46.90%	75.00%		N/A
Hydropneumatic Tanks								
HYDRO TANK CAPACITY(IES)	20,000	15,000	20,000	0	25,000	15,000		16,000
CALCULATED AS IN LAST RATE CASE	140.63%	120.00%	125.63%		90.00%	95.00%		140.63%
1996 UTILITY REQUESTED U/U	100.00%	100.00%	100.00%		100.00%	100.00%		100.00%
1996 OPC RECOMMENDED U/U	70.00%	40.00%	75.00%		8.80%	33.33%		31.25%
LAST RATE CASE ORDER	100.00%	100.00%	100.00%		100.00%	100.00%		100.00%
T/D Lines								
NO. OF LOTS CONNECTED, 1995	1,513	962	3,080	7,287	458	669		1,840
NO. OF LOTS CONNECTED, 1996	1,601	982	3,266	7,506	489	682		1,892
NO. OF LOTS CONNECTED, 1997 [1.0 YR MR]	1,688	1,001	3,451	7,731	521	695		1,944
NO. OF LOTS AVAILABLE	2,467	1,591	3,178	6,725	4,347	1,055		11,667
CALCULATED U/U WITHOUT MARGIN RESERVE	64.90%	61.72%	102.77%	111.61%	11.25%	64.64%	ERR	16.22%
CALCULATED U/U WITH 1.0 YEAR MR	68.42%	62.92%	108.59%	114.96%	11.99%	65.88%		16.68%
1996 UTILITY REQUESTED U/U	100.00%	100.00%	100.00%	100.00%	13.70%	100.00%		42.71%
1996 OPC RECOMMENDED U/U	64.88%	61.71%	100.00%	100.00%	11.26%	64.67%		16.22%
LAST RATE CASE ORDER	100.00%	100.00%	97.00%	N/A	13.70%	100.00%		21.00%

** T&D U/U% CALC. W/CYBERNET

DOCKET NO. 950495-WS, ATTACHMENT B
SSU - WATER SYSTEMS WITH GROUND STORAGE
7-22-96 - Staff Recommended %'s are Highlighted

[em stg]

Item Description	DELTONA LAKES	DOL RAY MANOR	DRUID HILLS	FERN PARK	FOUNTAINS
MAXIMUM DAY, 1994 (gallons)	15,981,000	66,600	299,000	92,000	65,100
MAXIMUM DAY, 1994 (gpm)	11,098	46	208	64	45
AVG. FIVE MAX. DAY DEMAND (A5MDD, gal)	15,200,200	57,120	240,800	80,200	37,820
AVERAGE ANNUAL DAILY FLOW	4,450				
EXCESS UNACCOUNTED-FOR-WATER (gpm)	90.19	0.00	3.63	0.00	0.28
CALCULATED PEAK HOUR (2*A5MDD)	30,400,400	114,240	481,600	160,400	75,640
REQUIRED FIRE FLOW (gallons)	300,000	0	72,000	0	60,000
REQUIRED FIRE FLOW (gpm)	2,500	0	600	0	500
AVERAGE NO. OF ERCS, 1994	24,895	75	331	182	30
AVERAGE NO. OF ERCS, 1996	26,279	75	331	183	40
AVERAGE NO. OF ERCS, 1997 [1.0 YR MR]	26,943	75	331	183	47
AVERAGE NO. OF ERCS, 1997.5 [1.5 YR MR]	27,276	75	331	183	51
AVERAGE NO. OF ERCS, 1999 [3.0 YR MR]	28,273	75	331	184	61
AVERAGE NO. OF ERCS, 2001 [5.0 YR MR]	29,602	75	331	185	75
SOURCE OF SUPPLY & PUMPING					
Supply Wells					
MAXIMUM SUPPLY WELL (gpm)		275	350	259	
1996 TOTAL CAPACITY (gpm)	17,230	525	550	259	300
1996 RELIABLE CAPACITY (gpm)	14,230	250	200	0	80
CALCULATED U/U W/O MR	81.66%	18.50%	102.00%	100.00%	74.88%
CALCULATED U/U WITH 1.5 YEAR MR	84.75%	18.50%	102.00%		85.47%
CALCULATED U/U WITH 3.0 YEAR MR	87.85%	18.50%	102.00%		114.19%
CALCULATED U/U WITH 5.0 YEAR MR	91.98%	18.50%	102.00%		140.40%
1996 UTILITY REQUESTED U/U	88.57%	100.00%	100.00%	100.00%	100.00%
1996 OPC RECOMMENDED U/U	32.48%	7.27%	41.50%	100.00%	12.22%
LAST RATE CASE ORDER	96.00%	100.00%	100.00%	100.00%	100.00%

High Service Pumping	PK HR	MDD+FF	PK HR	MDD+FF	PK HR			MDD+FF
MAXIMUM HIGH SERVICE PUMP (gpm)	1,500	2,100	2,100	250	250	250	250	500
1996 TOTAL CAPACITY (gpm)	4,500	23,300	23,300	500	500	500	250	1,500
1996 RELIABLE CAPACITY (gpm)	3,000	21,200	21,200	250	250	250	0	1,000
CALCULATED U/U W/O MR	66.89%	66.60%	110.07%	18.50%	37.00%	321.60%	100.00%	55.99%
CALCULATED U/U WITH 1.5 YEAR MR	69.66%	68.68%	114.24%	18.50%	37.00%	321.60%		57.64%
CALCULATED U/U WITH 3.0 YEAR MR	72.43%	70.76%	118.42%	18.50%	37.00%	321.60%		59.14%
CALCULATED U/U WITH 5.0 YEAR MR	76.10%	73.53%	123.99%	18.50%	37.00%	321.60%		61.23%
1996 UTILITY REQUESTED U/U		100.00%		37.00%		100.00%	100.00%	68.38%
1996 OPC RECOMMENDED U/U		51.72%		15.87%		64.08%	100.00%	3.38%
LAST RATE CASE ORDER		100.00%		100.00%		100.00%	100.00%	37.00%

WATER TREATMENT PLANT					
1996 TOTAL CAPACITY (gpm)	N/A	N/A	N/A	N/A	N/A
1996 RELIABLE CAPACITY (gpm)					
CALCULATED U/U W/O MR					
CALCULATED U/U WITH 1.5 YEAR MR					
CALCULATED U/U WITH 3.0 YEAR MR					
CALCULATED U/U WITH 5.0 YEAR MR					
1996 UTILITY REQUESTED U/U					
1996 OPC RECOMMENDED U/U					
LAST RATE CASE ORDER					
TRANSMISSION AND DISTRIBUTION					
Finished Water Storage					
1996 TOTAL CAPACITY (gal)	7,000,000	6,000	30,000	17,000	20,000
1996 RELIABLE CAPACITY (gal)	6,300,000	7,200	27,000	15,300	18,000
CALCULATED U/U W/O MR	126.17%	287.50%	576.41%	191.38%	453.77%
CALCULATED U/U WITH 1.5 YEAR MR	130.42%	287.50%	576.41%	191.38%	493.31%
CALCULATED U/U WITH 3.0 YEAR MR	134.66%	287.50%	576.41%	192.37%	529.25%
CALCULATED U/U WITH 5.0 YEAR MR	140.32%	287.50%	576.41%	193.37%	579.57%
1996 UTILITY REQUESTED U/U	100.00%	100.00%	100.00%	100.00%	100.00%
1996 OPC RECOMMENDED U/U	47.54%	100.00%	100.00%	100.00%	35.19%
LAST RATE CASE ORDER	100.00%		100.00%	100.00%	100.00%
Hydropneumatic Tanks					
HYDRO TANK CAPACITY(IES)	25,500	5,000	7,500	4,500	13,000
CALCULATED AS IN LAST RATE CASE	123.53%	75.00%	50.00%	83.33%	57.69%
1996 UTILITY REQUESTED U/U	100.00%	100.00%	100.00%	100.00%	100.00%
1996 OPC RECOMMENDED U/U	100.00%	55.00%	46.67%	57.56%	16.92%
LAST RATE CASE ORDER	100.00%	100.00%	100.00%	100.00%	100.00%
T/D Lines					
NO. OF LOTS CONNECTED, 1995	23,327	59	247	177	32
NO. OF LOTS CONNECTED, 1996	23,932	59	247	177	38
NO. OF LOTS CONNECTED, 1997 [1.0 YR MR]	24,537	59	247	178	45
NO. OF LOTS AVAILABLE	34,940	77	335	208	84
CALCULATED U/U WITHOUT MARGIN RESERVE ERR	68.49%	76.62%	73.73%	85.10%	45.24%
CALCULATED U/U WITH 1.0 YEAR MR	70.23%	76.62%	73.73%	85.58%	53.57%
1996 UTILITY REQUESTED U/U	89.30%	100.00%	100.00%	100.00%	53.59%
1996 OPC RECOMMENDED U/U	68.50%	76.62%	73.73%	85.56%	46.18%
LAST RATE CASE ORDER	89.30%	100.00%	100.00%	100.00%	14.00%

** T&D U/U% CALC. W/CYBERNET

DOCKET NO. 950495-WS, ATTACHMENT B
SSU - WATER SYSTEMS WITH GROUND STORAGE
7-22-96 - Staff Recommended %'s are Highlighted

Item Description		FOX RUN	HERMITS COVE		INTER-LACHEN	LAKE AJAY	LAKE BRANTLEY	LAKE HARRIETT
MAXIMUM DAY, 1994 (gallons)		69,000	80,800		101,400	105,070	41,000	140,000
MAXIMUM DAY, 1994 (gpm)		48	56		70	73	28	97
AVG. FIVE MAX. DAY DEMAND (A5MDD, gal)		57,057	49,400		76,360	97,514	31,600	115,600
AVERAGE ANNUAL DAILY FLOW								
EXCESS UNACCOUNTED-FOR-WATER (gpm)		0.00	0.00		4.15	0.00	0.00	0.00
CALCULATED PEAK HOUR (2*A5MDD)		114,114	98,800		152,720	195,028	63,200	231,200
REQUIRED FIRE FLOW (gallons)		60,000	0		0	60,000	0	72,000
REQUIRED FIRE FLOW (gpm)		500	0		0	500	0	500
AVERAGE NO. OF ERCS, 1994		98	176		250	89	67	280
AVERAGE NO. OF ERCS, 1996		107	176		258	120	67	283
AVERAGE NO. OF ERCS, 1997 [1.0 YR MR]		111	176		262	136	68	285
AVERAGE NO. OF ERCS, 1997.5 [1.5 YR MR]		113	177		264	144	68	286
AVERAGE NO. OF ERCS, 1999 [3.0 YR MR]		119	178		269	167	69	289
AVERAGE NO. OF ERCS, 2001 [5.0 YR MR]		127	179		276	199	70	292
SOURCE OF SUPPLY & PUMPING								
Supply Wells								
MAXIMUM SUPPLY WELL (gpm)		500	110		180		100	600
1996 TOTAL CAPACITY (gpm)		850	110		340	200	100	600
1996 RELIABLE CAPACITY (gpm)		350	0		160	100	0	0
CALCULATED U/U W/O MR		100.00%	100.00%		42.74%	98.38%	100.00%	100.00%
CALCULATED U/U WITH 1.5 YEAR MR					43.74%	118.06%		
CALCULATED U/U WITH 3.0 YEAR MR					44.56%	136.91%		
CALCULATED U/U WITH 5.0 YEAR MR					45.72%	163.15%		
1996 UTILITY REQUESTED U/U		100.00%	100.00%		56.30%	100.00%	100.00%	100.00%
1996 OPC RECOMMENDED U/U		6.12%	100.00%		13.35%	34.27%	100.00%	100.00%
LAST RATE CASE ORDER		100.00%	100.00%		56.30%	100.00%	100.00%	100.00%
High Service Pumping	PK HR		MDD+FF	PK HR	n/a			
MAXIMUM HIGH SERVICE PUMP (gpm)	500	350	120	120	240	160	100	400
1996 TOTAL CAPACITY (gpm)	1,500	850	240	240	430	320	100	400
1996 RELIABLE CAPACITY (gpm)	1,000	500	120	120	190	160	0	0
CALCULATED U/U W/O MR	12.02%	110.46%	46.76%	93.52%	35.56%	373.99%	100.00%	100.00%
CALCULATED U/U WITH 1.5 YEAR MR	15.32%	111.05%	47.02%	94.05%	36.53%	386.29%		
CALCULATED U/U WITH 3.0 YEAR MR	18.33%	111.64%	47.29%	94.58%	37.53%	398.07%		
CALCULATED U/U WITH 5.0 YEAR MR	22.53%	112.42%	47.56%	95.11%	39.53%	414.47%		
1996 UTILITY REQUESTED U/U		100.00%	95.85%		100.00%	100.00%	100.00%	100.00%
1996 OPC RECOMMENDED U/U		8.65%	37.16%		21.41%	57.07%	100.00%	100.00%
LAST RATE CASE ORDER		100.00%	60.60%		100.00%	100.00%	100.00%	100.00%
WATER TREATMENT PLANT								
1996 TOTAL CAPACITY (gpm)		503	N/A		N/A	N/A	N/A	N/A
1996 RELIABLE CAPACITY (gpm)		455						
CALCULATED U/U W/O MR		100.00%						
CALCULATED U/U WITH 1.5 YEAR MR								
CALCULATED U/U WITH 3.0 YEAR MR								
CALCULATED U/U WITH 5.0 YEAR MR								
1996 UTILITY REQUESTED U/U		100.00%						
1996 OPC RECOMMENDED U/U		N/A						
LAST RATE CASE ORDER		N/A						
TRANSMISSION AND DISTRIBUTION								
Finished Water Storage								
1996 TOTAL CAPACITY (gal)		50,000	23,000		30,500	15,000	8,000	25,000
1996 RELIABLE CAPACITY (gal)		45,000	20,700		27,450	13,500	7,200	22,500
CALCULATED U/U W/O MR		180.22%	127.10%		117.63%	724.82%	180.83%	486.67%
CALCULATED U/U WITH 1.5 YEAR MR		183.04%	127.77%		120.13%	787.78%	183.38%	488.67%
CALCULATED U/U WITH 3.0 YEAR MR		185.86%	128.43%		122.21%	848.12%	185.93%	490.67%
CALCULATED U/U WITH 5.0 YEAR MR		189.61%	129.10%		125.13%	932.07%	188.48%	492.67%
1996 UTILITY REQUESTED U/U		100.00%	100.00%		100.00%	100.00%	100.00%	100.00%
1996 OPC RECOMMENDED U/U		30.86%	43.57%		50.42%	100.00%	100.00%	100.00%
LAST RATE CASE ORDER		100.00%	100.00%		100.00%	100.00%	100.00%	100.00%
Hydropneumatic Tanks								
HYDRO TANK CAPACITY(IES)		4,400	3,000		10,000	3,000	1,000	5,000
CALCULATED AS IN LAST RATE CASE		119.32%	60.00%		36.00%	80.00%	150.00%	120.00%
1996 UTILITY REQUESTED U/U		100.00%	100.00%		100.00%	100.00%	100.00%	100.00%
1996 OPC RECOMMENDED U/U		100.00%	36.67%		18.00%	33.33%	100.00%	100.00%
LAST RATE CASE ORDER		100.00%	75.90%		54.00%	100.00%	100.00%	100.00%
T/D Lines								
NO. OF LOTS CONNECTED, 1995		103	175		250	96	67	280
NO. OF LOTS CONNECTED, 1996		107	176		253	111	67	282
NO. OF LOTS CONNECTED, 1997 [1.0 YR MR]		111	176		262	125	68	283
NO. OF LOTS AVAILABLE		109	350		387	100	73	302
CALCULATED U/U WITHOUT MARGIN RESERVE	ERR	98.17%	50.29%	ERR	65.37%	111.00%	91.78%	93.38%
CALCULATED U/U WITH 1.0 YEAR MR		101.83%	50.29%		67.70%	125.00%	93.15%	93.71%
1996 UTILITY REQUESTED U/U		100.00%	50.41%		67.57%	100.00%	100.00%	100.00%
1996 OPC RECOMMENDED U/U		98.17%	50.00%		65.19%	100.00%	91.78%	93.38%
LAST RATE CASE ORDER		100.00%	49.40%		61.50%	44.35%	100.00%	100.00%

** T&D U/U% CALC. W/CYBERNET

DOCKET NO. 950495-WS, ATTACHMENT B
SSU - WATER SYSTEMS WITH GROUND STORAGE
7-22-96 - Staff Recommended %'s are Highlighted

Item Description	[em stg] LEHIGH	LEISURE LAKES	[em stg] MARCO ISLAND	[em stg] MARCO SHORES		[em stg] MARION OAKS **	MEREDITH MANOR	PALM PORT
MAXIMUM DAY, 1994 (gallons)	1,711,000	66,000	11,871,000	479,966		1,058,000	400,300	41,700
MAXIMUM DAY, 1994 (gpm)	1,188	46	8,244	333		735	278	29
AVG. FIVE MAX. DAY DEMAND (A5MDD, gal)	1,661,200	50,200	9,924,600	403,171		896,000	357,260	32,560
AVERAGE ANNUAL DAILY FLOW	916		4,284	94		385		
EXCESS UNACCOUNTED-FOR-WATER (gpm)	33.33	0.79	0.00	0.00		0.00	0.00	0.28
CALCULATED PEAK HOUR (2*A5MDD)	3,322,400	100,400	19,849,200	806,342		1,792,000	714,520	65,120
REQUIRED FIRE FLOW (gallons)	240,000	60,000	1,080,000	180,000		750,000	0	0
REQUIRED FIRE FLOW (gpm)	2,000	500	4,500	750		2,500	500	0
AVERAGE NO. OF ERCS, 1994	8,898	244	13,983	432		2,644	734	98
AVERAGE NO. OF ERCS, 1996	9,254	249	14,708	526		2,871	734	106
AVERAGE NO. OF ERCS, 1997 [1.0 YR MR]	9,443	250	14,943	574		2,984	734	110
AVERAGE NO. OF ERCS, 1997.5 [1.5 YR MR]	9,538	251	15,060	597		3,041	734	112
AVERAGE NO. OF ERCS, 1999 [3.0 YR MR]	9,823	254	15,412	668		3,212	734	117
AVERAGE NO. OF ERCS, 2001 [5.0 YR MR]	10,202	258	15,881	762		3,439	735	124
SOURCE OF SUPPLY & PUMPING								
Supply Wells								
MAXIMUM SUPPLY WELL (gpm)	456	300		0		1,000	1,080	100
1996 TOTAL CAPACITY (gpm)	1,900	350	9,831			1,500	1,380	100
1996 RELIABLE CAPACITY (gpm)	1,444	50	7,747			1,000	300	0
CALCULATED U/U W/O MR	83.18%	91.93%	111.93%			79.78%	92.66%	100.00%
CALCULATED U/U WITH 1.5 YEAR MR	85.74%	92.67%	114.61%			84.50%	92.66%	
CALCULATED U/U WITH 3.0 YEAR MR	88.29%	93.78%	117.29%			89.26%	92.66%	
CALCULATED U/U WITH 5.0 YEAR MR	91.71%	95.26%	120.86%			95.56%	92.79%	
1996 UTILITY REQUESTED U/U	100.00%	100.00%	100.00%			89.25%	92.71%	100.00%
1996 OPC RECOMMENDED U/U	63.60%	32.43%	58.16%			41.76%	53.74%	100.00%
LAST RATE CASE ORDER	100.00%	100.00%	100.00%			63.70%	80.10%	100.00%
High Service Pumping	n/a			MDD+FF	PK HR			MDD+FF
MAXIMUM HIGH SERVICE PUMP (gpm)	1,250	200	5,000	1,200	1,200	600	800	60
1996 TOTAL CAPACITY (gpm)	4,250	400	22,700	2,700	2,700	1,200	1,150	120
1996 RELIABLE CAPACITY (gpm)	3,000	200	17,700	1,500	1,500	600	350	60
CALCULATED U/U W/O MR	106.70%	272.98%	74.41%	77.08%	54.15%	549.63%	222.28%	51.70%
CALCULATED U/U WITH 1.5 YEAR MR	107.93%	273.17%	75.59%	80.72%	61.44%	557.51%	222.28%	54.63%
CALCULATED U/U WITH 3.0 YEAR MR	109.17%	273.44%	76.76%	84.36%	68.72%	565.43%	222.28%	57.06%
CALCULATED U/U WITH 5.0 YEAR MR	110.81%	273.81%	78.32%	89.22%	78.43%	575.94%	222.39%	60.48%
1996 UTILITY REQUESTED U/U	100.00%	100.00%	100.00%	100.00%		100.00%	100.00%	100.00%
1996 OPC RECOMMENDED U/U	38.88%	16.95%	40.96%	18.67%		100.00%	70.88%	39.78%
LAST RATE CASE ORDER	100.00%	100.00%	100.00%	68.20%		100.00%	100.00%	29.50%
WATER TREATMENT PLANT								
1996 TOTAL CAPACITY (gpm)	1,736	N/A	6,944	500		N/A	N/A	N/A
1996 RELIABLE CAPACITY (gpm)	1,736		6,944	500				
CALCULATED U/U W/O MR	69.19%		124.87%	81.23%				
CALCULATED U/U WITH 1.5 YEAR MR	71.31%		127.86%	92.15%				
CALCULATED U/U WITH 3.0 YEAR MR	73.44%		130.85%	103.08%				
CALCULATED U/U WITH 5.0 YEAR MR	76.28%		134.83%	117.65%				
1996 UTILITY REQUESTED U/U	75.56%		100.00%	100.00%				
1996 OPC RECOMMENDED U/U	66.62%		100.00%	56.00%				
LAST RATE CASE ORDER	78.30%		100.00%	48.00%				
TRANSMISSION AND DISTRIBUTION								
Finished Water Storage								
1996 TOTAL CAPACITY (gal)	1,725,000	20,000	6,500,000	500,000		1,000,000	50,000	18,000
1996 RELIABLE CAPACITY (gal)	1,575,000	18,000	5,850,000	450,000		900,000	45,000	16,200
CALCULATED U/U W/O MR	82.54%	420.32%	123.92%	95.96%		143.34%	276.87%	92.72%
CALCULATED U/U WITH 1.5 YEAR MR	84.38%	421.21%	126.25%	102.68%		146.79%	276.87%	97.40%
CALCULATED U/U WITH 3.0 YEAR MR	86.23%	422.53%	128.58%	109.40%		150.27%	276.87%	101.30%
CALCULATED U/U WITH 5.0 YEAR MR	88.68%	424.31%	131.68%	118.36%		154.88%	277.23%	106.76%
1996 UTILITY REQUESTED U/U	87.25%	100.00%	100.00%	100.00%		100.00%	100.00%	100.00%
1996 OPC RECOMMENDED U/U	38.44%	77.84%	49.91%	13.51%		30.06%	100.00%	49.92%
LAST RATE CASE ORDER	81.80%	100.00%	100.00%	58.90%		100.00%	100.00%	23.60%
Hydropneumatic Tanks								
HYDRO TANK CAPACITY(IES)	0	10,000	0	10,000		27,000	10,000	5,000
CALCULATED AS IN LAST RATE CASE	N/A	30.00%		180.00%		33.33%	120.00%	18.00%
1996 UTILITY REQUESTED U/U		100.00%		100.00%		100.00%	100.00%	100.00%
1996 OPC RECOMMENDED U/U	45.60%	30.00%		N/A		18.52%	100.00%	20.00%
LAST RATE CASE ORDER	100.00%	100.00%		100.00%		100.00%	100.00%	30.00%
T/D Lines								
NO. OF LOTS CONNECTED, 1995	5,681	247	5,986	518		2,601	639	103
NO. OF LOTS CONNECTED, 1996	5,821	249	6,083	568		2,708	640	106
NO. OF LOTS CONNECTED, 1997 [1.0 YR MR]	6,011	250	6,180	618		2,816	640	110
NO. OF LOTS AVAILABLE	9,607	385	14,014	584		12,262	867	137
CALCULATED U/U WITHOUT MARGIN RESERVE	60.59%	64.68%	43.41%	97.26%		22.08%	73.82%	77.37%
CALCULATED U/U WITH 1.0 YEAR MR	62.57%	64.94%	44.10%	105.62%		22.97%	73.82%	80.29%
1996 UTILITY REQUESTED U/U	77.17%	75.00%	100.00%	100.00%		66.83%	85.20%	80.22%
1996 OPC RECOMMENDED U/U	74.46%	43.16%	43.41%	88.70%		22.09%	73.70%	77.37%
LAST RATE CASE ORDER	70.20%	75.00%	100.00%	70.70%		34.40%	85.20%	67.50%

** T&D U/U% CALC. W/CYBERNET

DOCKET NO. 950495-WS, ATTACHMENT B
SSU - WATER SYSTEMS WITH GROUND STORAGE
7-22-96 - Staff Recommended %'s are Highlighted

Item Description		PINE RIDGE EST.	PINEY WOODS	REMING'N FOREST	RIVER GROVE		SILVER LK OAKS	
MAXIMUM DAY, 1994 (gallons)		124,000	112,967	87,780	49,100		15,700	
MAXIMUM DAY, 1994 (gpm)		86	78	61	34		11	
AVG. FIVE MAX. DAY DEMAND (A5MDD, gal)		98,788	99,800	77,540	43,133		8,727	
AVERAGE ANNUAL DAILY FLOW								
EXCESS UNACCOUNTED-FOR-WATER (gpm)		0.00	0.00	1.15	0.00		0.00	
CALCULATED PEAK HOUR (2*A5MDD)		197,576	199,600	155,080	86,266		17,454	
REQUIRED FIRE FLOW (gallons)		60,000	0	0	0		0	
REQUIRED FIRE FLOW (gpm)		500	0	0	0		0	
AVERAGE NO. OF ERCS, 1994		212	167	66	104		26	
AVERAGE NO. OF ERCS, 1996		223	170	82	104		26	
AVERAGE NO. OF ERCS, 1997 [1.0 YR MR]		233	171	92	104		26	
AVERAGE NO. OF ERCS, 1997.5 [1.5 YR MR]		238	171	97	104		26	
AVERAGE NO. OF ERCS, 1999 [3.0 YR MR]		254	173	113	104		26	
AVERAGE NO. OF ERCS, 2001 [5.0 YR MR]		274	175	133	105		26	
SOURCE OF SUPPLY & PUMPING								
Supply Wells								
MAXIMUM SUPPLY WELL (gpm)		325	300	48	135		40	
1996 TOTAL CAPACITY (gpm)		685	440	48	135		40	
1996 RELIABLE CAPACITY (gpm)		360	140	0	0		0	
CALCULATED U/U W/O MR		25.16%	57.04%	100.00%	100.00%		100.00%	
CALCULATED U/U WITH 1.5 YEAR MR		26.85%	57.38%					
CALCULATED U/U WITH 3.0 YEAR MR		28.66%	58.05%					
CALCULATED U/U WITH 5.0 YEAR MR		30.92%	58.72%					
1996 UTILITY REQUESTED U/U		28.62%	100.00%	100.00%	100.00%		100.00%	
1996 OPC RECOMMENDED U/U		9.83%	26.61%	100.00%	100.00%		100.00%	
LAST RATE CASE ORDER		100.00%	100.00%	N/A	100.00%		100.00%	
High Service Pumping	PK HR			n/a	MDD+FF	PK HR	MDD+FF	PK HR
MAXIMUM HIGH SERVICE PUMP (gpm)	60	250	200	330	160	160	70	70
1996 TOTAL CAPACITY (gpm)	120	500	200	660	320	320	140	140
1996 RELIABLE CAPACITY (gpm)	60	250	0	220	160	160	70	70
CALCULATED U/U W/O MR	103.90%	236.23%	100.00%	33.61%	21.31%	42.62%	15.58%	31.15%
CALCULATED U/U WITH 1.5 YEAR MR	109.78%	238.67%		40.06%	21.31%	42.62%	15.58%	31.15%
CALCULATED U/U WITH 3.0 YEAR MR	114.69%	241.27%		46.48%	21.31%	42.62%	15.58%	31.15%
CALCULATED U/U WITH 5.0 YEAR MR	121.55%	244.52%		55.03%	21.52%	43.03%	15.58%	31.15%
1996 UTILITY REQUESTED U/U		100.00%	100.00%	94.50%	42.74%		31.15%	
1996 OPC RECOMMENDED U/U		28.35%	100.00%	28.56%	18.72%		8.66%	
LAST RATE CASE ORDER		100.00%	100.00%	N/A	32.30%		N/A	
WATER TREATMENT PLANT								
1996 TOTAL CAPACITY (gpm)		N/A	N/A	N/A	N/A		N/A	
1996 RELIABLE CAPACITY (gpm)								
CALCULATED U/U W/O MR								
CALCULATED U/U WITH 1.5 YEAR MR								
CALCULATED U/U WITH 3.0 YEAR MR								
CALCULATED U/U WITH 5.0 YEAR MR								
1996 UTILITY REQUESTED U/U								
1996 OPC RECOMMENDED U/U								
LAST RATE CASE ORDER								
TRANSMISSION AND DISTRIBUTION								
Finished Water Storage								
1996 TOTAL CAPACITY (gal)		15,000	45,000	15,000	15,000		12,000	
1996 RELIABLE CAPACITY (gal)		13,500	40,500	13,500	13,500		10,800	
CALCULATED U/U W/O MR		699.85%	95.18%	247.05%	119.11%		53.61%	
CALCULATED U/U WITH 1.5 YEAR MR		719.35%	95.68%	292.14%	119.11%		53.61%	
CALCULATED U/U WITH 3.0 YEAR MR		740.15%	96.69%	337.22%	119.11%		53.61%	
CALCULATED U/U WITH 5.0 YEAR MR		766.14%	97.69%	397.43%	120.16%		53.61%	
1996 UTILITY REQUESTED U/U		100.00%	100.00%	100.00%	100.00%		100.00%	
1996 OPC RECOMMENDED U/U		100.00%	100.00%	100.00%	79.05%		21.70%	
LAST RATE CASE ORDER		100.00%	100.00%	N/A	92.00%		50.00%	
Hydropneumatic Tanks								
HYDRO TANK CAPACITY(IES)		3,500	7,000	5,000	3,000		1,000	
CALCULATED AS IN LAST RATE CASE		107.14%	42.86%	114.00%	80.00%		105.00%	
1996 UTILITY REQUESTED U/U		100.00%	100.00%	100.00%	100.00%		100.00%	
1996 OPC RECOMMENDED U/U		92.86%	42.86%	9.60%	45.00%		40.00%	
LAST RATE CASE ORDER		92.00%	90.00%	N/A	67.50%		60.00%	
T/D Lines								
NO. OF LOTS CONNECTED, 1995		207	169	70	104		26	
NO. OF LOTS CONNECTED, 1996		217	170	80	104		26	
NO. OF LOTS CONNECTED, 1997 [1.0 YR MR]		227	171	90	104		26	
NO. OF LOTS AVAILABLE		292	215	87	119		53	
CALCULATED U/U WITHOUT MARGIN RESERVE	ERR	74.32%	79.07%	91.95%	87.39%		49.06%	
CALCULATED U/U WITH 1.0 YEAR MR		77.74%	79.53%	103.45%	87.39%		49.06%	
1996 UTILITY REQUESTED U/U		100.00%	79.44%	100.00%	100.00%		50.90%	
1996 OPC RECOMMENDED U/U		74.22%	79.07%	92.23%	87.39%		49.06%	
LAST RATE CASE ORDER		100.00%	76.50%	N/A	100.00%		50.90%	

** T&D U/U% CALC. W/CYBERNET

DOCKET NO. 950495-WS, ATTACHMENT B
SSU - WATER SYSTEMS WITH GROUND STORAGE
7-22-96 - Staff Recommended %'s are Highlighted

Item Description	SILVER LK/ W. SHORES	ST. JOHNS H'LANDS		[em stg] SUGAR MILL	[em stg] SUGARMILL WOODS	SUNNY HILLS #1/5	[em stg] SUNSHINE PARKWAY	
MAXIMUM DAY, 1994 (gallons)	1,857,200	42,800		200,000	2,806,000	311,500	186,900	
MAXIMUM DAY, 1994 (gpm)	1,290	30		139	1,949	216	130	
AVG. FIVE MAX. DAY DEMAND (A5MDD, gal)	1,796,720	32,907		158,000	2,479,400	269,400	118,740	
AVERAGE ANNUAL DAILY FLOW				0	731		0	
EXCESS UNACCOUNTED-FOR-WATER (gpm)	0.00	2.73		0.00	0.00	0.00	0.00	
CALCULATED PEAK HOUR (2*A5MDD)	3,593,440	65,814		316,000	4,958,800	538,800	237,480	
REQUIRED FIRE FLOW (gallons)	90,000	0		300,000	600,000	60,000	270,000	
REQUIRED FIRE FLOW (gpm)	750	0		2,500	1,500	500	2,000	
AVERAGE NO. OF ERCS, 1994	1,508	82		642	4,928	602	62	
AVERAGE NO. OF ERCS, 1996	1,586	85		672	5,558	602	82	
AVERAGE NO. OF ERCS, 1997 [1.0 YR MR]	1,611	86		683	5,819	602	89	
AVERAGE NO. OF ERCS, 1997.5 [1.5 YR MR]	1,624	86		689	5,949	602	92	
AVERAGE NO. OF ERCS, 1999 [3.0 YR MR]	1,661	88		706	6,341	602	103	
AVERAGE NO. OF ERCS, 2001 [5.0 YR MR]	1,712	90		729	6,863	602	117	
SOURCE OF SUPPLY & PUMPING								
Supply Wells								
MAXIMUM SUPPLY WELL (gpm)	1,425	75		120	600		1,000	
1996 TOTAL CAPACITY (gpm)	3,450	75		330	4,800	650	2,000	
1996 RELIABLE CAPACITY (gpm)	2,025	0		210	4,200	300	1,000	
CALCULATED U/U W/O MR	66.98%	100.00%		69.23%	52.33%	72.11%	17.17%	
CALCULATED U/U WITH 1.5 YEAR MR	68.59%			70.98%	56.01%	72.11%	19.26%	
CALCULATED U/U WITH 3.0 YEAR MR	70.15%			72.73%	59.70%	72.11%	21.56%	
CALCULATED U/U WITH 5.0 YEAR MR	72.31%			75.10%	64.61%	72.11%	24.49%	
1996 UTILITY REQUESTED U/U	70.17%	100.00%		72.76%	59.69%	72.11%	100.00%	
1996 OPC RECOMMENDED U/U	90.50%	100.00%		36.86%	19.64%	36.94%	6.87%	
LAST RATE CASE ORDER	100.00%	100.00%		57.00%	100.00%	63.90%	100.00%	
High Service Pumping	n/a	MDD+FF	PK HR	n/a	n/a	n/a	MDD+FF	PK HR
MAXIMUM HIGH SERVICE PUMP (gpm)	820	60	60	1,050	1,200	200	800	800
1996 TOTAL CAPACITY (gpm)	4,420	120	120	2,200	3,600	500	3,400	3,400
1996 RELIABLE CAPACITY (gpm)	3,470	60	60	1,200	2,400	300	2,600	2,600
CALCULATED U/U W/O MR	69.70%	46.63%	97.98%	220.45%	154.07%	238.72%	83.53%	13.20%
CALCULATED U/U WITH 1.5 YEAR MR	81.64%	47.18%	99.14%	220.75%	160.81%	238.77%	84.33%	14.81%
CALCULATED U/U WITH 3.0 YEAR MR	82.55%	48.28%	101.44%	221.06%	166.97%	238.77%	85.22%	16.59%
CALCULATED U/U WITH 5.0 YEAR MR	83.81%	49.38%	103.75%	221.46%	176.67%	238.77%	86.34%	18.84%
1996 UTILITY REQUESTED U/U	100.00%	100.00%		100.00%	100.00%	100.00%	100.00%	
1996 OPC RECOMMENDED U/U	47.81%	27.95%		9.47%	80.91%	62.36%	4.19%	
LAST RATE CASE ORDER	N/A	100.00%		100.00%	N/A	100.00%	100.00%	
WATER TREATMENT PLANT								
1996 TOTAL CAPACITY (gpm)	N/A	N/A		350	N/A	N/A	N/A	
1996 RELIABLE CAPACITY (gpm)				350				
CALCULATED U/U W/O MR				41.54%				
CALCULATED U/U WITH 1.5 YEAR MR				42.59%				
CALCULATED U/U WITH 3.0 YEAR MR				43.64%				
CALCULATED U/U WITH 5.0 YEAR MR				45.06%				
1996 UTILITY REQUESTED U/U				48.10%				
1996 OPC RECOMMENDED U/U				32.81%				
LAST RATE CASE ORDER				48.10%				
TRANSMISSION AND DISTRIBUTION								
Finished Water Storage								
1996 TOTAL CAPACITY (gal)	50,000	16,000		500,000	500,000	60,000	108,000	
1996 RELIABLE CAPACITY (gal)	45,000	14,400		450,000	450,000	54,000	97,200	
CALCULATED U/U W/O MR	1492.17%	93.94%		83.96%	420.17%	283.06%	336.29%	
CALCULATED U/U WITH 1.5 YEAR MR	1523.37%	94.93%		84.31%	440.58%	283.06%	345.60%	
CALCULATED U/U WITH 3.0 YEAR MR	1553.75%	96.90%		84.66%	461.04%	283.06%	355.83%	
CALCULATED U/U WITH 5.0 YEAR MR	1595.63%	98.88%		85.14%	488.30%	283.06%	368.86%	
1996 UTILITY REQUESTED U/U	100.00%	100.00%		100.00%	100.00%	100.00%	100.00%	
1996 OPC RECOMMENDED U/U	93.33%	30.92%		11.15%	100.00%	100.00%	45.82%	
LAST RATE CASE ORDER	100.00%	100.00%		73.30%	N/A	100.00%	100.00%	
Hydropneumatic Tanks								
HYDRO TANK CAPACITY(IES)	15,000	3,000		15,000	60,000	20,000	10,000	
CALCULATED AS IN LAST RATE CASE	62.80%	30.00%		105.00%	30.00%	15.00%	120.00%	
1996 UTILITY REQUESTED U/U	100.00%	100.00%		100.00%	100.00%	100.00%	100.00%	
1996 OPC RECOMMENDED U/U		25.00%		8.00%	10.00%	17.50%	100.00%	
LAST RATE CASE ORDER		49.00%		100.00%	67.00%	93.00%	100.00%	
T/D Lines								
NO. OF LOTS CONNECTED, 1995	1265	84		636	2,508	435	13	
NO. OF LOTS CONNECTED, 1996	1285	85		647	2,631	435	14	
NO. OF LOTS CONNECTED, 1997 [1.0 YR MR]	1306	86		658	2,755	435	15	
NO. OF LOTS AVAILABLE	1648	118		661	8,252	5,377	40	
CALCULATED U/U WITHOUT MARGIN RESERVE	77.97%	72.03%	ERR	97.88%	31.88%	8.09%	35.00%	
CALCULATED U/U WITH 1.0 YEAR MR	79.25%	72.88%		99.55%	33.39%	8.09%	37.50%	
1996 UTILITY REQUESTED U/U	100.00%	72.46%		99.51%	33.39%	28.09%	100.00%	
1996 OPC RECOMMENDED U/U	77.99%	72.03%		97.97%	31.89%	8.09%	36.01%	
LAST RATE CASE ORDER	100.00%	69.80%		86.90%	22.40%	11.00%	100.00%	

** T&D U/U% CALC. W/CYBERNET

DOCKET NO. 950495-WS, ATTACHMENT B
SSU - WATER SYSTEMS WITH GROUND STORAGE
7-22-96 - Staff Recommended %'s are Highlighted

Item Description	[em stg] UNIVY SHORES		WELAKA		[em stg] WOOD-MERE
MAXIMUM DAY, 1994 (gallons)	1,658,600		55,000		1,479,000
MAXIMUM DAY, 1994 (gpm)	1,152		38		1,027
AVG. FIVE MAX. DAY DEMAND (A5MDD, gal)	1,559,860		38,940		1,398,000
AVERAGE ANNUAL DAILY FLOW	654				589
EXCESS UNACCOUNTED-FOR-WATER (gpm)	0.00		0.00		168.23
CALCULATED PEAK HOUR (2*A5MDD)	3,119,720		77,880		2,796,000
REQUIRED FIRE FLOW (gallons)	240,000		0		270,000
REQUIRED FIRE FLOW (gpm)	2,000		0		1,500
AVERAGE NO. OF ERCS, 1994	3,748		135		1,404
AVERAGE NO. OF ERCS, 1996	4,267		138		1,470
AVERAGE NO. OF ERCS, 1997 [1.0 YR MR]	4,521		139		1,512
AVERAGE NO. OF ERCS, 1997.5 [1.5 YR MR]	4,648		140		1,534
AVERAGE NO. OF ERCS, 1999 [3.0 YR MR]	5,029		142		1,598
AVERAGE NO. OF ERCS, 2001 [5.0 YR MR]	5,537		145		1,684
SOURCE OF SUPPLY & PUMPING					
Supply Wells					
MAXIMUM SUPPLY WELL (gpm)	1,500		186		2,000
1996 TOTAL CAPACITY (gpm)	5,100		296		3,000
1996 RELIABLE CAPACITY (gpm)	3,600		110		1,000
CALCULATED U/U W/O MR	36.43%		35.49%		89.92%
CALCULATED U/U WITH 1.5 YEAR MR	39.68%		36.01%		93.84%
CALCULATED U/U WITH 3.0 YEAR MR	42.93%		36.52%		97.75%
CALCULATED U/U WITH 5.0 YEAR MR	47.27%		37.29%		103.01%
1996 UTILITY REQUESTED U/U	100.00%		36.54%		100.00%
1996 OPC RECOMMENDED U/U	20.67%		10.98%		44.04%
LAST RATE CASE ORDER	100.00%		29.80%		48.30%
High Service Pumping	MDD+FF	PK HR	MDD+FF	PK HR	n/a
MAXIMUM HIGH SERVICE PUMP (gpm)	4,000	4,000	150	150	1,700
1996 TOTAL CAPACITY (gpm)	7,980	7,980	300	300	3,100
1996 RELIABLE CAPACITY (gpm)	3,980	3,980	150	150	2,000
CALCULATED U/U W/O MR	83.20%	65.89%	26.03%	52.06%	118.06%
CALCULATED U/U WITH 1.5 YEAR MR	86.14%	71.78%	26.41%	52.81%	121.92%
CALCULATED U/U WITH 3.0 YEAR MR	89.08%	77.66%	26.78%	53.57%	123.80%
CALCULATED U/U WITH 5.0 YEAR MR	93.00%	85.51%	27.35%	54.70%	126.51%
1996 UTILITY REQUESTED U/U	100.00%		55.87%		100.00%
1996 OPC RECOMMENDED U/U	30.99%		18.57%		56.29%
LAST RATE CASE ORDER	72.30%		N/A		100.00%
WATER TREATMENT PLANT					
1996 TOTAL CAPACITY (gpm)	N/A		N/A		N/A
1996 RELIABLE CAPACITY (gpm)					
CALCULATED U/U W/O MR					
CALCULATED U/U WITH 1.5 YEAR MR					
CALCULATED U/U WITH 3.0 YEAR MR					
CALCULATED U/U WITH 5.0 YEAR MR					
1996 UTILITY REQUESTED U/U					
1996 OPC RECOMMENDED U/U					
LAST RATE CASE ORDER					
TRANSMISSION AND DISTRIBUTION					
Finished Water Storage					
1996 TOTAL CAPACITY (gal)	612,000		40,000		455,000
1996 RELIABLE CAPACITY (gal)	550,800		36,000		409,500
CALCULATED U/U W/O MR	210.42%		56.85%		229.27%
CALCULATED U/U WITH 1.5 YEAR MR	224.82%		57.53%		236.23%
CALCULATED U/U WITH 3.0 YEAR MR	239.21%		58.21%		243.19%
CALCULATED U/U WITH 5.0 YEAR MR	258.40%		59.23%		252.55%
1996 UTILITY REQUESTED U/U	100.00%		58.23%		100.00%
1996 OPC RECOMMENDED U/U	87.54%		21.74%		69.68%
LAST RATE CASE ORDER	100.00%		N/A		100.00%
Hydropneumatic Tanks					
HYDRO TANK CAPACITY(IES)	20,000		4,500		10,000
CALCULATED AS IN LAST RATE CASE	300.00%		50.00%		165.00%
1996 UTILITY REQUESTED U/U	100.00%		100.00%		100.00%
1996 OPC RECOMMENDED U/U	75.00%		41.33%		100.00%
LAST RATE CASE ORDER	100.00%		45%/100%		100.00%
T/D Lines					
NO. OF LOTS CONNECTED, 1995	3,574		132		1,172
NO. OF LOTS CONNECTED, 1996	3,800		133		1,207
NO. OF LOTS CONNECTED, 1997 [1.0 YR MR]	4,027		135		1,242
NO. OF LOTS AVAILABLE	5,100		249		1,189
CALCULATED U/U WITHOUT MARGIN RESERVE	74.51%		53.41%		101.51%
CALCULATED U/U WITH 1.0 YEAR MR	78.96%		54.22%		104.46%
1996 UTILITY REQUESTED U/U	100.00%		54.04%		100.00%
1996 OPC RECOMMENDED U/U	74.51%		53.79%		100.00%
LAST RATE CASE ORDER	100.00%		54.00%		98.50%

** T&D U/U% CALC. W/CYBERNET

DOCKET NO. 950495-WS, ATTACHMENT B
U/U - WATER SYSTEMS W'OUT STORAGE
7-22-96, Staff Recommended %'s are Highlighted

Item Description	APACHE SHORES	BAY LAKE ESTATES	BEECHERS POINT *	CARLTON VILLAGE	CITRUS PARK	CRYSTAL RIVER	DEEP CREEK*	DAETW'R SHORES*
MAXIMUM DAY, 1994 (gallons)	24,000	60,000	0	94,000	155,700	46,000	0	0
MAXIMUM DAY, 1994 (gpm)	17	42	0	65	108	32	0	0
AVG. FIVE MAX. DAY DEMAND (A5MDD, gal)	20,200	54,000	0	86,000	142,940	38,600	0	0
EXCESS UNACCOUNTED-FOR-WATER (gpm)	0.20	0.00	1.15	2.66	0.00	0.00	0.00	0.00
CALCULATED PEAK HOUR (2*MDD FOR 1996)	33	83	0	131	216	64	0	0
REQUIRED FIRE FLOW (gallons)	0	0	0	0	0	0	Not Shown	N/A
REQUIRED FIRE FLOW (gpm)	0	0	0	0	0	0	750	0
AVERAGE NO. OF ERCS, 1994	153	69	94	126	348	72	3,479	132
AVERAGE NO. OF ERCS, 1995	153	70	103	137	348	74	3,746	131
AVERAGE NO. OF ERCS, 1996	153	72	110	147	352	76	3,918	131
AVERAGE NO. OF ERCS, 1997 [1.0 YR MR]	153	74	116	157	357	78	4,090	131
AVERAGE NO. OF ERCS, 1997.5 [1.5 YR MR]	153	74	119	162	359	79	4,176	131
AVERAGE NO. OF ERCS, 1999 [3.0 YR MR]	153	77	128	178	365	82	4,434	131
AVERAGE NO. OF ERCS, 2001 [5.0 YR MR]	153	80	141	198	374	86	4,777	131
SOURCE OF SUPPLY & PUMPING								
Supply Wells & Pumping								
MAXIMUM SUPPLY WELL (gpm)	100	275	0	200	148	240	0	0
TOTAL CAPACITY (gpm)	150	275		300	285	390		
RELIABLE CAPACITY (gpm)	50	0		100	137	150		
CALCULATED U/U W/O MR	66.27%	100.00%		149.21%	159.66%	44.96%		
CALCULATED U/U WITH 1.5 YEAR MR	66.27%			164.44%	162.84%	46.73%		
CALCULATED U/U WITH 3.0 YEAR MR	66.27%			180.68%	165.56%	48.51%		
CALCULATED U/U WITH 5.0 YEAR MR	66.27%			200.98%	169.64%	50.87%		
UTILITY REQUESTED U/U	66.67%	100.00%		100.00%	100.00%	48.39%		
1996 OPC RECOMMENDED U/U	35.78%	100.00%		88.33%	95.27%	24.52%		
LAST RATE CASE ORDER	25.30%	100.00%		100.00%	100.00%	100.00%		
High Service Pumping								
TOTAL CAPACITY (gpm)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WATER TREATMENT PLANT								
TOTAL CAPACITY (gpm)	58	N/A	N/A	N/A	N/A	58	N/A	N/A
RELIABLE CAPACITY (gpm)	29					29		
CALCULATED U/U W/O MR	56.78%					116.27%		
CALCULATED U/U WITH 1.5 YEAR MR	56.78%					120.86%		
CALCULATED U/U WITH 3.0 YEAR MR	56.78%					125.45%		
CALCULATED U/U WITH 5.0 YEAR MR	56.78%					131.57%		
UTILITY REQUESTED U/U	66.67%					48.39%		
1996 OPC RECOMMENDED U/U	N/A					N/A		
LAST RATE CASE ORDER	30.00%					100.00%		
TRANSMISSION AND DISTRIBUTION								
FINISHED WATER STORAGE	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HYDROPNEUMATIC TANKS								
HYDRO TANK CAPACITY(IES)	12,500	3,000	0	10,000	4,000	2,000	0	0
U/U CALCULATION AS IN LAST RATE CASE	12.00%	137.50%		30.00%	55.50%	180.00%		
1996 UTILITY REQUESTED U/U	100.00%	100.00%		100.00%	100.00%	100.00%		
1996 OPC RECOMMENDED U/U	8.00%	91.67%		20.00%	37.00%	100.00%		
LAST RATE CASE ORDER	81.00%	100.00%		54.00%	56.00%	100.00%		
T/D LINES								
NO. OF LOTS CONNECTED, 1995	153	70	49	137	346	74	3,166	124
NO. OF LOTS CONNECTED, 1996	153	72	52	147	351	76	3,317	124
NO. OF LOTS CONNECTED, 1997 [1.0 YR MR]	153	74	55	157	355	78	3,456	124
NO. OF LOTS AVAILABLE	293	100	85	343	335	91	7,171	138
CALCULATED U/U WITHOUT MARGIN RESERVE	52.22%	72.00%	61.18%	42.86%	104.78%	83.52%	46.26%	89.86%
CALCULATED U/U WITH 1.0 YEAR MR	52.22%	74.00%	64.71%	45.77%	105.97%	85.71%	48.19%	89.86%
UTILITY REQUESTED U/U	55.00%	73.70%	100.00%	45.80%	100.00%	100.00%	48.19%	100.00%
1996 OPC RECOMMENDED U/U	52.22%	72.00%	61.56%	42.86%	100.00%	83.52%	46.17%	89.86%
LAST RATE CASE ORDER	55.00%	64.00%	100.00%	31.00%	100.00%	100.00%	N/A	100.00%
FIRE FLOW CAPABILITY	n/a	n/a	n/a	n/a	n/a	n/a	NOT AV.	n/a

* PLANT PURCHASES WATER
** UTIL. USED '93 MDD AS MORE REP.
*** BASED ON HYD. ANALYSIS

DOCKET NO. 950495-WS, ATTACHMENT B
U/U - WATER SYSTEMS W'OUT STORAGE
7-22-96, Staff Recommended %'s are Highlighted

Item Description	E.LK HARRIS FRIENDLY C	ENTER-PRISE*	FERN TERRACE	FISH'MAN HAVEN	GENEVA LAKE EST.	GOLDEN TERRACE*	GOSPEL ISLAND	GRAND TERRACE
MAXIMUM DAY, 1994 (gallons)	53100	0	93680	56700	104500	0	7000	99500
MAXIMUM DAY, 1994 (gpm)	37	0	65	39	73	0	5	69
AVG. FIVE MAX. DAY DEMAND (A5MDD, gal)	45740	0	79300	41656	90540	0	5800	93800
EXCESS UNACCOUNTED-FOR-WATER (gpm)	0.00	0.00	0.00	0.00	1.87	0.78	0.00	0.00
CALCULATED PEAK HOUR (2*MDD FOR 1996)	74	0	130	79	145	0	10	138
REQUIRED FIRE FLOW (gallons)	0		0	0	0	0	0	60000
REQUIRED FIRE FLOW (gpm)	0		0	0	0	0	0	500
AVERAGE NO. OF ERCS, 1994	195	258	124	136	112	119	8	110
AVERAGE NO. OF ERCS, 1995	197	270	127	136	115	119	9	139
AVERAGE NO. OF ERCS, 1996	198	283	128	136	120	120	9	158
AVERAGE NO. OF ERCS, 1997 [1.0 YR MR]	200	297	130	137	124	120	10	177
AVERAGE NO. OF ERCS, 1997.5 [1.5 YR MR]	201	304	131	138	126	121	10	186
AVERAGE NO. OF ERCS, 1999 [3.0 YR MR]	204	324	133	139	132	121	11	214
AVERAGE NO. OF ERCS, 2001 [5.0 YR MR]	207	351	136	140	141	123	12	251
SOURCE OF SUPPLY & PUMPING								
Supply Wells & Pumping	Newly Interc.							
MAXIMUM SUPPLY WELL (gpm)	200	0	180	100	180	0	50	600
TOTAL CAPACITY (gpm)	300		180	100	280		50	600
RELIABLE CAPACITY (gpm)	100		0	0	100		0	0
CALCULATED U/U W/O MR	74.88%		100.00%	100.00%	152.86%		100.00%	100.00%
CALCULATED U/U WITH 1.5 YEAR MR	76.02%				160.92%			
CALCULATED U/U WITH 3.0 YEAR MR	77.15%				168.98%			
CALCULATED U/U WITH 5.0 YEAR MR	78.29%				179.73%			
UTILITY REQUESTED U/U	77.36%		100.00%	100.00%	100.00%		100.00%	100.00%
1996 OPC RECOMMENDED U/U	100.00%		100.00%	100.00%	80.93%		100.00%	100.00%
LAST RATE CASE ORDER	100%/100%		100.00%	100.00%	N/A		100.00%	100.00%
High Service Pumping								
TOTAL CAPACITY (gpm)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WATER TREATMENT PLANT								
TOTAL CAPACITY (gpm)	N/A	N/A	N/A	N/A	N/A	N/A	29	N/A
RELIABLE CAPACITY (gpm)							0	
CALCULATED U/U W/O MR							100.00%	
CALCULATED U/U WITH 1.5 YEAR MR								
CALCULATED U/U WITH 3.0 YEAR MR								
CALCULATED U/U WITH 5.0 YEAR MR								
UTILITY REQUESTED U/U							100.00%	
1996 OPC RECOMMENDED U/U							N/A	
LAST RATE CASE ORDER							100.00%	
TRANSMISSION AND DISTRIBUTION								
FINISHED WATER STORAGE	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HYDROPNEUMATIC TANKS								
HYDRO TANK CAPACITY(IES)	6,500	0	3,000	10,000	3,000	N/A	600	6,000
U/U CALCULATION AS IN LAST RATE CASE	46.15%		90.00%	15.00%	90.00%		125.00%	150.00%
1996 UTILITY REQUESTED U/U	100.00%		100.00%	100.00%	100.00%		100.00%	100.00%
1996 OPC RECOMMENDED U/U	67%/40%		60.00%	10.00%	60.00%		83.33%	100.00%
LAST RATE CASE ORDER	70%/100%		50.00%	15.00%	N/A		100.00%	100.00%
T/D LINES								
NO. OF LOTS CONNECTED, 1995	195	225	125	136	90	105	9	139
NO. OF LOTS CONNECTED, 1996	197	236	127	136	93	106	9	158
NO. OF LOTS CONNECTED, 1997 [1.0 YR MR]	198	248	128	137	96	106	10	177
NO. OF LOTS AVAILABLE	260	279	126	144	139	120	25	111
CALCULATED U/U WITHOUT MARGIN RESERVE	75.77%	84.59%	100.79%	94.44%	66.91%	88.33%	36.00%	142.34%
CALCULATED U/U WITH 1.0 YEAR MR	76.15%	88.89%	101.59%	95.14%	69.06%	88.33%	40.00%	159.46%
UTILITY REQUESTED U/U	100.00%	88.78%	100.00%	100.00%	69.13%	100.00%	39.00%	100.00%
1996 OPC RECOMMENDED U/U	83%/43%		99.99%	94.44%	67.11%	88.24%	12.34%	100.00%
LAST RATE CASE ORDER	100.00%		100.00%	100.00%	N/A	100.00%	36.00%	100.00%
FIRE FLOW CAPABILITY	n/a	n/a	n/a	n/a	n/a	n/a	n/a	OK

* PLANT PURCHASES WATER
** UTIL. USED '93 MDD AS MORE REP.
*** BASED ON HYD. ANALYSIS

DOCKET NO. 950495-WS, ATTACHMENT B
U/U - WATER SYSTEMS W'OUT STORAGE
7-22-96, Staff Recommended %'s are Highlighted

Item Description	HARMONY HOMES	HOBBY HILLS	HOLIDAY HAVEN*	HOLIDAY HEIGHTS	IMPERIAL TERRACE	INTERC'N CITY	JUNGLE DEN*	KEYSTONE CLUB **
MAXIMUM DAY, 1994 (gallons)	59000	49350	0	33,000	103,000	136,190	0	126000
MAXIMUM DAY, 1994 (gpm)	41	34	0	23	72	95	0	88
AVG. FIVE MAX. DAY DEMAND (A5MDD, gal)	36360	42540	0	29,600	86,000	110,590	0	126000
EXCESS UNACCOUNTED-FOR-WATER (gpm)	0.00	0.25	1.35	0.00	0.00	5.03	0.00	0.68
CALCULATED PEAK HOUR (2*MDD FOR 1996)	82	69	0	46	143	189	0	175
REQUIRED FIRE FLOW (gallons)	0	0	0	60,000	0	0	0	0
REQUIRED FIRE FLOW (gpm)	0	0	0	500	0	0	0	0
AVERAGE NO. OF ERCS, 1994	61	96	114	52	243	254	113	160
AVERAGE NO. OF ERCS, 1995	61	96	115	52	245	262	113	163
AVERAGE NO. OF ERCS, 1996	61	96	115	52	246	267	113	169
AVERAGE NO. OF ERCS, 1997 [1.0 YR MR]	61	97	115	52	247	272	113	174
AVERAGE NO. OF ERCS, 1997.5 [1.5 YR MR]	61	97	116	52	248	275	113	177
AVERAGE NO. OF ERCS, 1999 [3.0 YR MR]	61	98	116	53	249	283	114	185
AVERAGE NO. OF ERCS, 2001 [5.0 YR MR]	61	99	117	53	252	294	114	196
SOURCE OF SUPPLY & PUMPING								
Supply Wells & Pumping								
MAXIMUM SUPPLY WELL (gpm)	300	175	0	220	400	250	0	375
TOTAL CAPACITY (gpm)	300	325		220	400	325		750
RELIABLE CAPACITY (gpm)	0	150		0	O+	75		375
CALCULATED U/U W/O MR	100.00%	45.53%		100.00%	100.00%	258.06%		49.01%
CALCULATED U/U WITH 1.5 YEAR MR		46.00%				265.79%		51.37%
CALCULATED U/U WITH 3.0 YEAR MR		46.48%				273.53%		53.72%
CALCULATED U/U WITH 5.0 YEAR MR		46.95%				284.16%		56.86%
UTILITY REQUESTED U/U	100.00%	46.67%		100.00%	100.00%	100.00%		53.93%
1996 OPC RECOMMENDED U/U	100.00%	25.14%		100.00%	52.40%	100.00%		31.15%
LAST RATE CASE ORDER	100.00%	43.20%		100.00%	100.00%	100.00%		N/A
High Service Pumping								
TOTAL CAPACITY (gpm)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WATER TREATMENT PLANT								
TOTAL CAPACITY (gpm)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RELIABLE CAPACITY (gpm)								
CALCULATED U/U W/O MR								
CALCULATED U/U WITH 1.5 YEAR MR								
CALCULATED U/U WITH 3.0 YEAR MR								
CALCULATED U/U WITH 5.0 YEAR MR								
UTILITY REQUESTED U/U								
1996 OPC RECOMMENDED U/U								
LAST RATE CASE ORDER								
TRANSMISSION AND DISTRIBUTION								
FINISHED WATER STORAGE	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HYDROPNEUMATIC TANKS								
HYDRO TANK CAPACITY(IES)	5,000	3,000	0	3,000	3,000	5,000	0	8,000
U/U CALCULATION AS IN LAST RATE CASE	90.00%	87.50%		110.00%	200.00%	75.00%		70.31%
1996 UTILITY REQUESTED U/U	100.00%	100.00%		100.00%	100.00%	100.00%		100.00%
1996 OPC RECOMMENDED U/U	60.00%	58.33%		73.33%	100.00%	50.00%		46.88%
LAST RATE CASE ORDER	90.00%	87.50%		100.00%	100.00%	75.00%		N/A
T/D LINES								
NO. OF LOTS CONNECTED, 1995	61	95	113	52	243	257	113	154
NO. OF LOTS CONNECTED, 1996	61	96	114	53	244	262	113	159
NO. OF LOTS CONNECTED, 1997 [1.0 YR MR]	61	97	115	53	246	268	113	164
NO. OF LOTS AVAILABLE	62	125	166	53	241	546	135	250
CALCULATED U/U WITHOUT MARGIN RESERVE	98.39%	76.80%	68.67%	100.00%	101.24%	47.99%	83.70%	63.60%
CALCULATED U/U WITH 1.0 YEAR MR	98.39%	77.60%	69.28%	100.00%	102.07%	49.08%	83.70%	65.60%
UTILITY REQUESTED U/U	100.00%	100.00%	70.00%	100.00%	100.00%	49.02%	100.00%	65.77%
1996 OPC RECOMMENDED U/U	98.39%	76.00%	68.07%	98.11%	100.00%	47.97%	83.70%	63.64%
LAST RATE CASE ORDER	100.00%	100.00%	70.00%	100.00%	100.00%	44.00%	100.00%	N/A
FIRE FLOW CAPABILITY	n/a	n/a	n/a	NOT AV.	n/a	n/a	n/a	n/a

* PLANT PURCHASES WATER
** UTIL. USED '93 MDD AS MORE REP.
*** BASED ON HYD. ANALYSIS

+ IMPERIAL'S NEW WELL UNCERTAIN (PSC INT. 14

DOCKET NO. 950495-WS, ATTACHMENT B
U/U - WATER SYSTEMS W'OUT STORAGE
7-22-96, Staff Recommended %'s are Highlighted

Item Description	KEYSTONE HEIGHTS	KINGS-WOOD*	LAKE CONWAY*	LAKESIDE	LAKEVIEW VILLAS	LEILANI	MORNING-VIEW	OAK FORREST
MAXIMUM DAY, 1994 (gallons)	656000	0	0	544000	7600	381500	28900	140000
MAXIMUM DAY, 1994 (gpm)	456	0	0	378	5	265	20	97
AVG. FIVE MAX. DAY DEMAND (A5MDD, gal)	543400	0	0	298800	7620	252540	17540	111600
EXCESS UNACCOUNTED-FOR-WATER (gpm)	4.13	0.00	0.00	0.00	0.00	0.00	0.00	5.11
CALCULATED PEAK HOUR (2*MDD FOR 1996)	911	0	0	756	11	530	40	194
REQUIRED FIRE FLOW (gallons)	120000	0	N/A	60000	0	60000	0	0
REQUIRED FIRE FLOW (gpm)	1000	0	0	500	0	500	500	500
AVERAGE NO. OF ERCS, 1994	1173	61	84	87	12	391	46	147
AVERAGE NO. OF ERCS, 1995	1179	61	84	90	12	395	46	149
AVERAGE NO. OF ERCS, 1996	1187	61	84	92	12	395	46	151
AVERAGE NO. OF ERCS, 1997 [1.0 YR MR]	1195	61	84	95	12	396	47	153
AVERAGE NO. OF ERCS, 1997.5 [1.5 YR MR]	1199	61	84	97	12	397	47	154
AVERAGE NO. OF ERCS, 1999 [3.0 YR MR]	1211	61	84	101	12	400	47	157
AVERAGE NO. OF ERCS, 2001 [5.0 YR MR]	1226	61	84	107	12	403	48	161
SOURCE OF SUPPLY & PUMPING								
Supply Wells & Pumping								
MAXIMUM SUPPLY WELL (gpm)	550	0	0	1000	25	370	425	480
TOTAL CAPACITY (gpm)	1230			1400	25	470	425	630
RELIABLE CAPACITY (gpm)	680			400	0	100	0	150
CALCULATED U/U W/O MR	282.03%			324.74%	100.00%	1035.28%	100.00%	462.99%
CALCULATED U/U WITH 1.5 YEAR MR	283.39%			335.60%		1037.99%		465.57%
CALCULATED U/U WITH 3.0 YEAR MR	284.76%			344.28%		1042.06%		468.14%
CALCULATED U/U WITH 5.0 YEAR MR	286.46%			357.31%		1046.12%		471.58%
UTILITY REQUESTED U/U	100.00%			100.00%	100.00%	100.00%	100.00%	100.00%
1996 OPC RECOMMENDED U/U	33.93%			5.50%	100.00%	100.00%	100.00%	44.53%
LAST RATE CASE ORDER	47.10%			N/A	100.00%	100.00%	100.00%	100.00%
High Service Pumping								
TOTAL CAPACITY (gpm)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WATER TREATMENT PLANT								
TOTAL CAPACITY (gpm)	N/A	N/A	N/A	393	N/A	N/A	N/A	N/A
RELIABLE CAPACITY (gpm)				294				
CALCULATED U/U W/O MR				305.95%				
CALCULATED U/U WITH 1.5 YEAR MR				313.33%				
CALCULATED U/U WITH 3.0 YEAR MR				319.24%				
CALCULATED U/U WITH 5.0 YEAR MR				328.10%				
UTILITY REQUESTED U/U				100.00%				
1996 OPC RECOMMENDED U/U				N/A				
LAST RATE CASE ORDER				N/A				
TRANSMISSION AND DISTRIBUTION								
FINISHED WATER STORAGE	N/A***	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HYDROPNEUMATIC TANKS								
HYDRO TANK CAPACITY(IES)	10,000	0	0	15,000	1,000	20,000	4,500	10,000
U/U CALCULATION AS IN LAST RATE CASE	82.50%			100.00%	37.50%	27.75%	141.67%	72.00%
1996 UTILITY REQUESTED U/U	100.00%			100.00%	100.00%	100.00%	100.00%	100.00%
1996 OPC RECOMMENDED U/U	55.00%			66.67%	25.00%	18.50%	94.44%	48.00%
LAST RATE CASE ORDER	71.30%			N/A	30.00%	59.00%	100.00%	43.20%
T/D LINES								
NO. OF LOTS CONNECTED, 1995	984	61	84	90	12	393	36	143
NO. OF LOTS CONNECTED, 1996	990	61	84	92	12	395	36	145
NO. OF LOTS CONNECTED, 1997 [1.0 YR MR]	997	61	84	95	12	396	36	147
NO. OF LOTS AVAILABLE	1673	68	89	252	23	413	42	287
CALCULATED U/U WITHOUT MARGIN RESERVE	59.18%	89.71%	94.38%	36.51%	52.17%	95.64%	85.71%	50.52%
CALCULATED U/U WITH 1.0 YEAR MR	59.59%	89.71%	94.38%	37.70%	52.17%	95.88%	85.71%	51.22%
UTILITY REQUESTED U/U	68.40%	100.00%	97.00%	37.73%	100.00%	100.00%	100.00%	51.28%
1996 OPC RECOMMENDED U/U	59.22%	89.71%	94.38%	36.79%	52.17%	95.64%	85.71%	50.49%
LAST RATE CASE ORDER	68.40%	100.00%	97.00%	N/A	100.00%	100.00%	100.00%	50.70%
FIRE FLOW CAPABILITY		n/a	n/a	OK	n/a	NOT AV.	NOT AV.	OK

* PLANT PURCHASES WATER)
** UTIL. USED '93 MDD AS MORE REP.
*** BASED ON HYD. ANALYSIS

DOCKET NO. 950495-WS, ATTACHMENT B
U/U - WATER SYSTEMS W'OUT STORAGE
7-22-96, Staff Recommended %'s are Highlighted

Item Description	OAK-WOOD*	PALISADES	PALMS MH PARK	PALM TERRACE	PALM VALLEY *	PICCIOLA ISLAND	PINE RIDGE ***	POINT O'WOODS
MAXIMUM DAY, 1994 (gallons)	0	146,000	12,990	183,800	0	83100	793000	132000
MAXIMUM DAY, 1994 (gpm)	0	101	9	128	0	58	551	92
AVG. FIVE MAX. DAY DEMAND (A5MDD, gal)	0	122,100	10,574	151,660	0	78420	670000	120200
EXCESS UNACCOUNTED-FOR-WATER (gpm)	0.00	0.00	0.00	2.93	0.00	1.89	0.00	2.94
CALCULATED PEAK HOUR (2*MDD FOR 1996)	0	203	18	255	0	115	1,101	183
REQUIRED FIRE FLOW (gallons)	0	60,000	0	60,000	0	0	180000	40000
REQUIRED FIRE FLOW (gpm)	0	500	0	500	0	0	1500	750
AVERAGE NO. OF ERCS, 1994	201	51	59	1,204	226	135	1415	341
AVERAGE NO. OF ERCS, 1995	203	60	59	1,204	235	135	1574	358
AVERAGE NO. OF ERCS, 1996	206	73	59	1,206	242	140	1732	367
AVERAGE NO. OF ERCS, 1997 [1.0 YR MR]	209	86	59	1,208	250	143	1890	375
AVERAGE NO. OF ERCS, 1997.5 [1.5 YR MR]	210	92	59	1,209	254	144	1969	380
AVERAGE NO. OF ERCS, 1999 [3.0 YR MR]	215	112	59	1,212	265	148	2207	393
AVERAGE NO. OF ERCS, 2001 [5.0 YR MR]	220	137	59	1,216	281	153	2523	410
SOURCE OF SUPPLY & PUMPING								
Supply Wells & Pumping								
MAXIMUM SUPPLY WELL (gpm)	0	800	130	160	0	175	600	750
TOTAL CAPACITY (gpm)		800	130	160		275	1150	1250
RELIABLE CAPACITY (gpm)		0	0	0		100	550	500
CALCULATED U/U W/O MR		100.00%	100.00%	100.00%		117.73%	517.84%	188.83%
CALCULATED U/U WITH 1.5 YEAR MR						121.10%	551.38%	190.20%
CALCULATED U/U WITH 3.0 YEAR MR						124.46%	585.06%	191.58%
CALCULATED U/U WITH 5.0 YEAR MR						128.66%	629.79%	193.38%
UTILITY REQUESTED U/U		100.00%	100.00%	100.00%		100.00%	100.00%	100.00%
1996 OPC RECOMMENDED U/U		100.00%	100.00%	100.00%		67.98%	100.00%	16.85%
LAST RATE CASE ORDER		86.80%	26.60%	100.00%		100.00%	100.00%	100.00%
High Service Pumping								
TOTAL CAPACITY (gpm)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WATER TREATMENT PLANT			Per EXH 118					
TOTAL CAPACITY (gpm)	N/A	N/A	87	N/A	N/A	N/A	N/A	294
RELIABLE CAPACITY (gpm)			58					196
CALCULATED U/U W/O MR			100.00%					431.37%
CALCULATED U/U WITH 1.5 YEAR MR								433.10%
CALCULATED U/U WITH 3.0 YEAR MR								434.82%
CALCULATED U/U WITH 5.0 YEAR MR								437.08%
UTILITY REQUESTED U/U			100.00%					100.00%
1996 OPC RECOMMENDED U/U			N/A					N/A
LAST RATE CASE ORDER			N/A					N/A
TRANSMISSION AND DISTRIBUTION								
FINISHED WATER STORAGE	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HYDROPNEUMATIC TANKS								
HYDRO TANK CAPACITY(IES)	0	15,000	1,500	3,000	0	5,000	16,000	10,000
U/U CALCULATION AS IN LAST RATE CASE		80.00%	130.00%	80.00%		52.50%	56.25%	112.50%
1996 UTILITY REQUESTED U/U		100.00%	100.00%	100.00%		100.00%	100.00%	100.00%
1996 OPC RECOMMENDED U/U		53.33%	86.67%	53.33%		35.00%	37.50%	75.00%
LAST RATE CASE ORDER		80.00%	100.00%	80.00%		53.00%	100.00%	100.00%
T/D LINES								
NO. OF LOTS CONNECTED, 1995	203	40	59	1,181	209	135	743	358
NO. OF LOTS CONNECTED, 1996	203	48	59	1,183	216	137	817	367
NO. OF LOTS CONNECTED, 1997 [1.0 YR MR]	209	57	59	1,185	223	140	892	375
NO. OF LOTS AVAILABLE	191	141	87	1,213	210	213	3828	415
CALCULATED U/U WITHOUT MARGIN RESERVE	106.28%	34.04%	67.82%	97.53%	102.86%	64.32%	21.34%	88.43%
CALCULATED U/U WITH 1.0 YEAR MR	109.42%	40.43%	67.82%	97.69%	106.19%	65.73%	23.30%	90.36%
UTILITY REQUESTED U/U	100.00%	40.08%	69.00%	100.00%	100.00%	100.00%	100.00%	90.43%
1996 OPC RECOMMENDED U/U	100.00%	34.52%	67.82%	97.52%	100.00%	64.30%	21.36%	88.43%
LAST RATE CASE ORDER	100.00%	6.30%	69.00%	100.00%	N/A	100.00%	20.00%	83.50%
FIRE FLOW CAPABILITY	n/a	OK	n/a	NOT AV.	n/a	n/a	NOT AV.	OK

* PLANT PURCHASES WATER
** UTIL. USED '93 MDD AS MORE REP.
*** BASED ON HYD. ANALYSIS

DOCKET NO. 950495-WS, ATTACHMENT B
U/U - WATER SYSTEMS W'OUT STORAGE
7-22-96, Staff Recommended %'s are Highlighted

Item Description	POMONA PARK	POSTMSTR VILLAGE	QUAIL RIDGE	ROSE-MONT	SALT SPRINGS	SAMIRA VILLAS	SKY-CREST	SPRING GARDENS
MAXIMUM DAY, 1994 (gallons)	84600	114500	27000	153000	202,000	8,900	61,700	55,050
MAXIMUM DAY, 1994 (gpm)	59	80	19	106	140	6	43	38
AVG. FIVE MAX. DAY DEMAND (A5MDD, gal)	62740	112540	22200	140000	193,000	4,847	63,810	49,530
EXCESS UNACCOUNTED-FOR-WATER (gpm)	2.14	0.00	0.00	0.00	0.00	0.00	1.16	1.57
CALCULATED PEAK HOUR (2*MDD FOR 1996)	118	159	38	213	281	12	86	76
REQUIRED FIRE FLOW (gallons)	0	0	60000	0	40,000	0	60,000	0
REQUIRED FIRE FLOW (gpm)	0	0	500	500	750	0	500	500
AVERAGE NO. OF ERCS, 1994	182	155	15	124	162	13	114	122
AVERAGE NO. OF ERCS, 1995	185	158	22	129	162	13	116	126
AVERAGE NO. OF ERCS, 1996	188	161	26	131	164	13	117	129
AVERAGE NO. OF ERCS, 1997 [1.0 YR MR]	191	165	30	134	165	13	119	133
AVERAGE NO. OF ERCS, 1997.5 [1.5 YR MR]	193	166	32	135	166	13	119	135
AVERAGE NO. OF ERCS, 1999 [3.0 YR MR]	198	171	38	139	168	13	122	141
AVERAGE NO. OF ERCS, 2001 [5.0 YR MR]	204	178	46	144	171	13	124	150
SOURCE OF SUPPLY & PUMPING								
Supply Wells & Pumping								
MAXIMUM SUPPLY WELL (gpm)	60	200	650	800	500	85	500	90
TOTAL CAPACITY (gpm)	95	400	650	865	633	85	675	180
RELIABLE CAPACITY (gpm)	35	200	0	65	133	0	175	90
CALCULATED U/U W/O MR	340.47%	82.59%	100.00%	1114.61%	777.46%	100.00%	335.29%	643.54%
CALCULATED U/U WITH 1.5 YEAR MR	349.52%	85.16%		1125.16%	780.06%		336.14%	647.63%
CALCULATED U/U WITH 3.0 YEAR MR	358.58%	87.72%		1135.70%	782.67%		337.41%	651.72%
CALCULATED U/U WITH 5.0 YEAR MR	369.44%	91.31%		1148.88%	786.57%		338.26%	657.86%
UTILITY REQUESTED U/U	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
1996 OPC RECOMMENDED U/U	100.00%	52.77%	100.00%	100.00%	100.00%	100.00%	22.40%	36.56%
LAST RATE CASE ORDER	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	N/A
High Service Pumping								
TOTAL CAPACITY (gpm)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WATER TREATMENT PLANT								
TOTAL CAPACITY (gpm)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RELIABLE CAPACITY (gpm)								
CALCULATED U/U W/O MR								
CALCULATED U/U WITH 1.5 YEAR MR								
CALCULATED U/U WITH 3.0 YEAR MR								
CALCULATED U/U WITH 5.0 YEAR MR								
UTILITY REQUESTED U/U								
1996 OPC RECOMMENDED U/U								
LAST RATE CASE ORDER								
TRANSMISSION AND DISTRIBUTION								
FINISHED WATER STORAGE	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HYDROPNEUMATIC TANKS								
HYDRO TANK CAPACITY(IES)	5,000	8,000	6,500	10,000	15,000	1,500	5,000	1,500
U/U CALCULATION AS IN LAST RATE CASE	18.00%	37.50%	150.00%	120.00%	50.00%	85.00%	150.00%	90.00%
1996 UTILITY REQUESTED U/U	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
1996 OPC RECOMMENDED U/U	12.00%	25.00%	100.00%	80.00%	33.33%	56.67%	100.00%	60.00%
LAST RATE CASE ORDER	18.00%	41.00%	100.00%	35.00%	53.30%	85.00%	100.00%	N/A
T/D LINES								
NO. OF LOTS CONNECTED, 1995	169	158	22	129	114	2	116	126
NO. OF LOTS CONNECTED, 1996	172	161	26	131	115	2	117	129
NO. OF LOTS CONNECTED, 1997 [1.0 YR MR]	175	165	30	134	116	2	119	133
NO. OF LOTS AVAILABLE	535	345	114	150	160	13	122	180
CALCULATED U/U WITHOUT MARGIN RESERVE	32.15%	46.67%	22.81%	87.33%	71.88%	15.38%	95.90%	71.67%
CALCULATED U/U WITH 1.0 YEAR MR	32.71%	47.83%	26.32%	89.33%	72.50%	15.38%	97.54%	73.89%
UTILITY REQUESTED U/U	32.72%	47.75%	26.20%	89.23%	78.00%	100.00%	100.00%	74.06%
1996 OPC RECOMMENDED U/U	32.10%	46.67%	22.81%	87.33%	72.13%	66.67%	95.90%	72.06%
LAST RATE CASE ORDER	32.00%	44.70%	15.80%	87.00%	78.00%	100.00%	100.00%	N/A
FIRE FLOW CAPABILITY	n/a	n/a	OK	OK	NOT AV.	n/a	OK	NOT AV.

* PLANT PURCHASES WATER
** UTIL. USED '93 MDD AS MORE REP.
*** BASED ON HYD. ANALYSIS

DOCKET NO. 950495-WS, ATTACHMENT B
U/U - WATER SYSTEMS W'OUT STORAGE
7-22-96, Staff Recommended %'s are Highlighted

Item Description	STONE MOUNTAIN	SUNNY HILLS #5 ***	TROPICAL PARK	VALENCIA TERRACE	VENETIAN VILLAGE	WEST-MONT*	WIND SONG	WOOTENS
MAXIMUM DAY, 1994 (gallons)	24,600	19,000	187,700	251,000	65,600	0	44,800	8,120
MAXIMUM DAY, 1994 (gpm)	17	13	130	174	46	0	31	6
AVG. FIVE MAX. DAY DEMAND (A5MDD, gal)	20,026	8,400	151,980	380,220	43,500	0	35,420	7,792
EXCESS UNACCOUNTED-FOR-WATER (gpm)	2.64	0.00	2.30	24.57	0.00	0.52	0.00	0.00
CALCULATED PEAK HOUR (2*MDD FOR 1996)	34	26	261	349	91	0	62	11
REQUIRED FIRE FLOW (gallons)	0	60,000	0	60,000	0	N/A	0	0
REQUIRED FIRE FLOW (gpm)	0	500	0	500	0	0	0	0
AVERAGE NO. OF ERCS, 1994	7	4	549	323	135	130	106	22
AVERAGE NO. OF ERCS, 1995	7	4	549	323	139	134	107	24
AVERAGE NO. OF ERCS, 1996	8	4	550	323	142	137	108	25
AVERAGE NO. OF ERCS, 1997 [1.0 YR MR]	8	4	551	323	145	141	109	27
AVERAGE NO. OF ERCS, 1997.5 [1.5 YR MR]	8	4	552	323	147	142	110	27
AVERAGE NO. OF ERCS, 1999 [3.0 YR MR]	9	4	553	323	151	147	111	30
AVERAGE NO. OF ERCS, 2001 [5.0 YR MR]	9	4	556	323	157	153	113	32
SOURCE OF SUPPLY & PUMPING								
Supply Wells & Pumping								
MAXIMUM SUPPLY WELL (gpm)	100	200	250	750	210	0	180	25
TOTAL CAPACITY (gpm)	100	200	350	1,100	310		180	25
RELIABLE CAPACITY (gpm)	0	0	100	350	100		0	0
CALCULATED U/U W/O MR	100.00%	100.00%	258.87%	235.44%	95.84%		100.00%	100.00%
CALCULATED U/U WITH 1.5 YEAR MR			259.81%	235.44%	99.21%			
CALCULATED U/U WITH 3.0 YEAR MR			260.28%	235.44%	101.91%			
CALCULATED U/U WITH 5.0 YEAR MR			261.69%	235.44%	105.96%			
UTILITY REQUESTED U/U	100.00%	100.00%	100.00%	100.00%	100.00%		100.00%	100.00%
1996 OPC RECOMMENDED U/U	100.00%	100.00%	100.00%	26.08%	41.31%		100.00%	100.00%
LAST RATE CASE ORDER	21.00%	83.90%	100.00%	N/A	44.30%		100.00%	90.00%
High Service Pumping								
TOTAL CAPACITY (gpm)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WATER TREATMENT PLANT								
TOTAL CAPACITY (gpm)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RELIABLE CAPACITY (gpm)								
CALCULATED U/U W/O MR								
CALCULATED U/U WITH 1.5 YEAR MR								
CALCULATED U/U WITH 3.0 YEAR MR								
CALCULATED U/U WITH 5.0 YEAR MR								
UTILITY REQUESTED U/U								
1996 OPC RECOMMENDED U/U								
LAST RATE CASE ORDER								
TRANSMISSION AND DISTRIBUTION								
FINISHED WATER STORAGE	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HYDROPNEUMATIC TANKS								
HYDRO TANK CAPACITY(IES)	1,000	7,500	10,000	5,000	4,000	0	4,000	500
U/U CALCULATION AS IN LAST RATE CASE	150.00%	40.00%	37.50%	225.00%	78.75%		67.50%	75.00%
1996 UTILITY REQUESTED U/U	100.00%	100.00%	100.00%	100.00%	100.00%		100.00%	100.00%
1996 OPC RECOMMENDED U/U	100.00%	26.67%	20.00%	100.00%	52.50%		45.00%	50.00%
LAST RATE CASE ORDER	100.00%	100.00%	100.00%	N/A	66.00%		56.00%	75.00%
T/D LINES								
NO. OF LOTS CONNECTED, 1995	7	4	532	323	139	134	106	24
NO. OF LOTS CONNECTED, 1996	8	4	533	323	142	137	107	25
NO. OF LOTS CONNECTED, 1997 [1.0 YR MR]	8	4	534	323	145	141	108	27
NO. OF LOTS AVAILABLE	22	491	671	340	223	167	106	52
CALCULATED U/U WITHOUT MARGIN RESERVE	36.36%	0.81%	79.43%	95.00%	63.68%	82.04%	100.94%	48.08%
CALCULATED U/U WITH 1.0 YEAR MR	36.36%	0.81%	79.58%	95.00%	65.02%	84.43%	101.89%	51.92%
UTILITY REQUESTED U/U	36.36%	25.09%	81.40%	95.00%	65.13%	100.00%	100.00%	51.25%
1996 OPC RECOMMENDED U/U	36.36%	0.81%	79.43%	95.00%	63.68%	82.04%	100.00%	48.08%
LAST RATE CASE ORDER	25.00%	N/A	81.40%	N/A	61.70%	100.00%	100.00%	28.90%
FIRE FLOW CAPABILITY	n/a	NOT AV.	n/a	OK	n/a	n/a	n/a	n/a

* PLANT PURCHASES WATER
** UTIL. USED '93 MDD AS MORE REP.
*** BASED ON HYD. ANALYSIS

DOCKET NO. 950495-WS, ATTACHMENT B
U/U - WATER SYSTEMS W'OUT STORAGE
7-22-96, Staff Recommended %'s are Highlighted

Item Description	ZEPHYR SHORES
MAXIMUM DAY, 1994 (gallons)	121,000
MAXIMUM DAY, 1994 (gpm)	84
AVG. FIVE MAX. DAY DEMAND (A5MDD, gal)	89,600
EXCESS UNACCOUNTED-FOR-WATER (gpm)	0.00
CALCULATED PEAK HOUR (2*MDD FOR 1996)	168
REQUIRED FIRE FLOW (gallons)	0
REQUIRED FIRE FLOW (gpm)	500
AVERAGE NO. OF ERCS, 1994	508
AVERAGE NO. OF ERCS, 1995	513
AVERAGE NO. OF ERCS, 1996	517
AVERAGE NO. OF ERCS, 1997 [1.0 YR MR]	520
AVERAGE NO. OF ERCS, 1997.5 [1.5 YR MR]	522
AVERAGE NO. OF ERCS, 1999 [3.0 YR MR]	528
AVERAGE NO. OF ERCS, 2001 [5.0 YR MR]	535
SOURCE OF SUPPLY & PUMPING	
Supply Wells & Pumping	
MAXIMUM SUPPLY WELL (gpm)	120
TOTAL CAPACITY (gpm)	120
RELIABLE CAPACITY (gpm)	0
CALCULATED U/U W/O MR	100.00%
CALCULATED U/U WITH 1.5 YEAR MR	
CALCULATED U/U WITH 3.0 YEAR MR	
CALCULATED U/U WITH 5.0 YEAR MR	
UTILITY REQUESTED U/U	100.00%
1996 OPC RECOMMENDED U/U	100.00%
LAST RATE CASE ORDER	100.00%
High Service Pumping	
TOTAL CAPACITY (gpm)	N/A
WATER TREATMENT PLANT	
TOTAL CAPACITY (gpm)	N/A
RELIABLE CAPACITY (gpm)	
CALCULATED U/U W/O MR	
CALCULATED U/U WITH 1.5 YEAR MR	
CALCULATED U/U WITH 3.0 YEAR MR	
CALCULATED U/U WITH 5.0 YEAR MR	
UTILITY REQUESTED U/U	
1996 OPC RECOMMENDED U/U	
LAST RATE CASE ORDER	
TRANSMISSION AND DISTRIBUTION	
FINISHED WATER STORAGE	N/A
HYDROPNEUMATIC TANKS	
HYDRO TANK CAPACITY(IES)	7,500
U/U CALCULATION AS IN LAST RATE CASE	24.00%
1996 UTILITY REQUESTED U/U	100.00%
1996 OPC RECOMMENDED U/U	16.00%
LAST RATE CASE ORDER	17.10%
T/D LINES	
NO. OF LOTS CONNECTED, 1995	495
NO. OF LOTS CONNECTED, 1996	498
NO. OF LOTS CONNECTED, 1997 [1.0 YR MR]	502
NO. OF LOTS AVAILABLE	647
CALCULATED U/U WITHOUT MARGIN RESERVE	76.97%
CALCULATED U/U WITH 1.0 YEAR MR	77.59%
UTILITY REQUESTED U/U	85.40%
1996 OPC RECOMMENDED U/U	77.10%
LAST RATE CASE ORDER	85.40%
FIRE FLOW CAPABILITY	NOT AV.

* PLANT PURCHASES WATER
** UTIL. USED '93 MDD AS MORE REP.
*** BASED ON HYD. ANALYSIS

DOCKET NO. 950495-WS, ATTACHMENT B
SSU - WASTEWATER SYSTEMS
7-22-96, Staff Recommended %'s are Highlighted

Item Description	AMELIA ISLAND	APACHE SHORES	APPLE VALLEY *	BEACON HILLS	BEECHER'S POINT	BUENA-VENTURA
PERMITTED PLANT CAPACITY - 1996	950000	17,000	N/A	836,000	15,000	1,800,000
EFFLUENT DISPOSAL CAPACITY - 1996	950000	17,000	N/A	836,000	15,000	1,930,000
AVERAGE DAILY FLOW, MAX MONTH, 1994	844484	12,000	N/A	783,323	8,194	1,614,839
AVERAGE ANNUAL DAILY FLOW, 1994 (AADF shown when permit based on this flow)				685,329		1,428,959
EXCESSIVE INFILTRATION/INFLOW (GAL)						
AMOUNT OF EXCESSIVE I/I (Staff Rec)						
AMOUNT OF EXCESSIVE I/I (OPC Rec)	307,392.0				2,122.0	
AVERAGE NO. OF ERCS, 1994	1935	111	181	3,229	45	7,010
AVERAGE NO. OF ERCS, 1995	2071	111	180	3,307	45	7,287
AVERAGE NO. OF ERCS, 1996	2203	111	180	3,498	45	7,506
AVERAGE NO. OF ERCS, 1997 [1.0 YR MR]	2335	111	181	3,688	45	7,660
AVERAGE NO. OF ERCS, 1997.5 [1.5 YR MR]	2401	111	182	3,783	45	7,846
AVERAGE NO. OF ERCS, 1999 [3.0 YR MR]	2599	111	184	4,069	45	8,202
AVERAGE NO. OF ERCS, 2001 [5.0 YR MR]	2862	111	186	4,449	45	8,701
TREATMENT AND DISPOSAL PLANT						
Wastewater Treatment Plant						
CALCULATED U/U W/O MR	101.20%	70.59%		88.81%	54.63%	85.00%
CALCULATED U/U WITH 1.5 YEAR MR	110.30%	70.59%		96.04%	54.63%	88.85%
CALCULATED U/U WITH 3.0 YEAR MR	119.40%	70.59%		103.30%	54.63%	92.89%
CALCULATED U/U WITH 5.0 YEAR MR	131.48%	70.59%		112.95%	54.63%	98.54%
UTILITY REQUESTED U/U 1996	100.00%	70.59%	N/A	100.00%	54.62%	89.71%
1996 OPC RECOMMENDED U/U	64.37%	70.59%		47.67%	40.48%	89.71%
LAST RATE CASE ORDER	94.30%	69.60%		62.90%	39.60%	69.90%
Effluent Disposal						
CALCULATED U/U W/O MR	101.20%	70.59%		88.81%	54.63%	79.28%
CALCULATED U/U WITH 1.5 YEAR MR	110.30%	70.59%		96.04%	54.63%	82.87%
CALCULATED U/U WITH 3.0 YEAR MR	119.40%	70.59%		103.30%	54.63%	86.63%
CALCULATED U/U WITH 5.0 YEAR MR	131.48%	70.59%		112.95%	54.63%	91.90%
UTILITY REQUESTED U/U 1996	100.00%	70.59%	N/A	100.00%	54.62%	89.71%
1996 OPC RECOMMENDED U/U	64.37%	70.59%		47.67%	40.48%	89.71%
LAST RATE CASE ORDER	94.30%	69.60%		69.60%	39.60%	69.90%
COLLECTION SYSTEM AND PUMPING						
NO. OF LOTS CONNECTED, 1995	1363	111	163	2,917	45	7,287
NO. OF LOTS CONNECTED, 1996	1450	111	164	3,085	45	7,437
NO. OF LOTS CONNECTED, 1997 [1.0 YR MR]	1537	111	165	3,253	45	7,660
NO. OF LOTS AVAILABLE	2467	195	188	3,178	62	6,725
CALCULATED U/U WITHOUT MARGIN RESERVE	58.78%	56.92%	87.23%	97.07%	72.58%	110.59%
CALCULATED U/U WITH 1.0 YEAR MR	62.30%	56.92%	87.77%	102.36%	72.58%	113.90%
UTILITY REQUESTED U/U 1996	93.70%	59.50%	100.00%	100.00%	73.40%	100.00%
1996 OPC RECOMMENDED U/U	58.77%	56.92%	86.70%	97.09%	72.58%	100.00%
LAST RATE CASE ORDER	93.70%	59.50%	100.00%	91.00%	73.40%	N/A

* - PLANT PURCHASES WASTEWATER TREATMENT

DOCKET NO. 950495-WS, ATTACHMENT B
SSU - WASTEWATER SYSTEMS
7-22-96, Staff Recommended %'s are Highlighted

Item Description	BURNT STORE	CHULUOTA	CITRUS PARK	CITRUS SPRINGS	DEEP CREEK*	DELTONA LAKES
PERMITTED PLANT CAPACITY - 1996	250,000	100,000	64,000	200,000	0	1,200,000
EFFLUENT DISPOSAL CAPACITY - 1996	250,000	100,000	64,000	200,000	0	1,400,000
AVERAGE DAILY FLOW, MAX MONTH, 1994	135,968	42,226	48,323	134,033	0	1,132,710
AVERAGE ANNUAL DAILY FLOW, 1994 (AADF shown when permit based on this flow)			45,153			
EXCESSIVE INFILTRATION/INFLOW (GAL)						
AMOUNT OF EXCESSIVE I/I (Staff Rec)						
AMOUNT OF EXCESSIVE I/I (OPC Rec)						
AVERAGE NO. OF ERCS, 1994	554	133	264	704	3,612	5,025
AVERAGE NO. OF ERCS, 1995	575	134	265	707	3,916	5,051
AVERAGE NO. OF ERCS, 1996	625	135	268	711	4,112	5,095
AVERAGE NO. OF ERCS, 1997 [1.0 YR MR]	676	136	272	715	4,309	5,139
AVERAGE NO. OF ERCS, 1997.5 [1.5 YR MR]	701	137	274	717	4,407	5,161
AVERAGE NO. OF ERCS, 1999 [3.0 YR MR]	776	139	279	722	4,702	5,228
AVERAGE NO. OF ERCS, 2001 [5.0 YR MR]	876	141	286	730	5,095	5,316
TREATMENT AND DISPOSAL PLANT						
Wastewater Treatment Plant						
CALCULATED U/U W/O MR	61.36%	42.86%	71.62%	67.68%		95.71%
CALCULATED U/U WITH 1.5 YEAR MR	68.82%	43.50%	73.22%	68.25%		96.95%
CALCULATED U/U WITH 3.0 YEAR MR	76.18%	44.13%	74.56%	68.73%		98.21%
CALCULATED U/U WITH 5.0 YEAR MR	86.00%	44.77%	76.43%	69.49%		99.86%
UTILITY REQUESTED U/U 1996	85.97%	71.00%	100.00%	69.51%	N/A	100.00%
1996 OPC RECOMMENDED U/U	61.36%	43.19%	76.65%	67.68%		100.00%
LAST RATE CASE ORDER	48.00%	71.00%	100.00%	51.60%		95.00%
Effluent Disposal						
CALCULATED U/U W/O MR	61.36%	42.86%	71.62%	67.68%		82.03%
CALCULATED U/U WITH 1.5 YEAR MR	68.82%	43.50%	73.22%	68.25%		83.10%
CALCULATED U/U WITH 3.0 YEAR MR	76.18%	44.13%	74.56%	68.73%		84.18%
CALCULATED U/U WITH 5.0 YEAR MR	86.00%	44.77%	76.43%	69.49%		85.59%
UTILITY REQUESTED U/U 1996	85.97%	71.00%	100.00%	69.51%	N/A	100.00%
1996 OPC RECOMMENDED U/U	61.36%	43.19%	76.65%	67.68%		86.27%
LAST RATE CASE ORDER	48.00%	71.00%	100.00%	51.60%		95.00%
COLLECTION SYSTEM AND PUMPING						
NO. OF LOTS CONNECTED, 1995	385	134	263	680	3,251	4,619
NO. OF LOTS CONNECTED, 1996	419	135	267	683	3,414	4,659
NO. OF LOTS CONNECTED, 1997 [1.0 YR MR]	452	136	270	687	3,577	4,699
NO. OF LOTS AVAILABLE	4,347	155	367	1,084	7,285	5,000
CALCULATED U/U WITHOUT MARGIN RESERVE	9.64%	87.10%	72.75%	63.01%	46.86%	93.18%
CALCULATED U/U WITH 1.0 YEAR MR	10.40%	87.74%	73.57%	63.38%	49.10%	93.98%
UTILITY REQUESTED U/U 1996	10.40%	87.90%	100.00%	63.38%	49.10%	100.00%
1996 OPC RECOMMENDED U/U	9.63%	87.10%	87.43%	63.09%	46.87%	93.18%
LAST RATE CASE ORDER	9.20%	82.90%	100.00%	28.00%	N/A	100.00%

* - PLANT PURCHASES WASTEWATER TREATMENT

DOCKET NO. 950495-WS, ATTACHMENT B
SSU - WASTEWATER SYSTEMS
7-22-96, Staff Recommended %'s are Highlighted

Item Description	ENTER-PRISE*	FISH'MAN HAVEN	FL. CENT. COMM. PK	FOX RUN*	HOLIDAY HAVEN	JUNGLE DEN
PERMITTED PLANT CAPACITY - 1996		25,000	95,000	0	25,000	25,000
EFFLUENT DISPOSAL CAPACITY - 1996		25,000	95,000	0	25,000	25,000
AVERAGE DAILY FLOW, MAX MONTH, 1994		17,467	56,267	0	18,700	16,613
AVERAGE ANNUAL DAILY FLOW, 1994 (AADF shown when permit based on this flow)					14,773	13,493
EXCESSIVE INFILTRATION/INFLOW (GAL)						
AMOUNT OF EXCESSIVE I/I (Staff Rec)					1,714	3,925
AMOUNT OF EXCESSIVE I/I (OPC Rec)						
AVERAGE NO. OF ERCS, 1994		141	157	97	96	117
AVERAGE NO. OF ERCS, 1995		141	181	102	96	117
AVERAGE NO. OF ERCS, 1996		141	197	106	96	118
AVERAGE NO. OF ERCS, 1997 [1.0 YR MR]		141	213	109	96	118
AVERAGE NO. OF ERCS, 1997.5 [1.5 YR MR]		141	221	111	96	119
AVERAGE NO. OF ERCS, 1999 [3.0 YR MR]		141	245	117	96	121
AVERAGE NO. OF ERCS, 2001 [5.0 YR MR]		145	276	124	96	121
TREATMENT AND DISPOSAL PLANT						
Wastewater Treatment Plant						
CALCULATED U/U W/O MR		69.87%	74.32%		52.23%	38.60%
CALCULATED U/U WITH 1.5 YEAR MR		69.87%	83.37%		52.23%	38.93%
CALCULATED U/U WITH 3.0 YEAR MR		69.87%	92.43%		52.23%	39.58%
CALCULATED U/U WITH 5.0 YEAR MR		71.85%	104.12%		52.23%	39.58%
UTILITY REQUESTED U/U 1996	N/A	80.00%	100.00%	N/A	74.80%	68.61%
1996 OPC RECOMMENDED U/U		69.87%	75.28%		74.80%	67.02%
LAST RATE CASE ORDER		80.00%	44.00%		47.00%	65.00%
Effluent Disposal						
CALCULATED U/U W/O MR		69.87%	74.32%		52.23%	38.60%
CALCULATED U/U WITH 1.5 YEAR MR		69.87%	83.37%		52.23%	38.93%
CALCULATED U/U WITH 3.0 YEAR MR		69.87%	92.43%		52.23%	39.58%
CALCULATED U/U WITH 5.0 YEAR MR		71.85%	104.12%		52.23%	39.58%
UTILITY REQUESTED U/U 1996	N/A	80.00%	100.00%	N/A	74.80%	68.61%
1996 OPC RECOMMENDED U/U		69.87%	75.28%		74.80%	67.02%
LAST RATE CASE ORDER		80.00%	44.00%		47.00%	65.00%
COLLECTION SYSTEM AND PUMPING						
NO. OF LOTS CONNECTED, 1995		141	51	102	94	117
NO. OF LOTS CONNECTED, 1996	167	141	55	106	94	118
NO. OF LOTS CONNECTED, 1997 [1.0 YR MR]	181	141	60	109	94	118
NO. OF LOTS AVAILABLE	228	144	71	109	166	135
CALCULATED U/U WITHOUT MARGIN RESERVE	73.03%	97.92%	77.46%	97.25%	56.63%	87.41%
CALCULATED U/U WITH 1.0 YEAR MR	79.39%	97.92%	84.51%	100.00%	56.63%	87.41%
UTILITY REQUESTED U/U 1996	79.19%	100.00%	84.26%	100.00%	61.40%	100.00%
1996 OPC RECOMMENDED U/U	72.80%	97.92%	78.18%	97.25%	56.63%	87.41%
LAST RATE CASE ORDER	N/A	100.00%	43.00%	100.00%	61.40%	100.00%

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DOCKET NO. 950495-WS, ATTACHMENT B
SSU - WASTEWATER SYSTEMS
7-22-96, Staff Recommended %'s are Highlighted

Item Description	LEHIGH	LEILANI	LEISURE LAKES	MARCO ISLAND	MARCO SHORES	MARION OAKS
PERMITTED PLANT CAPACITY - 1996	2,100,000	150,000	50,000	3,500,000	90,000	275,000
EFFLUENT DISPOSAL CAPACITY - 1996	2,100,000	150,000	50,000	3,500,000	Per Permit 90,000	275,000
AVERAGE DAILY FLOW, MAX MONTH, 1994	1,773,710	172,964	18,129	2,438,000	62,000	170,129
AVERAGE ANNUAL DAILY FLOW, 1994 (AADF shown when permit based on this flow)			10,195	1,792,159	46,995	
EXCESSIVE INFILTRATION/INFLOW (GAL)						
AMOUNT OF EXCESSIVE I/I (Staff Rec)						
AMOUNT OF EXCESSIVE I/I (OPC Rec)		27,847		1,587,138		
AVERAGE NO. OF ERCS, 1994	7,093	397	230	5,109	314	1,390
AVERAGE NO. OF ERCS, 1995	7,235	398	233	5,125	400	1,393
AVERAGE NO. OF ERCS, 1996	7,390	399	235	5,142	450	1,407
AVERAGE NO. OF ERCS, 1997 [1.0 YR MR]	7,546	400	237	5,158	500	1,421
AVERAGE NO. OF ERCS, 1997.5 [1.5 YR MR]	7,624	401	238	5,166	547	1,428
AVERAGE NO. OF ERCS, 1999 [3.0 YR MR]	7,858	402	241	5,191	594	1,449
AVERAGE NO. OF ERCS, 2001 [5.0 YR MR]	8,170	405	245	5,224	642	1,477
TREATMENT AND DISPOSAL PLANT						
Wastewater Treatment Plant						
CALCULATED U/U W/O MR	88.00%	115.89%	37.05%	51.53%	74.83%	62.62%
CALCULATED U/U WITH 1.5 YEAR MR	90.78%	116.47%	37.52%	51.78%	91.00%	63.56%
CALCULATED U/U WITH 3.0 YEAR MR	93.57%	116.76%	37.99%	52.02%	98.84%	64.49%
CALCULATED U/U WITH 5.0 YEAR MR	97.28%	117.63%	38.62%	52.36%	106.69%	65.74%
UTILITY REQUESTED U/U 1996	100.00%	100.00%	65.70%	78.00%	94.24%	90.36%
1996 OPC RECOMMENDED U/U	88.00%	97.23%	37.05%	24.47%	58.52%	86.10%
LAST RATE CASE ORDER	100.00%	100.00%	65.70%	78.00%	66.80%	81.00%
Effluent Disposal						
CALCULATED U/U W/O MR	88.00%	115.89%	37.05%	51.53%	74.83%	62.62%
CALCULATED U/U WITH 1.5 YEAR MR	90.78%	116.47%	37.52%	51.78%	91.00%	63.56%
CALCULATED U/U WITH 3.0 YEAR MR	93.57%	116.76%	37.99%	52.02%	98.84%	64.49%
CALCULATED U/U WITH 5.0 YEAR MR	97.28%	117.63%	38.62%	52.36%	106.69%	65.74%
UTILITY REQUESTED U/U 1996	100.00%	100.00%	65.70%	100.00%	100.00%	90.36%
1996 OPC RECOMMENDED U/U	88.00%	97.23%	37.05%	24.47%	58.52%	86.10%
LAST RATE CASE ORDER	81.08%	100.00%	65.70%	78.00%	66.80%	81.00%
COLLECTION SYSTEM AND PUMPING						
NO. OF LOTS CONNECTED, 1995	4,342	250	233	1,970	400	1,323
NO. OF LOTS CONNECTED, 1996	4,498	399	235	1,976	450	1,337
NO. OF LOTS CONNECTED, 1997 [1.0 YR MR]	4,654	400	237	1,982	500	1,350
NO. OF LOTS AVAILABLE	5,992	413	385	1,334	584	1,610
CALCULATED U/U WITHOUT MARGIN RESERVE	75.07%	96.61%	61.04%	148.13%	77.05%	83.04%
CALCULATED U/U WITH 1.0 YEAR MR	77.67%	96.85%	61.56%	148.58%	85.62%	83.85%
UTILITY REQUESTED U/U 1996	88.31%	100.00%	61.62%	100.00%	85.62%	85.00%
1996 OPC RECOMMENDED U/U	84.17%	96.61%	61.04%	100.00%	70.44%	83.00%
LAST RATE CASE ORDER	N/A	100.00%	61.60%	100.00%	50.20%	85.00%

* - PLANT PURCHASES WASTEWATER TREATMENT

DOCKET NO. 950495-WS, ATTACHMENT B
SSU - WASTEWATER SYSTEMS
7-22-96, Staff Recommended %'s are Highlighted

Item Description	MEREDITH MANOR*	MORNING-VIEW	PALM PORT	PALM TERRACE	PARK MANOR	POINT O'WOODS
PERMITTED PLANT CAPACITY - 1996	N/A	20,000	50,000	130,000	15,000	58,000
EFFLUENT DISPOSAL CAPACITY - 1996	N/A	20,000	50,000	130,000	15,000	58,000
AVERAGE DAILY FLOW, MAX MONTH, 1994	N/A	8,710	25,233	147,742	13,194	20,226
AVERAGE ANNUAL DAILY FLOW, 1994 (AADF shown when permit based on this flow)						
EXCESSIVE INFILTRATION/INFLOW (GAL)						
AMOUNT OF EXCESSIVE I/I (Staff Rec)						
AMOUNT OF EXCESSIVE I/I (OPC Rec)						
AVERAGE NO. OF ERCS, 1994	34	46	98	1,023	34	137
AVERAGE NO. OF ERCS, 1995	34	46	103	1,024	37	152
AVERAGE NO. OF ERCS, 1996	35	46	107	1,026	38	160
AVERAGE NO. OF ERCS, 1997 [1.0 YR MR]	35	46	110	1,027	41	169
AVERAGE NO. OF ERCS, 1997.5 [1.5 YR MR]	35	46	112	1,028	42	173
AVERAGE NO. OF ERCS, 1999 [3.0 YR MR]	36	46	117	1,031	45	185
AVERAGE NO. OF ERCS, 2001 [5.0 YR MR]	36	46	124	1,034	48	202
TREATMENT AND DISPOSAL PLANT						
Wastewater Treatment Plant						
CALCULATED U/U W/O MR		43.55%	55.10%	113.98%	98.31%	40.73%
CALCULATED U/U WITH 1.5 YEAR MR		43.55%	57.68%	114.20%	108.66%	44.04%
CALCULATED U/U WITH 3.0 YEAR MR		43.55%	60.25%	114.54%	116.42%	47.09%
CALCULATED U/U WITH 5.0 YEAR MR		43.55%	63.85%	114.87%	124.18%	51.42%
UTILITY REQUESTED U/U 1996	N/A	77.00%	63.83%	100.00%	100.00%	51.53%
1996 OPC RECOMMENDED U/U		43.55%	55.10%	100.00%	100.00%	40.73%
LAST RATE CASE ORDER		77.00%	45.00%	62.50%	28.00%	28.60%
Effluent Disposal						
CALCULATED U/U W/O MR		43.55%	55.10%	113.98%	98.31%	40.73%
CALCULATED U/U WITH 1.5 YEAR MR		43.55%	57.68%	114.20%	108.66%	44.04%
CALCULATED U/U WITH 3.0 YEAR MR		43.55%	60.25%	114.54%	116.42%	47.09%
CALCULATED U/U WITH 5.0 YEAR MR		43.55%	63.85%	114.87%	124.18%	51.42%
UTILITY REQUESTED U/U 1996	N/A	77.00%	63.83%	100.00%	100.00%	51.53%
1996 OPC RECOMMENDED U/U		43.55%	55.10%	100.00%	100.00%	40.73%
LAST RATE CASE ORDER		77.00%	45.00%	96.00%	28.00%	28.60%
COLLECTION SYSTEM AND PUMPING						
NO. OF LOTS CONNECTED, 1995	28	36	103	1,024	33	152
NO. OF LOTS CONNECTED, 1996	29	36	107	1,026	34	160
NO. OF LOTS CONNECTED, 1997 [1.0 YR MR]	29	36	110	1,027	36	169
NO. OF LOTS AVAILABLE	34	48	137	1,189	35	191
CALCULATED U/U WITHOUT MARGIN RESERVE	85.29%	75.00%	78.10%	86.29%	97.14%	83.77%
CALCULATED U/U WITH 1.0 YEAR MR	85.29%	75.00%	80.29%	86.38%	102.86%	88.48%
UTILITY REQUESTED U/U 1996	100.00%	100.00%	80.40%	85.00%	100.00%	100.00%
1996 OPC RECOMMENDED U/U	84.78%	75.00%	78.10%	86.29%	99.38%	83.77%
LAST RATE CASE ORDER	100.00%	100.00%	67.00%	85.00%	96.90%	100.00%

* - PLANT PURCHASES WASTEWATER TREATMENT

DOCKET NO. 950495-WS, ATTACHMENT B
SSU - WASTEWATER SYSTEMS
7-22-96, Staff Recommended %'s are Highlighted

Item Description	SALT SPRINGS	SILVER LK OAKS	SOUTH FORTY	SPRING GARDENS	SUGAR-MILL	SUGARMILL WOODS
PERMITTED PLANT CAPACITY - 1996	85,000	12,000	50,000	20,000	270000	500000
EFFLUENT DISPOSAL CAPACITY - 1996	34,000	12,000	50,000	20,000	270000	500000
AVERAGE DAILY FLOW, MAX MONTH, 1994	29,129	7,290	35,806	87,200	160000	261194
AVERAGE ANNUAL DAILY FLOW, 1994 (AADF shown when permit based on this flow)						
EXCESSIVE INFILTRATION/INFLOW (GAL)						
AMOUNT OF EXCESSIVE I/I (Staff Rec)						
AMOUNT OF EXCESSIVE I/I (OPC Rec)			22,701			
AVERAGE NO. OF ERCS, 1994	160	26	65	122	629	4773
AVERAGE NO. OF ERCS, 1995	151	26	66	126	648	5116
AVERAGE NO. OF ERCS, 1996	151	26	67	129	660	5366
AVERAGE NO. OF ERCS, 1997 [1.0 YR MR]	151	26	68	133	672	5615
AVERAGE NO. OF ERCS, 1997.5 [1.5 YR MR]	151	26	69	135	679	5739
AVERAGE NO. OF ERCS, 1999 [3.0 YR MR]	151	26	70	141	697	6113
AVERAGE NO. OF ERCS, 2001 [5.0 YR MR]	151	26	73	150	722	6612
TREATMENT AND DISPOSAL PLANT						
Wastewater Treatment Plant						
CALCULATED U/U W/O MR	32.34%	60.75%	73.82%	461.02%	62.18%	58.73%
CALCULATED U/U WITH 1.5 YEAR MR	32.34%	60.75%	76.02%	482.46%	63.97%	62.81%
CALCULATED U/U WITH 3.0 YEAR MR	32.34%	60.75%	77.12%	503.90%	65.67%	66.90%
CALCULATED U/U WITH 5.0 YEAR MR	32.34%	60.75%	80.43%	536.07%	68.02%	72.37%
UTILITY REQUESTED U/U 1996	49.00%	60.75%	79.88%	100.00%	78.00%	90.46%
1996 OPC RECOMMENDED U/U	34.27%	60.75%	27.02%	100.00%	62.18%	73.41%
LAST RATE CASE ORDER	49.00%	13.00%	74.00%	N/A	78.00%	58.20%
Effluent Disposal						
CALCULATED U/U W/O MR	80.85%	60.75%	73.82%	461.02%	62.18%	58.73%
CALCULATED U/U WITH 1.5 YEAR MR	80.85%	60.75%	76.02%	482.46%	63.97%	62.81%
CALCULATED U/U WITH 3.0 YEAR MR	80.85%	60.75%	77.12%	503.90%	65.67%	66.90%
CALCULATED U/U WITH 5.0 YEAR MR	80.85%	60.75%	80.43%	536.07%	68.02%	72.37%
UTILITY REQUESTED U/U 1996	100.00%	60.75%	79.88%	100.00%	78.00%	72.36%
1996 OPC RECOMMENDED U/U	85.67%	60.75%	27.02%	100.00%	62.18%	58.73%
LAST RATE CASE ORDER	100.00%	13.00%	74.00%	N/A	78.00%	58.20%
COLLECTION SYSTEM AND PUMPING						
NO. OF LOTS CONNECTED, 1995	110	26	34		630	2432
NO. OF LOTS CONNECTED, 1996	110	26	34	129	642	2550
NO. OF LOTS CONNECTED, 1997 [1.0 YR MR]	110	26	35	133	654	2669
NO. OF LOTS AVAILABLE	185	53	52	180	661	8252
CALCULATED U/U WITHOUT MARGIN RESERVE	59.46%	49.06%	65.38%	71.67%	97.13%	30.90%
CALCULATED U/U WITH 1.0 YEAR MR	59.46%	49.06%	67.31%	73.89%	98.94%	32.34%
UTILITY REQUESTED U/U 1996	100.00%	50.90%	94.00%	74.06%	99.00%	32.34%
1996 OPC RECOMMENDED U/U	59.46%	49.06%	66.38%	72.06%	97.08%	30.91%
LAST RATE CASE ORDER	100.00%	50.90%	94.00%	N/A	84.00%	21.10%

* - PLANT PURCHASES WASTEWATER TREATMENT

DOCKET NO. 950495-WS, ATTACHMENT B
SSU - WASTEWATER SYSTEMS
7-22-96, Staff Recommended %'s are Highlighted

Item Description	SUNNY HILLS	SUNSHINE PARKWAY	TROPICAL ISLE	UNIVY SHORES	VALENCIA TERRACE	VENETIAN VILLAGE
PERMITTED PLANT CAPACITY - 1996	50000	150,000 Per EXH 112	50,000	1,145,000	99,000	36,000
EFFLUENT DISPOSAL CAPACITY - 1996	50000	150,000	50,000	1,145,000	99,000	36,000
AVERAGE DAILY FLOW, MAX MONTH, 1994	29419	86,933	35,033	1,000,226	78,452	35,581
AVERAGE ANNUAL DAILY FLOW, 1994 (AADF shown when permit based on this flow)						
EXCESSIVE INFILTRATION/INFLOW (GAL)						
AMOUNT OF EXCESSIVE I/I (Staff Rec)						
AMOUNT OF EXCESSIVE I/I (OPC Rec)		83,890				
AVERAGE NO. OF ERCS, 1994	179	73	220	3,448	323	87
AVERAGE NO. OF ERCS, 1995	179	84	250	3,601	323	89
AVERAGE NO. OF ERCS, 1996	180	89	275	3,810	323	90
AVERAGE NO. OF ERCS, 1997 [1.0 YR MR]	180	95	298	4,019	323	92
AVERAGE NO. OF ERCS, 1997.5 [1.5 YR MR]	181	98	286	4,123	323	92
AVERAGE NO. OF ERCS, 1999 [3.0 YR MR]	181	107	346	4,436	323	95
AVERAGE NO. OF ERCS, 2001 [5.0 YR MR]	183	119	394	4,854	323	98
TREATMENT AND DISPOSAL PLANT						
Wastewater Treatment Plant						
CALCULATED U/U W/O MR	59.17%	70.66%	87.58%	96.53%	79.24%	102.24%
CALCULATED U/U WITH 1.5 YEAR MR	59.50%	77.80%	91.09%	104.46%	79.24%	104.52%
CALCULATED U/U WITH 3.0 YEAR MR	59.50%	84.95%	110.19%	112.39%	79.24%	107.92%
CALCULATED U/U WITH 5.0 YEAR MR	60.15%	94.48%	125.48%	122.98%	79.24%	111.33%
UTILITY REQUESTED U/U 1996	60.02%	94.63%	100.00%	100.00%	79.24%	100.00%
1996 OPC RECOMMENDED U/U	59.17%	1.48%	87.23%	98.73%	79.24%	100.00%
LAST RATE CASE ORDER	51.00%	51.00%	N/A	93.10%	N/A	86.00%
Effluent Disposal						
CALCULATED U/U W/O MR	59.17%	70.66%	87.58%	96.53%	79.24%	102.24%
CALCULATED U/U WITH 1.5 YEAR MR	59.50%	77.80%	91.09%	104.46%	79.24%	104.52%
CALCULATED U/U WITH 3.0 YEAR MR	59.50%	84.95%	110.19%	112.39%	79.24%	107.92%
CALCULATED U/U WITH 5.0 YEAR MR	60.15%	94.48%	125.48%	122.98%	79.24%	111.33%
UTILITY REQUESTED U/U 1996	60.02%	94.63%	100.00%	100.00%	79.24%	100.00%
1996 OPC RECOMMENDED U/U	59.17%	2.47%	87.23%	98.73%	79.24%	100.00%
LAST RATE CASE ORDER	51.00%	51.00%	N/A	93.10%	N/A	86.00%
COLLECTION SYSTEM AND PUMPING						
NO. OF LOTS CONNECTED, 1995	176	10	250	3,338	323	89
NO. OF LOTS CONNECTED, 1996	177	10	274	3,531	323	90
NO. OF LOTS CONNECTED, 1997 [1.0 YR MR]	177	11	298	3,725	323	92
NO. OF LOTS AVAILABLE	504	56	334	4,275	340	107
CALCULATED U/U WITHOUT MARGIN RESERVE	35.12%	17.86%	82.04%	82.60%	95.00%	84.11%
CALCULATED U/U WITH 1.0 YEAR MR	35.12%	19.64%	89.22%	87.13%	95.00%	85.98%
UTILITY REQUESTED U/U 1996	36.00%	100.00%	89.21%	87.12%	95.00%	86.00%
1996 OPC RECOMMENDED U/U	35.12%	18.92%	82.07%	82.61%	95.00%	84.11%
LAST RATE CASE ORDER	36.00%	100.00%	N/A	72.40%	N/A	81.90%

* - PLANT PURCHASES WASTEWATER TREATMENT

DOCKET NO. 950495-WS, ATTACHMENT B
SSU - WASTEWATER SYSTEMS
7-22-96, Staff Recommended %'s are Highlighted

Item Description	WOOD-MERE	ZEPHYR SHORES
PERMITTED PLANT CAPACITY - 1996	500,000	40,000
EFFLUENT DISPOSAL CAPACITY - 1996	500,000	40,000
AVERAGE DAILY FLOW, MAX MONTH, 1994	466,226	27,258
AVERAGE ANNUAL DAILY FLOW, 1994 (AADF shown when permit based on this flow)		
EXCESSIVE INFILTRATION/INFLOW (GAL)		
AMOUNT OF EXCESSIVE I/I (Staff Rec)		
AMOUNT OF EXCESSIVE I/I (OPC Rec)		
AVERAGE NO. OF ERCS, 1994	1,343	505
AVERAGE NO. OF ERCS, 1995	1,356	510
AVERAGE NO. OF ERCS, 1996	1,391	514
AVERAGE NO. OF ERCS, 1997 [1.0 YR MR]	1,425	518
AVERAGE NO. OF ERCS, 1997.5 [1.5 YR MR]	1,442	520
AVERAGE NO. OF ERCS, 1999 [3.0 YR MR]	1,493	527
AVERAGE NO. OF ERCS, 2001 [5.0 YR MR]	1,562	530
TREATMENT AND DISPOSAL PLANT		
Wastewater Treatment Plant		
CALCULATED U/U W/O MR	96.58%	69.36%
CALCULATED U/U WITH 1.5 YEAR MR	100.12%	70.17%
CALCULATED U/U WITH 3.0 YEAR MR	103.66%	71.11%
CALCULATED U/U WITH 5.0 YEAR MR	108.45%	71.52%
UTILITY REQUESTED U/U 1996	100.00%	86.30%
1996 OPC RECOMMENDED U/U	96.58%	69.36%
LAST RATE CASE ORDER	100.00%	86.30%
Effluent Disposal		
CALCULATED U/U W/O MR	96.58%	69.36%
CALCULATED U/U WITH 1.5 YEAR MR	100.12%	70.17%
CALCULATED U/U WITH 3.0 YEAR MR	103.66%	71.11%
CALCULATED U/U WITH 5.0 YEAR MR	108.45%	71.52%
UTILITY REQUESTED U/U 1996	100.00%	100.00%
1996 OPC RECOMMENDED U/U	96.58%	69.36%
LAST RATE CASE ORDER	100.00%	100.00%
COLLECTION SYSTEM AND PUMPING		
NO. OF LOTS CONNECTED, 1995	1,126	492
NO. OF LOTS CONNECTED, 1996	1,154	496
NO. OF LOTS CONNECTED, 1997 [1.0 YR MR]	1,183	499
NO. OF LOTS AVAILABLE	1,189	647
CALCULATED U/U WITHOUT MARGIN RESERVE	97.06%	76.66%
CALCULATED U/U WITH 1.0 YEAR MR	99.50%	77.13%
UTILITY REQUESTED U/U 1996	100.00%	85.30%
1996 OPC RECOMMENDED U/U	97.15%	76.64%
LAST RATE CASE ORDER	100.00%	85.30%

* - PLANT PURCHASES WASTEWATER TREATMENT

ISSUE 46: Should the utility's proposed adjustment to reverse depreciation taken on non-used and useful facilities be approved?

RECOMMENDATION: No. This adjustment would result in retroactive ratemaking and should be disallowed. Furthermore, the Commission did not err in its prior decision on non-used and useful depreciation expense. The appropriate remedy would have been for the utility to request an AFPI charge or request reconsideration of the Commission's prior orders. Therefore, staff recommends increasing accumulated depreciation in total by $956,915 and $904,261 for water and wastewater, respectively. (WEBB)

POSITION OF THE PARTIES

SSU: Yes. This represents a correction of past errors and does not constitute retroactive ratemaking.

MARCO ET AL: Adopt Public Counsel's Position.

NASSAU ASSOCIATIONS: Southern States' proposal to adjust accumulated depreciation for non-used and useful mains is retroactive, going back to pre-1991 in some cases. It is inappropriate for determining going-forward rate base. Southern States' proposal should be disallowed by reducing rate base by $592,634.

OPC: No. Southern States' proposal to adjust accumulated depreciation for non-used and useful mains is retroactive, going back to pre-1991 in some cases. It is inappropriate for determining going-forward rate base.

STAFF ANALYSIS: In her direct testimony, utility witness Kimball discusses SSU's adjustment to reduce the 1996 beginning balance of accumulated depreciation. She explains that the adjustment represents a cumulative effect of depreciation taken on non-useful assets for which there was no established AFPI tariff. The periods under debate are (1) pre-1991, when no AFPI tariffs were in effect, and (2) 1992-1994 for non-useful water and wastewater mains at Deltona Lakes and Marco Island. (TR 1363)

OPC witnesses Larkin/Deronne contend that the utility's adjustment is retroactive and inappropriate for determining going-forward rate base. Larkin/Deronne believe that, in making its adjustment, SSU is simply reevaluating positions taken in past cases and seeking to remedy the impact of positions it believes it should have taken. Larkin/Deronne further state that SSU did offset depreciation expense associated with non-useful assets in

those prior cases; moreover, they state that there is no reason SSU could not have requested similar treatment for accumulated depreciation. Larkin/Deronne continue on to discuss a few valid points in opposition of SSU's proposed adjustment. First, at the time of previous cases, SSU should have known which plants had an authorized AFPI tariff. Because accumulated depreciation is a derivative of depreciation expense calculations, it is logical that any offset to accumulated depreciation should be easily determined. Second, Larkin/Deronne contend that SSU clearly realized how the utility had suffered from lower revenue requirements than should have been the case in prior rate proceedings. Now, in this proceeding, the utility is seeking recovery to make up for this outcome. Larkin/Deronne, therefore, recommend total disallowance of SSU's proposed adjustment and their analysis is depicted in Exhibit 174, Schedule 14. (TR 2640-2643)

During cross examination witnesses Larkin/Deronne were asked if it would make a difference if the assets, in the instant case, were non-used and useful and had never been included in rate base when requesting the adjustment to reverse depreciation. Larkin/Deronne contend that the condition of being non-used and useful makes no difference, that it is still retroactive ratemaking. (TR 2684)

Utility witness Bencini rebuts the testimony of OPC. He begins by explaining that the utility's adjustment relates to plants which were included in the 920199-WS and 920655-WS dockets. Again, he states that this is the first opportunity SSU has had to correct errors in previous cases. Witness Bencini stands firm in his belief that the utility's adjustment is a correction of previous errors rather than a reevaluation of SSU's position with regard to this issue. He states that for most of the plants included in the above referenced dockets SSU did request and received approved AFPI tariffs. Additionally, he asserts that because the plants included in the adjustment at issue did not have approved AFPI tariffs prior to the 920199-WS docket, in particular, that an adjustment is necessary to reflect the depreciation taken on these assets since January 1992 (at which time the AFPI tariffs went into effect). (TR 5102-5104)

Furthermore, with respect to Deltona Lakes and Marco Island, Mr. Bencini states that SSU had not reflected any non-used and useful related to these plants and, therefore, had not requested an AFPI tariff for these plants. Witness Bencini believes that it was the Commission staff's error when, upon assessing a non-used and useful percentage on these plants, the Commission did not offer the utility a rate of return on the non-useful plant through an

approved AFPI tariff. Witness Bencini further explains his belief that because the assets involved in this issue are non-used and useful, thus never included in rate base for ratemaking purposes, the adjustment cannot be retroactive in nature. The adjustment, he believes, is simply correcting the impact of prior period errors. (TR 5104-5105)

Mr. Bencini continues on to discuss the timing of this adjustment. He states that the pre-1991 depreciation related to this adjustment is irrelevant. Basically, he believes that because the burden was not previously on the ratepayers, it is now a legitimate request to go back and correct for the utility's non-recovery. Moreover, the utility is also requesting that the Commission consider increasing the adjustment by $101,950 for depreciation expense related to the years 1995 and 1996 for the Deltona Lakes and Marco Island plants. He explains that the original proposed adjustment considered expense incurred through 1994; the requested AFPI tariffs in this proceeding will not be in effect until January 1997, thus the additional requested amount. (TR 5105-5106)

During cross examination Mr. Bencini was asked to explain a portion of his rebuttal testimony wherein he states that this rate case is the first opportunity that SSU has had to adjust for errors made in the previous cases. When asked who was responsible for the errors he refers to, Mr. Bencini does not actually mention staff, as he does in his rebuttal testimony. (TR 5104, Lines 16-21) Instead, witness Bencini refers staff to witness Kimball's direct testimony to explain the adjustments at issue, as he is not entirely familiar with the composition of the adjustments. (TR 1593-1594) It is staff's interpretation that, at this point, Mr. Bencini simply wants to assert that there were errors made and that they need to be corrected.

As cross examination continued, Mr. Bencini was asked if the utility had requested reconsideration or appeal of the Commission's decisions in the dockets related to this issue. He states that he does not think the utility had done this. Basically, witness Bencini goes on to explain that the utility had been working on proposed adjustments to accumulated depreciation prior to the end of 1994. The utility's support for those adjustments was not ready until this current filing. (TR 5195-5196) While all of this may be true, it is staff's belief that the utility's testimony regarding the length of time involved in reconciling Commission orders to rate base for "x" number of systems is completely irrelevant. It was the utility's responsibility to recognize any non-used and useful adjustments made by the Commission in Docket

No. 920199-WS. Commission Order No. PSC-93-0423-FOF-WS, issued March 22, 1993, page 107, states: "In addition, we have only calculated AFPI charges for those systems for which the utility requested an AFPI charge." By merely reading this portion of the Order, SSU had enough basis on which to file for reconsideration; there were no dollar amounts required to be calculated for the utility to take action.

In its brief, SSU argues that the utility's proposed adjustment would appropriately allow for recovery of depreciation taken on non-used and useful assets and is consistent with the principles of equity and fairness in GTE Florida Inc. v. Clark, 668 So.2d 971 (Fla. 1996). Staff disagrees. In the GTE decision, the Court found that the Commission had made an error on a prior remand decision. The circumstances are completely different in this current case. In the prior SSU cases, no such finding of error was raised by any party; likewise, no sufficient evidence demonstrating errors has been presented in this docket regarding this issue.

Staff has analyzed the facts pertaining to the utility's adjustments and believes that SSU's request is for retroactive treatment of past utility errors. It seems apparent that in prior proceedings where the Commission has deemed certain plant to be less than 100% used and useful, that the utility should have been aware of the outcome. Accordingly, SSU should have sought to address these concerns through a motion for reconsideration. The fact is that SSU had the opportunity to remedy any differences it may have had with Commission adjustments in the prior proceedings to which this current issue relates. In Order No. PSC-95-1376-FOF-WS, issued November 6, 1995, in the application for a rate increase by Ortega Utility Company, the Commission decided on an issue very similar to the one in the instant case, where Ortega had requested an adjustment to restore depreciation for past losses. In that Order, the Commission stated:

> We believe the proposal to restore depreciation produces a "regulatory asset". It is a correction to the company's net plant balance that must be approved by a regulatory body. The suggested adjustment does not qualify as a prior period adjustment: the plant's service life is not being extended, nor does it correct an obvious error.
>
> We believe that the request for authority to reverse depreciation expense that has already been recognized is a request to recover past losses. Granting the request would be a form of retroactive ratemaking because it

seeks to recover past losses, however the utility wishes to define which accounting terms might be affected. Whether that adjustment is titled a correction to accumulated depreciation or a correction to CIAC, the impact is the same, rate base is increased to eliminate a loss that has already been recorded.

Staff recognizes that SSU's adjustment is, indeed, to correct for past errors; however, staff believes that the errors are ratemaking errors. Staff does not believe that the utility's adjustment qualifies as a prior period adjustment, as defined in the Commission's Order above. Staff believes that SSU's request is asking for current customers to pay for past losses or errors, however the adjustment might be defined. The fact that SSU's request relates to non-used and useful assets is irrelevant and the adjustment would still be retroactive ratemaking, as defined above.

Therefore, staff is recommending that the utility's adjustment be disallowed on the premise that it seeks to recover for depreciation taken on non-used and useful plant for which SSU should have requested an AFPI tariff. Staff recommends directly reversing the utility's adjustments to accumulated depreciation for the respective plants. Referring to Exhibit 174, Schedule 14, that of OPC witnesses Larkin/Deronne, column one depicts the amount of SSU's adjustments to each of the respective water and wastewater plants. Staff recommends reversing accumulated depreciation individually on each plant listed, thereby increasing accumulated depreciation in total by $956,915 and $904,261 for water and wastewater, respectively.

ISSUE 47: Are any adjustments necessary to correct accumulated depreciation and amortization of CIAC related to guideline depreciation and amortization rates being booked prior to implementation of service rates?

RECOMMENDATION: Adjustments are necessary to reduce accumulated amortization of CIAC in total by $128,751 and $135,129, for water and wastewater, respectively. (WEBB)

POSITION OF THE PARTIES

SSU: Adjustments to the MFRs are required to reduce accumulated amortization of CIAC by $128,751 and $135,129 for water and wastewater, respectively. Adjustments decreasing accumulated depreciation are already reflected in the MFRs in the amount of $199,086 and $518,176 for water and wastewater, respectively. If any changes are made to the accumulated depreciation adjustments, then corresponding changes must be made to the amortization adjustments as given above.

MARCO ET AL: Adopt Public Counsel's Position.

NASSAU ASSOCIATIONS: SSU should not be permitted to retroactively adjust its books for items it feels it has not fully recovered in rates in the past. Rate base should be reduced by $527,690.

OPC: SSU should not be permitted to retroactively adjust its books for items it feels it has not fully recovered in rates in the past. Rate base should be reduced by $527,690. (Larkin/DeRonne)

STAFF ANALYSIS: Utility witness Kimball discusses this adjustment in her direct testimony. She explains that during analysis of prior MFRs, it was discovered that the 1991 test year depreciation rates used were the average life rates pursuant to Rule 25-30.140, Florida Administrative Code. This is proper treatment in the MFRs; however, it is not proper to reflect such treatment on the company's books until the revenue associated with such expenses can be properly matched. Further, she states that in the case of Docket No. 920199-WS, final rates did not go into effect until September, 1993. The utility's adjustment in the current MFRs restates the accumulated depreciation beginning points to reflect the 2.5% rate for 1991 and continues through August, 1993 for all plants that had not already fallen under Rule 25-30.140, Florida Administrative Code. The adjustment also relates to several of the Deltona plants, reverting back to 1989, and to the MFRs prepared for Docket No. 900329-WS, which was subsequently dismissed by the Commission. Here, the confusion was in the workpaper build-up for

the MFR presentation relating to the 1991 test year, where 1989 rates had not been changed by the utility in keeping with new guideline rates. SSU's net adjustment due to changes in guideline depreciation rates decreases accumulated depreciation by $717,262. The impact on rate base is an increase of $199,086 and $518,176 for water and wastewater, respectively. (TR 1372-1374)

OPC witnesses Larkin/Deronne testify that SSU is attempting to retroactively adjust its books for items it has not fully recovered in rates in the past. Consequently, OPC recommends complete disallowance of SSU's adjustment. OPC's adjustment is referenced in Exhibit 174, Schedule 15, and it removes SSU's adjustment in its entirety, net of any adjustment to non-used and useful accumulated depreciation on Schedule 3 of the same exhibit. (TR 2643-2644)

In rebuttal, Ms. Kimball opposes OPC's recommendation to reverse SSU's adjustment. She states that there is no way the utility recovered new depreciation rates in the past when Docket No. 900329-WS was dismissed and when the rates in Docket No. 920199-WS were not implemented until September, 1993. She argues that although the new rates were used to calculate depreciation in prior MFRs, the accompanying revenues were not in place to recover that expense. Ms. Kimball further contends that the utility's restatement of accumulated depreciation for the Deltona plants for 1989 and 1990 was simply correction of an error. An error based on incorrect depreciation rates that went into Docket No. 900329-WS, which was dismissed. The error continued on, undiscovered, and affected depreciation expense numbers through 1991 in Docket No. 920199-WS. (TR 5039-5041)

Witness Kimball cites Commission Order No. PSC-95-1376-FOF-WS, issued November 6, 1995, related to an application for a rate increase by Ortega Utility Company. In that Order, the Commission reduced the company's reported balances for accumulated depreciation and accumulated amortization of CIAC to reflect the increment of expense associated with guideline rates going into effect before the implementation of increased service rates. In a similar Order No. 20434, issued on December 8, 1988, in a rate application for Orange-Osceola Utilities, the Commission stated that the utility did not correctly implement the depreciation and amortization rates approved under a prior Order No. 17366. The Commission concluded that the rates (depreciation) should have been instituted when the final rates (service) became effective. (TR 5041-5042)

In summary, Ms. Kimball explains that, in making its adjustment, the utility overlooked the related decrease to

accumulated amortization of CIAC. The result of this adjustment equates to an average and year-end decrease to water and wastewater accumulated amortization of CIAC of $128,751 and $135,129, respectively. Witness Kimball's final argument goes to a discussion on the utility's overstatement of CIAC in the MFRs. Ms. Kimball states that while SSU believes that the adjustment to CIAC amortization is appropriate, the utility also believes that known downward adjustments should be offset against known upward adjustments. (TR 5043-5044)

Staff does not agree with OPC's assertion that SSU's adjustment is an attempt at retroactive ratemaking. Retroactive ratemaking would be a utility's attempt to recover past losses from current and future customers, as discussed in Issue 46 with regard to Ortega Utility in Commission Order No. PSC-95-1376-FOF-WS (and referenced above by witness Kimball). We believe that the utility's adjustment is a prior period adjustment which corrects an obvious accounting error. An error like this occurs when increased guideline depreciation rates are put into effect before the implementation of increased service rates. As such, the utility ends up with a mismatching of expenses with revenues. The higher depreciation expense is not actually being recovered, as it is being offset against the lower service rates, causing an inequity for the utility.

Staff agrees with the relevance of the prior Commission orders referenced in Ms. Kimball's rebuttal testimony. Accordingly, staff recommends that the Commission accept the utility's proposed adjustment to decrease accumulated depreciation by $199,086 and $518,176 for the water and wastewater plants, respectively. Also, staff's recommendation is to make the necessary per plant adjustments to CIAC amortization. The cumulative decreases to CIAC amortization total $128,751 for water and $135,129 for wastewater.

On a final note, staff disagrees with Ms. Kimball's discussion on the utility's overstatement of CIAC in the MFRs. Ms. Kimball's discussion relates more to a comparison of projections to actual and is off-point in this issue. It appears that she is suggesting to adjust the test year as an alternative to making an adjustment to accumulated amortization of CIAC. Staff believes that the only relevant point in this issue relates to the correction of an accounting error to which staff is in agreement with the utility.

ISSUE 48: If a margin reserve is approved, should CIAC be imputed on the ERCs included in the margin reserve?

PRIMARY RECOMMENDATION: Yes, for those facilities where a margin reserve is included in the used and useful calculation, CIAC should be imputed as an offsetting measure. It should, however, be limited to the amount of net plant included in the margin reserve. (BINFORD)

ALTERNATIVE RECOMMENDATION: No. Imputation of CIAC on margin reserve offsets any benefits which may accrue as a result of granting a margin reserve thereby negating any incentive the utility may have to economically construct facilities and benefit from economies of scale. Past Commission policy has supported the imputation of CIAC. Recent DEP rule changes, however, have increased the time required to plan, obtain permits, and construct new facilities thereby greatly increasing the period of investment by the utility. Since a margin reserve is included in used and useful calculations, any imputation of CIAC offsets that margin reserve and prevents the utility from earning a return on used and useful facilities. Imputation of CIAC is counterproductive and contrary to prudent engineering decisions. Contrary to past Commission decisions, staff recommends that CIAC not be imputed. (CROUCH)

POSITION OF PARTIES:

SSU: No. The imputation of CIAC on the margin reserve negates the margin reserve and thus is counter to economic construction of facilities, places the public health and environment at risk and results in increased levels of administration and increased costs. The imputation constitutes a taking of utility property prudently constructed and places unjustified and unreasonable risk on the lawful recovery of a shareholder investment as well as a return thereon.

MARCO ET AL: Yes. This has been the practice in the last two Sugarmill Woods rate cases and there are no circumstances warranting a change from this practice. (Hansen)

NASSAU ASSOCIATIONS: Yes.

OPC: Yes.

STAFF ANALYSIS: In its MFRs, the utility did not impute CIAC or service availability charges anticipated to be collected in the future to offset that portion of the plant investment designated as

margin reserve. (TR 2229) SSU witness Gower testified that the inclusion of the margin reserve plant investment in rate base without the offset of anticipated future post-test period collections of service availability charges is the entirely appropriate and correct method of allowing SSU a return on the investors' capital. Mr. Gower further stated that this method would not change the recovery of the capital, only provide the opportunity for a return. (TR 2232)

In Mr. Gower's direct testimony, he stated that the imputation of future anticipated CIAC collections against margin reserve plant investments as done in a number of previous cases, improperly insulated present customers completely from any responsibility whatsoever for return on investor capital which financed the plant. He further testified that this treatment is vividly inconsistent with the Commission's treatment of electric, gas or telephone companies whose plant has the capacity to serve future increases in sales. (TR 2225-2226)

OPC witnesses Larkin and DeRonne stated in their direct testimony that if a margin reserve is included in the used and useful calculations, an amount of CIAC equivalent to the number of ERCs represented by the margin reserve would have to be reflected as a rate base offset to achieve proper matching. They testified that the application of the CIAC that will be collected from these future customers would at least serve to partially offset, or mitigate, the impact on the existing customers resulting from their inappropriately allocated responsibility to pay for plant that will be utilized to serve future customers. (TR 2619)

Sugarmill Woods witness Hansen testified that he sees no reason to change the standard practice of the PSC. If CIAC is not imputed, the existing customers are charged with paying for future growth which is contrary to County Comprehensive Plans in conformance with the Growth Management Act. (TR 3138)

In SSU witness Hartman's rebuttal testimony, he stated that about a decade ago margin reserves were considered not on a formulaic basis but on a case-by-case basis. He stated that imputation of CIAC on the margin reserve basically negates the margin reserve. Because margin reserves are for covering a particular period of time, he testified that imputing the CIAC results in very little benefit from the margin reserve. (TR 760-761)

In Mr. Gower's rebuttal testimony, he stated that new customer connections do not decrease the margin reserve plant investment.

He further stated that as the number of customers increased, it would be likely that the required margin reserve would increase. Mr. Gower testified that when new customers hook up, the plant which was previously considered margin reserve plant is committed to serving existing customers. The margin reserve plant is replaced by a plant which is either under construction or in the account called, "Plant Held for Future Use." Also, he stated that present customers benefit directly when margin reserve plant is available to meet their peak demands which they place on the facility. He testified that present customers also benefit when new customers can be added without degrading the service to the existing customers. (TR 4883-4884)

The resolution of this issue is dependent on the Commission's decision regarding Issue 17. If the Commission decides against a provision for margin reserve, no offset will be made. If, on the other hand, the Commission decides that it is appropriate to make an allowance for margin reserve, it is staff's contention that an offset to margin reserve should be made to account for the anticipated collection of CIAC from future ratepayers.

While the utility believes that imputation of CIAC against margin reserve negates the margin reserve and thus is counter to economic construction of facilities, staff believes it merely recognizes that future customers will hookup to the facility with contributions in hand. Staff is not persuaded by the utility's arguments that the Commission practice of imputing CIAC on margin reserve should be changed. This practice is well established, as evidenced by the decisions in Order 20434 and Order PSC-93-0301-FOF-WS, issued on 12/8/88 and 2/25/93, respectively. Therefore, in those facilities where a margin reserve is recommended and the appropriate CIAC exists, an imputation of CIAC should be made.

ALTERNATIVE STAFF ANALYSIS: As discussed in Issue 17, OPC is opposed to a margin reserve. If a margin reserve is approved by the Commission, then OPC recommends that an amount of CIAC equivalent to the number or ERCs represented by the margin reserve should be offset in the rate base. (TR 2619) SSU argues, on the other hand, that a margin reserve has been justified and approved by the Commission in numerous past rate cases. The record for this case establishes the fact that a margin reserve is required: (1) to achieve lower rates for customers in the short as well as long term; (2) to best protect the public health and safety; and (3) to best protect the environment. (TR 4869) The decision to impute CIAC against the margin reserve simply has the effect of excluding used and useful margin reserve plant from rate base recovery. (TR 3456) Margin reserve is included in used and useful calculations

therefore margin reserve plant is used and useful plant and, as such, the utility should have the opportunity to recover its investment from current customers. (TR 2220) Staff agrees. If margin reserve is approved by the Commission and is included in used and useful calculations, it does not seem logical to turn around and take it away by imputing the potential CIAC which may or may not actually come about.

OPC's witnesses argue that AFPI will make SSU whole, even if CIAC is imputed against the margin reserve. (TR 2619) SSU counters this argument with the fact that margin reserve plant is used and useful plant, therefore it is not included in AFPI calculations. (TR 4912) SSU further argues that since rates were last established in Docket No. 920199-WS, SSU actually received less than 50% of the CIAC collections which the Commission imputed. (TR 2223) Staff believes, however, that the next statement by SSU summarizes the entire imputation question. If the CIAC imputed against the margin reserve does not materialize then the utility has forever lost the opportunity to recover the associated investment in margin reserve plant and a return thereon. (TR 4871-4873)

Commission policy at this time is to impute CIAC from day one, in other words, to assume that as of day one, all the ERC's represented by a margin reserve will come on line and that the utility will collect CIAC from those customers. Staff believes that this position is totally unrealistic. First, the Commission is forcing the utility to gamble that a certain number of customers, represented by the margin reserve capacity to serve, will actually come on-line during the margin reserve period, and second, and more important, the CIAC is imputed from day one instead of being averaged over the life of the margin reserve. Staff agrees with the utility that margin reserve does not suddenly occur only when a rate case is filed. (TR 4867-4868)

Staff is recommending, in Issue 18, that the margin reserve period for construction of wastewater treatment plants be increased from eighteen to thirty-six months due to requirements placed upon the utility by DEP. If this increase is approved then it would also increase the period of CIAC which would be imputed under the current policy. Imputation of CIAC over thirty-six months would force the utility to gamble that all the customers covered by the margin reserve would actually come on-line and the CIAC for the full thirty-six months would be imputed from day one.

Staff recommends, as an alternative position, that CIAC should not be imputed against a margin reserve since to do so would simply

take away, or offset any benefits gained by granting a margin reserve in the first place.

ISSUE 49: Should the Commission impute CIAC associated with assets constructed by Lehigh Corporation?

RECOMMENDATION: No. The Commission should not impute CIAC, as SSU does not have access to the escrow funds which Lehigh Corporation (Lehigh) utilizes to construct utility assets. Furthermore, SSU is not a party to the associated escrow agreements. (WEBB)

POSITION OF THE PARTIES

SSU: No. SSU customers remain unaffected by the Lehigh Corporation escrow account. The states of New York and Michigan, which are charged with the protection of residents in their states who purchase land in Florida, approved the modifications to the escrow provisions and developer agreement.

MARCO ET AL: Adopt Public Counsel's Position.

NASSAU ASSOCIATIONS: Yes. The Commission should impute CIAC in the amount of $769,000.

OPC: Yes. The Commission should impute CIAC in the amount of $769,000.

STAFF ANALYSIS: LAC is the sole stockholder of Lehigh, which is the developer of land owned in Lehigh Acres. TGI owns 100% of the stock of SSU and approximately 80% of the stock of LAC. MP&L owns 100% of the stock of TGI. So, MP&L is in control of the regulated SSU and the nonregulated Lehigh. (TR 2794)

Exhibit 176 is a letter written by Ms. Laura Holquist of Lehigh in December, 1993 which details the company's accounting treatment for $5.2 million held in New York and Michigan escrowed cash accounts. These funds came from residents in New York and Michigan who had purchased lots in Lehigh, Florida as early as 1973. The escrow accounts were established to ensure the availability of money for water and wastewater line installations at the time the lot owner builds on the property. Originally, it was thought that the funds belonged to the lot purchasers; however, research performed in the spring of 1993 by Lehigh's law firm concluded that the funds actually belonged to Lehigh. (EXH 176) Additionally, in Order No. PSC-93-0301-FOF-WS, Issued on February 25, 1993, in the Lehigh Utilities, Inc. (LUI) rate docket, the Commission concluded that LUI was not a party to the escrowed funds and had no access to the funds; therefore, there were no adjustments made to rate base related to the escrow accounts. LUI was subsequently merged into SSU and is now "SSU". (TR 4418)

At the time of this letter, these funds still had not been recorded on the books of Lehigh, even given the above legal opinion which concluded months earlier. Lehigh was undergoing extensive research and analysis regarding the accounting treatment for the escrowed monies. It seems that there was concern over the contingent liability attached to the funds when LAC acquired Lehigh (in 1991) since, at that time, it was believed that the funds belonged to lot purchasers. When it turned out that the funds belonged to Lehigh, there was no longer a question of a contingency being attached to the funds. It was concluded that Lehigh should report the escrowed monies in its financial statements. In fact, Lehigh recorded $5.2 million in restricted cash, offset by a $.7 million contingent future obligation, for a $4.5 million adjustment to net income. The contingent liability relates to Lehigh management's intention to offer credit to New York and Michigan lot purchasers as part of Modified Escrow Agreements with these states, (EXH 176) which is outlined just below.

On March 31, 1994, Lehigh executed Modified Escrow Agreements with the states of New York and Michigan which gave Lehigh access to the escrowed funds. (TR 4418-4420) In turn, Lehigh agreed to grant a credit to each New York and Michigan purchaser based on the balance of the escrowed monies (including interest) at the modified contract date. The credit would be applied to SAC as New York and Michigan lot purchasers hooked up to SSU's water and wastewater plants (at Lehigh Acres). Apparently, Lehigh's access to the escrow funds is restricted such that any funds drawn must be for the construction of major utility assets in the Lehigh Acres development. (EXH 176)

It appears that during the time that the escrow agreements were being modified, Lehigh was also entering into a Modified Developer's Agreement with SSU. The modified agreement provides that Lehigh will construct major utility plant and advance these assets to SSU. In turn, SSU will reimburse Lehigh as customers connect to the plant. Essentially, Lehigh will be selling the facilities to SSU. The developer's agreement allows all advances to become contributed plant to SSU if not used and useful within 10 years. (TR 2791, EXH 176)

In OPC witness Dismukes' prefiled testimony, she thoroughly addresses the information set forth in the escrow letter contained as her Exhibit 176. She points out that as a result of the Modified Escrow Agreements, New York and Michigan customers will no longer earn interest (as of March 31, 1994) on funds that they paid to Lehigh to construct utility assets. She argues her belief that final treatment of the escrowed funds was structured so that the

customers of SSU would receive no benefit; consequently, all benefits would "inure to Minnesota Power's unregulated operations." (TR 2789-2795)

Ms. Dismukes' argument continues that the Commission should investigate just how equitable the treatment of these funds is to the customers of SSU. Ms. Dismukes testifies that MP&L recognized a $4.5 million windfall profit from Lehigh's recording of income related to the escrowed funds. She asserts that as Lehigh constructs assets in Lehigh Acres it will increase the value of the developer's lots. Further, Lehigh is reimbursed by SSU through SAC collected from near term customers, for which the developer has contributed nothing to be rewarded this benefit. With regard to the above, Ms. Dismukes states:

> "This will in turn accrue to the benefit of Minnesota Power in the form of higher profits for land sold by Lehigh Corporation, much of which was brought about by the use of money collected from future customers and assets paid for by near term customers. Normally, the construction of utility lines by developers are contributed to the utility. However, in the instant case, no such contribution is being made. Instead, the money is being advanced by future customers and then the assets are being paid for by near term customers in the form of CIAC." (TR 2795-2796)

Ms. Dismukes' recommendation is that the Commission should impute CIAC on all assets constructed by Lehigh, as each future customer connects to SSU facilities. Ms. Dismukes cites the utility's response to OPC's Interrogatory 241, that for the projected test year ending 1996, SSU will have repaid Lehigh $769,000 for assets constructed by Lehigh. She adds that these assets are used and useful in SSU's rate base. (TR 2796)

In her final argument, Ms. Dismukes states that many of the assets being constructed by Lehigh are non-used and useful (Ms. Dismukes' recommendation with respect to non-used and useful lines constructed by Lehigh is contained in Issue 43). Further, she assumes a scenario in which Lehigh continues to construct water and wastewater treatment facilities to serve additional customers coming on-line. The assumption is that Lehigh will over-build larger facilities with the argument that it is less expensive to do so now, rather than build several smaller plants over time. SSU will then likely contend that it was prudent to build a larger facility because of the economies of scale involved, thus the entire plant should be considered 100% used and useful. Ms.

Dismukes asserts that this is routinely a contention of SSU's and that the Commission often adopts such logic. She states that if this scenario should evolve and the Commission finds the plant to be 100% used and useful, that customers will be penalized by paying for plant that should be non-used and useful; consequently, the entities benefiting would be SSU and Lehigh. Based on payments already made by SSU to Lehigh, as discussed above, Ms. Dismukes' proposed adjustment is to impute CIAC in the amount of $769,000. (TR 2796-2797)

Utility witness Vierima's rebuttal testimony begins by stating that the escrow funds at issue are the same funds reviewed by the Commission in the 1993 LUI rate case. He contends that the Commission found the escrow funds to be unrelated to rate base since LUI was not a party to the agreements and, likewise, did not have access to those monies. Mr. Vierima states that Ms. Dismukes' recommendation regarding the imputation of CIAC does not point out that the assets are already offset in rate base calculations either as refundable advances or, ultimately, as CIAC when SAC are collected from the customer and used to refund the developer. Additionally, he states that any advances which remain unfunded at the end of the recoupment period (10 years) automatically convert to CIAC. (TR 4417-4419)

Mr. Vierima explains the investment cycle as follows:

> "...one where the assets are originally transferred to SSU as non-used and useful property funded by "no cost" developer advances, which are then converted to either in-service assets funded by customer contributions, or remain unused assets funded by developer contributions. At no point are the assets included in rate base without the offsetting no-cost funding, either CIAC or advances." (TR 4419)

Mr. Vierima emphasizes that the New York and Michigan customers are not paying twice for utility extensions. When a New York or Michigan customer connects to assets constructed by Lehigh, a credit will ensue, as provided for in the Modified Escrow Agreements with the respective states (as detailed above). Finally, Mr. Vierima rebuts Ms. Dismukes' Lehigh construction scenario (outlined above). He states that the sizing of plants and the additions to be included in used and useful is something that is thoroughly reviewed by qualified engineering experts in each rate proceeding; therefore, Ms. Dismukes' assertions are irrelevant. (TR 4419-4420, 4422)

In its brief, SSU states that Ms. Dismukes proposed the same adjustment in the LUI rate case and her adjustment was rejected by the Commission. SSU states that there is no basis in the current record to modify the past Commission decision. SSU makes its argument, verbatim, as follows:

> (1) SSU is not a party to the escrow agreement;
> (2) SSU cannot access the funds in the escrow account;
> (3) Facilities constructed by Lehigh Corporation with the escrow monies and which will be transferred to SSU (beginning in 1996) have no rate base impact as they are properly treated as refundable advances such that once a New York or Michigan customer connects and pays the service availability charge, such advances are returned to Lehigh and the SAC paid by the customer is booked as CIAC;
> (4) When a New York or Michigan customer requests service from SSU, the customer is given a credit against the service availability charge in the amount of the customer's individual escrow payment, plus interest, through March 31, 1994; and
> (5) If the Commission imputes CIAC on top of the service availability charge (also CIAC) paid by the customer, as recommended by Ms. Dismukes, there will be a double counting of CIAC (Vierima: T. 4417-21; Dismukes: T. 2853-4, 2858-60).

SSU further addresses what the utility refers to as "Ms. Dismukes' proposed "penalty" of double counting CIAC". SSU states that Ms. Dismukes first contends that by imputing CIAC the customers will be left whole by the escrow agreements. SSU refutes her argument by stating that is has no merit. SSU reiterates that the New York and Michigan residents are reimbursed escrow funds with interest. Also, SSU's contention is that as the installation of facilities and the sale of lots in the future enhance growth, customers will benefit through the economies of scale that ensue. Second, SSU states that Ms. Dismukes attempts to rationalize her argument by advising the Commission that, in the future, CIAC levels could be adjusted to compensate for the double collection of CIAC at the present. SSU believes that this "notion" of Ms. Dismukes' would result in confiscation of the utility's rate base. Further, SSU argues that her recommendation has no basis or precedent in utility ratemaking and, accordingly, should be rejected by the Commission. (SSU Post-hearing Brief)

This very issue was brought forward by OPC in the last LUI rate case docket. Circumstances have not changed at all with

respect to SSU's access to the escrow funds or SSU not being a party to the escrow agreements between Lehigh and the states of Michigan and New York. However, the Commission should be aware that SSU and Lehigh have a developer's agreement whereby utility assets are advanced to SSU, and whereby Lehigh is subsequently reimbursed through customer connection charges. Likewise, staff believes that it is important to understand the relationship of affiliate transactions of a respective utility, especially with regard to affiliate profits which flow through to a parent corporation. In this case, the information presented does illustrate that the business transactions are seemingly less than arm's length in nature; however, the fact remains that, with regard to the escrow agreements with the states of Michigan and New York, SSU is not a party. Also, as stated several times already, SSU does not have access to the escrow funds. Staff also agrees with SSU that such an adjustment would be a penalty on the utility by double counting CIAC. Accordingly, staff agrees with the utility that no basis has been provided in the current record to modify the past Commission decision. Staff, therefore, recommends the Commission make no adjustment to CIAC related to the escrow funds at issue.

ISSUE 50: Should an adjustment be made for non-used and useful offsets to plant capacity fees and line/main extension fees?

RECOMMENDATION: No. No adjustment should be made, except as a fallout to the non-used and useful percentages recommended by staff in relation to these accounts. (WEBB)

POSITION OF THE PARTIES

SSU: No adjustment is appropriate.

MARCO ET AL: Adopt Public Counsel's Position.

NASSAU ASSOCIATIONS: Plant capacity fees and line/main extensions should not be offset by a non-used and useful factor. Rate base should be reduced by $2,315,994.

OPC: Plant capacity fees and line/main extensions should not be offset by a non-used and useful factor. Rate base should be reduced by $2,315,994. (Larkin/DeRonne schedule 10)

STAFF ANALYSIS: OPC witnesses Larkin/DeRonne state that "SSU has applied average non-used and useful percentages on a service area by service area basis to certain of its CIAC classifications, thereby reducing the CIAC offset to rate base, in order to account for the fact that a portion of the assets being supported by the CIAC have been removed from rate base via the non-used and useful calculations." The CIAC classifications affected are plant capacity fees, line/main extensions, contributed lines, and contributed property other than lines. Larkin/Deronne agree that it is proper to offset CIAC associated with contributed lines and contributed property other than lines by a non-used and useful factor. It is appropriate because contributed property which is non-used and useful is removed from rate base; thereby, the portion removed does not earn a return on investment dollars. (TR 2627)

Larkin/Deronne believe that it is not appropriate to apply a non-used and useful factor to plant capacity fees and line/main extension fees. Larkin/Deronne explain that plant capacity fees and line/main extension fees are typically cash provided by a utility's customers. Further, Larkin/Deronne contend that it makes no difference where the funds are invested or if the funds actually go into plant that is non-used and useful; the entire amount of money received by the utility remains a cost free source of capital. Larkin/Deronne further state that unless the utility is reimbursing a portion of cash contributions to its customers for CIAC which may relate to non-used and useful assets, the customers

should receive the benefit of their contribution by a complete offset to rate base. Schedule 10 of Exhibit 174 details Larkin/Deronne's recommended adjustment to decrease rate base by $2,315,994 to remove SSU's inappropriate non-used and useful offsets to plant capacity fees and line/main extension fees. (TR 2627-2628)

In rebuttal, SSU witness Kimball states that Larkin/Deronne are assuming that the plant capacity fees and line/main extension fees represent cash provided by utility customers. Witness Kimball also states that Larkin/Deronne are assuming that SSU applied the non-used and useful percentages to CIAC in all service areas. Ms. Kimball contends that the only plants that have had non-used and useful applied to plant capacity fees and line/main extension fees are Burnt Store, Deep Creek, and Sugar Mill Woods. These plants are referred to as the PGI plants because they were acquired from Punta Gorda Isles, Inc. (TR 5036-5037)

Ms. Kimball explains that SSU applied a non-used and useful percentage to these two categories of CIAC for the PGI plants because non-used and useful existed at the time SSU acquired the plants. She asserts that the non-used and useful assets were funded by prepaid CIAC advanced by the developer (1986/1987) in order to avoid the federal tax on CIAC, which was about to be passed into law. Ms. Kimball argues that (1) SSU never acquired the cash, as it was spent to build lines prior to SSU ownership. (2) Prepaid CIAC should be fully offset against the non-used and useful assets. (3) SSU's treatment of prepaid CIAC is consistent with the last rate case Docket No. 920199-WS for Burnt Store and Sugar Mill Woods, and the last rate case before Charlotte County for Deep Creek. (TR 5037-5038)

Ms. Kimball explains that the non-used and useful percentage that was applied to the CIAC dollars is the same percentage developed for the related plant in service non-used and useful calculations and can be found on page 7 of the A-5(W) and A-6(S) PIS schedules. In summary, the utility asserts that there should be no adjustment to remove the non-used and useful CIAC related to prepaids; accordingly, there should be no related adjustments to accumulated amortization of CIAC. (TR 5039)

Staff agrees with Ms. Kimball's argument that prepaid CIAC should be fully offset against non-used and useful assets. The argument made by Larkin/Deronne with regard to plant capacity fees and line/main extension fees typically being cash provided by customers is not valid or supported by the record. In the instant case, the prepaid CIAC is not funded by the customers, it is funded

by the developer, per witness Kimball's testimony. Staff also agrees that SSU's treatment in the instant case is consistent with that followed in Docket No. 920199-WS. Staff believes that Ms. Kimball's point that SSU never acquired the cash because it was spent prior to SSU's ownership in the PGI plants is irrelevant, as this would have been taken into consideration in the acquisition adjustment. Accordingly, staff recommends that no adjustment be made for non-used and useful offsets to plant capacity fees or line/main extension fees, except as a fallout to other staff recommended adjustments.

ISSUE 51: Should CIAC be increased to reflect cost share funds for the Marco Island ASR project?

RECOMMENDATION: Yes. The Commission should increase CIAC by $225,100, the same amount that the utility included in project costs for the 1996 test year. (WEBB)

POSITION OF THE PARTIES

SSU: No.

MARCO ET AL: Adopt Public Counsel's Position.

NASSAU ASSOCIATIONS: Yes. The Commission should increase CIAC by $225,100.

OPC: Yes. The Commission should increase CIAC by $225,100.

STAFF ANALYSIS: As OPC witness Dismukes explains in her testimony, this issue concerns $225,100 associated with a cooperative funding agreement between SSU and the Big Cypress Basin Board for partial funding of the Marco Island ASR project. (TR 2778) Ms. Dismukes states that the utility's response to OPC's Interrogatory 202 concluded that the contributed funds were not included in SSU's proposed test year rate base; however, the cost of the project was included. Ms. Dismukes recommends an adjustment to increase CIAC by $225,100, thus reducing SSU's rate base. (TR 2778)

In rebuttal, utility witness Bencini agrees with OPC's proposed adjustment, to the extent that related 1995 project costs are included in rate base. (TR 5123) SSU's argument in the post-hearing brief clarifies the utility's position. SSU states that actual total project costs through 1995 have increased beyond the cost projected in the MFRs. Further, SSU believes that the proposed adjustment to CIAC, without an adjustment to the utility's plant for increased costs, would be inequitable and should be rejected by the Commission. (SSU Post-hearing Brief)

Both Ms. Dismukes and Mr. Bencini agree that the utility received contributions to fund plant additions, and that these additions have been made. Both parties also agree that the cost of the ASR project was included in the MFRs for the test year; however, SSU failed to include the appropriate off-set to CIAC. Staff does not believe that any increased project costs not included in the company's projected test year should be included in rate base as a condition to making OPC's proposed adjustment. Staff believes that to deviate from what the utility requested in

its projected test year would be inconsistent with the evidence presented in the record. Accordingly, staff recommends that an adjustment be made to increase CIAC in the amount of the cost share funds received, $225,100.

ISSUE 52: STIPULATION.

ISSUE 53: Should the Commission recognize any negative acquisition adjustment in rate base for facilities purchased at less than book value?

RECOMMENDATION: No. No adjustments are necessary. The acquisition adjustment issue for all of SSU facilities has previously been addressed by the Commission in other proceedings. No new evidence has been presented in this case which shows that the Commission erred in those proceedings and those decisions should not be re-addressed. Even if the issue were to be re-addressed, staff does not believe that negative acquisition adjustments are appropriate based on the Commission's current acquisition policy. The Lehigh and Deltona transactions were sales of stock not assets, thus no acquisition adjustment is warranted. (KAPROTH)

POSITION OF PARTIES

SSU: No. No negative acquisition adjustment is appropriate for several reasons: (1) the Deltona Utilities, Inc., United Florida Utilities Corporation and Lehigh Utilities, Inc. transfers were stock transfers, therefore, no acquisition adjustment should apply; (2) OPC failed to establish that the acquisition costs for Deltona and Lehigh were below net book value; (3) no extraordinary circumstances have been presented by OPC to meet the Commission's long-standing policy; and (4) OPC seeks a windfall to customers since customers pay no more and no less in rates whether or not the transfer occurs. Purchases by SSU below net book value often result because SSU pays only for used and useful assets. OPC seeks a double penalty by first having the Commission apply a negative acquisition adjustment and then, second, having the Commission apply its non-used and useful policy to the remaining assets. For instance, SSU purchases a utility with assets with a net book value of $100. SSU has determined that only $50 or 50%, of the assets are used and useful so SSU pays only $50. OPC proposes that the Commission apply a negative acquisition adjustment to reduce the investment upon which SSU can earn a return to $50. Then, OPC proposes that the Commission apply its non-used and useful adjustment of 50% so that SSU would earn a return on only $25. This result would be confiscatory and unconscionable.

MARCO ET AL: Adopts OPC's position

NASSAU ASSOCIATIONS: Adopts OPC's position

OPC: Yes. The Commission should recognize negative acquisition adjustments so that the company receives a return only on its actual investment. Rate base should be reduced by $13,060,124 along with corresponding adjustments to accumulated amortization and amortization expense.

STAFF ANALYSIS: OPC witness Larkin testified that an acquisition adjustment represents the difference between the purchase price paid, including acquisitions related costs, and the rate base determined as of the date of the transfer. He testified that the NARUC Uniform System of Accounts (USOA) for water utilities contains the following specifications for acquisition adjustments: (TR 2645-2647)

A. This account shall include the difference between (a) the cost to the accounting utility of utility plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and (b) the original cost, estimated, if not known, of such property, less the amount or amounts credited by the accounting utility at the time of acquisition to accumulated depreciation, accumulated amortization and contributions in aid of construction with respect to such property.

B. This account shall be subdivided so as to show the amounts included herein for each property acquisition and the amounts applicable to each utility department and to utility plant in service and utility plant leased to others....

C. The amounts recorded in this account with respect to each property acquisition shall be amortized, or otherwise disposed of, as the Commission may approve or direct.

Mr. Larkin stated that the Commission's policy on acquisition adjustments, as outlined in Order No. 23024, issued on June 4, 1990, has been that absent any extraordinary circumstances, a subsequent purchase of a utility facility at a premium or discount does not affect the rate base calculation. Further, it appears that in instances where an acquisition adjustment exists, the Commission also gives consideration to whether the utility has requested rate base inclusion of the acquisition adjustment. Order No. 23024 was issued in Docket No. 891321-WU involving the transfer of assets from Gospel Island Estates to SSU. (TR 2646)

The Commission has approved acquisition adjustments for twelve of SSU's water facilities and six of SSU's wastewater facilities, resulting in net negative acquisition adjustments of ($64,578) for FPSC regulated water facilities, and ($519,787) for FPSC regulated wastewater facilities. (TR 2647) On cross examination, however, Ms. DeRonne stated that SSU recorded, in its filing, approved net negative acquisition adjustments of $331,000 for the FPSC facilities. Both Mr. Larkin and Ms. DeRonne agreed that $551,000 was the total company negative acquisition adjustment at the end of 1995. The MFRs reflect total net negative acquisition adjustments of $37,052 and $294,232 for water and wastewater, respectively. (TR 2669-2670) (EXH 67)

Mr. Larkin testified that all of the negative acquisition adjustments recorded on SSU's books should be reflected in its filing. (TR 2647) On a facility by facility basis, Mr. Larkin showed SSU's total negative acquisition adjustments to be $13,060,124 (EXH 174, Schedule 17). The schedule included previously approved acquisition adjustments and Mr. Larkin's proposed acquisition adjustments to the Lehigh and Deltona facilities. He stated that he disagreed with SSU's calculation of acquisition adjustments for those two purchases. The amortization of the additional acquisition adjustments would reflect an increase to accumulated amortization of $2,240,626 and amortization expense of $327,051. (TR 2652-2651)

According to Mr. Larkin, the negative acquisition adjustments should be recognized in the determination of rate base for the following reasons. First, SSU chose to invest in these facilities. Second, in an arms-length transaction, SSU was able to purchase these facilities at a price below depreciated original book cost. According to Mr. Larkin, this suggested that the true value of the assets acquired was less than the net book value. Third, the investors will earn an overall rate of return on assets which are not supported by their actual investment. Mr. Larkin explained that the ratepayers would be required to pay both a return and depreciation expense on an investment that SSU did not fund. Fourth, the large level of increases requested by SSU justify the consideration of inclusion of the acquisition adjustments. (TR 2648-2649)

Mr. Larkin further explained that utility assets generally sell for less than depreciated value for one of two reasons. The first reason was that the assets deteriorated through normal wear and tear at a rate greater than indicated on the books. The other reason was that the assets were not properly maintained or

installed because the original owner was interested in keeping the rates low in order to sell lots. (TR 2650)

Because the assets were not properly maintained in the past, Mr. Larkin testified that the current ratepayers are forced to make up for the lack of maintenance by paying a rate of return and depreciation on deteriorated assets. Mr. Larkin further testified that he did not believe that changing the acquisition policy to include the negative acquisition adjustments in rate base would discourage necessary improvements and repairs. The utility has an opportunity to file for increase revenues based on plant improvements and increased cost of service. (TR 2650-2651)

Based in part on the potential for future abuse by assets being artificially written up through utility transfers, Mr. Larkin testified that the Commission's positive acquisition policy should not be changed except where there are extraordinary circumstances. (TR 2651) On cross examination, Mr. Larkin stated that the ratepayers are entitled to the premium paid for the utility when those assets are sold. Further, a premium paid on non-utility assets should not increase the value of the utility and the cost of service should be based on the original cost of the plant when dedicated to service. (TR 2671-2674, 2677)

Mr. Larkin proposed a negative acquisition adjustment for Lehigh's rate base because SSU/TGI purchased $99 million in LAC's assets for $40 million. (TR 2653) This resulted in a potential negative acquisition adjustment of $59 million or approximately a 60% discount. In Lehigh's last rate case, Docket No. 911188-WS, SSU took the position that the 60% discount related only to non-utility assets. Mr. Larkin recommended that the discount in purchase price be applied to Lehigh's utility assets based on the percentage of LUI assets to total assets purchased. As shown on his schedule 17, page 2, LUI assets reflected 6.567% of the total assets at the time of the purchase. Multiplying the $59 million total purchase acquisition adjustment time the 6.567% attributed to LUI's assets, Mr. Larkin calculated a $3,873,763 negative acquisition adjustment to LUI's rate base. (TR 2653-2654, EXH 174, Schedule 17, page 2 of 3)

Mr. Larkin further testified that there should be a $7,571,712 negative acquisition to Deltona's rate base. (TR 2654-2655, EXH 174, Schedule 17). This acquisition adjustment was based on the purchase price of $40,305,000. He then removed $11,305,000 in non-cash outlays and organization costs, and $7 million related to a lawsuit settlement. Since the acquisition consisted of a stock purchase, SSU assumed $30 million in debt. Mr. Larkin then added

this to reflect a net purchase price of $52 million. The total assets at the time of purchase were $59,571,172 which resulted in a potential acquisition adjustment of $7,571,712. (EXH 174)

On cross examination, Mr. Larkin admitted that the unpaid dividends on the Series A stock from 1985 through 1989 exceeded the proposed negative acquisition adjustment. He also agreed that Deltona was required to pay the dividends on the Series A stock issued in 1995. Both Mr. Larkin and Ms. DeRonne agreed that the accumulated dividends would exceed the negative acquisition adjustment. (TR 2678-2679)

In her second supplemental testimony, OPC witness K. Dismukes stated that the reasons why LUI's purchase price was not discounted 60% was unclear. She stated that TGI hired Raymond James & Associates, Inc. (RJA) to check the reasonableness of the allocation for the 60% discount only to the non-utility functions. (TR 2801) The purpose of the RJA report was to determine the reasonableness of the purchase price allocation between Lehigh Corporation and Subsidiaries and LUI. The report focused on two major issues: is it reasonable to allocate the majority of the purchase price discount to the non-utility businesses and assets; and what is the fair market value of LUI if it were to be sold to an unrelated buyer. The analysis was based on the review of recent comparable utility purchases, relevant comparable valuations of other publicly traded companies, and other traditional utility company valuation benchmarks. (EXH 177, pg 3 of 17)

Ms. Dismukes added that the RJA report endorsed the allocation of the 60% discount to the non-utility functions and not LUI because MP&L agreed that it would have purchased LUI at book value and that there were numerous uncertainties and contingencies associated with the non-utility assets of LAC. (EXH 177, TR 2800-2801) As a result, Ms. Dismukes testified that the discount was associated with the non-utility operations in Docket No. 911188-WS. (TR 2801-2803)

Ms. Dismukes testified that the actual fair market value of the non-utility assets was $96 million instead of the discounted $34 million as originally argued by SSU. She explained that the 1992 income tax returns of TGI included the TGI financial statements and accompanying notes. Specifically, Note 5 stated that the actual fair value of the net assets acquired by LAC exceeded the purchase price by $62 million. This $62 million above purchase price was assigned to various assets such as receivables, land and land improvements. During 1992, TGI/MP&L recognized $7 million of this $62 million bargain purchase amount and will

continue to recognize the $7 million per year until the amount is amortized. (EXH 177) (TR 2803-2804)

In addition, Ms. Dismukes discovered a draft of a due diligence study which compared the purchase price of Lakeside Golf, Inc. to LUI. The draft showed that the Lakeside Golf purchase price was .41 times book value while the LUI purchase price was .45 times book value. (TR 2805-2806) Even though the final report had the reference to Lehigh removed, Ms. Dismukes contended that the Company showed that Lehigh was purchased at 45% of book value, not the 100% of book value alleged in Docket No. 911188-WS. (TR 2877)

Ms. Dismukes concluded that the support for the Commission's decision in Docket No. 911188-WS was either factually inaccurate, or the facts changed dramatically at about the time the decision was made in that docket. The differences between the facts as stated in Docket No. 911188-WS and what the actual fair market value of the non-utility assets were was substantial and extraordinary. As such, she believed that the Commission should reevaluate the issue of a negative acquisition adjustment for LUI. The facts today do not support the allocation of the full discount of the purchase price to the book value of the non-utility assets. Therefore, Ms. Dismukes supported Mr. Larkin's and Ms. DeRonne's $3,873,763 negative acquisition adjustment to Lehigh's rate base. (EXH 177, Schedule 3) (TR 2805-2806)

On cross examination, Ms. Dismukes testified that the Resolution Trust Corporation could have sold the real estate assets to others for more than the purchase price to MP&L. Ms. Dismukes then clarified her statement to admit that she did not know the exact details of the transaction, but she believed the transaction was a distress sale. She was unsure whether LAC, subsequent to the purchase, had added any assets which might have raised the value of the net assets, but Ms. Dismukes stated that if so, such additions would have been irrelevant. (TR 2875-2876)

Ms. Dismukes also acknowledged that the Commission's decision not to make an acquisition adjustment was because the purchase of Lehigh was a stock transfer. She further agreed that the Commission has consistently not made acquisition adjustments when there was a stock transfer in the purchase of the utility. (TR 2865-2867)

Utility witness Vierima stated that SSU agreed with the current Commission policy established in Order No. 25729, issued on February 17, 1992. He believed that an acquisition policy should provide a needed incentive for larger, qualified utilities to

purchase assets from less efficient and less capable owners. Mr. Vierima also believed that the acquiring company and the customers should not be adversely affected by the numerous factors that could produce a purchase price discount or premium in an arms-length transaction. (TR 4391-4392)

Mr. Vierima pointed out that Mr. Larkin agreed that the SSU acquisitions were arms-length transactions. He pointed out that in Order No. PSC-93-0423-FOF-WS (issued on March 23, 1993 in Docket No. 920199-WS), that there were no extraordinary circumstances to support a further negative acquisition adjustment to rate base. (TR 4393)

Mr. Vierima disagreed with Mr. Larkin's testimony that a large revenue requirement should justify the consideration of including a negative acquisition adjustment. If that was true, then a nominal rate increase should suggest justification for a positive acquisition adjustment. Mr. Vierima also disagreed with Mr. Larkin's theory that poor maintenance of a utility would justify a negative acquisition adjustment. Inefficient operating and maintenance practices could also lead to increased service costs and poor customer service, as well as economic or environmental conditions. Mr. Vierima stated that none of OPC's witnesses identified any facts showing that any of utilities that SSU purchased had negative acquisition adjustments because of these points. Further, a negative acquisition adjustment would discourage the acquisition of utilities by larger utilities capable of providing quality water and wastewater service. (TR 4395-4398)

Mr. Vierima testified that when larger utilities acquire smaller utilities, the following have been generally recognized: improved service, ability to attract capital at a lower cost, professional and experienced managerial, financial, technical and operational resources, and the ability to make improvements so that the utility is in compliance with regulatory requirements. (TR 4398) He stated that the New York Public Service Commission (NYPSC) had an investigation into Acquisition Incentive Mechanisms for the acquisition of small utilities by larger utilities. This investigation was followed by NYPSC's Statement of Policy on Acquisition Incentive Mechanisms For Small Water Companies, issued on August 8, 1994. (TR 4401, EXH 212) The reason for the investigation was to develop policy to consolidate small water companies through acquisitions and mergers. (EXH 212, page 18 of 24)

Prior to issuing this order, the NYPSC had a policy of not allowing positive and imposing negative acquisition adjustments.

While the former policy was designed to protect the ratepayers from excessive charges, it had the effect of acting as a significant disincentive to small water company acquisitions. (EXH 212, page 7 of 24) Mr. Vierima testified that such a policy of not approving positive and requiring negative acquisition adjustments would have a significantly adverse impact on SSU's prospective acquisitions too. There are a number of opportunities available to SSU and similarly situated utilities, both inside and outside of Florida, which offer SSU and its customers growth and benefits from such acquisitions. To impose negative acquisition adjustments would not promote regionalization or privatization of small utilities. Consequently, such a change in the acquisition policy would make Florida's water services environment a poor contrast to the other states relating to public benefit from ownership transfers. (TR 4401-4404)

Mr. Vierima testified that SSU is not receiving a windfall of money because the negative acquisition adjustments are not made. Each time SSU purchases a plant, the risks increase to SSU. The tightening water quality standards makes compliance more demanding and costly, adding the possibility of fines. The increased costs, and also the increased risk, must be borne by the stockholders until rate relief is obtained. (TR 4404-4405)

Mr. Vierima disagreed that a negative acquisition adjustment should be applied to Deltona because the removal of non-cash outlays from the purchase price was not appropriate. He explained that the value of the original investment, plus the liability of Deltona Corporation for accrued dividends payable at the time of stock conversion, was called the exchange value. The exchange value, along with the $7 million settlement payment and the assumption of $30 million in utility debt made up the underlying purchase price. The non-cash accrued dividends represented the time value of money for the four-year period prior to purchase. He stated that the transaction could have been structured for Deltona to have paid the dividends to Topeka at closing and then Topeka would have used the money to buy the utility stock, but the end result would have been the same. (TR 4411-4413)

Mr. Vierima further disagreed with the removal of the $7 million settlement payment from the purchase price. When TGI exercised its conversion rights, the purchase was challenged by the Deltona Corporation. In dispute were a number of issues including intercompany obligations, real estate needed for future utility expansion, and continuing line extension responsibilities relative to outstanding lot sales contracts. The settlement agreement required the payment of $7 million as additional compensation for

the utility purchase, including the real estate received by the utility from the purchase. After including the accrued dividends and the settlement payment in the purchase price, there would be no negative acquisition adjustment. Regardless, Mr. Vierima added that since Deltona was acquired through a stock transfer, no acquisition adjustment would be appropriate. (TR 4411-4413)

In opposing a negative acquisition adjustment for LUI, Mr. Vierima noted that Mr. Larkin had provided no evidence to support his presumption that all assets acquired in the purchase would command identical discounts or premiums, if purchased separately. Mr. Larkin's proposed negative acquisition adjustment methodology relied on the premise that all assets should have had identical adjustments. (TR 4409)

Mr. Vierima testified that, based on the following facts, the discount should not have been allocated evenly: an outside investment bank opinion was provided to the contrary; in Docket No. 911188-WS the issue was thoroughly reviewed and no acquisition adjustment was made; the assets involved are from two totally different industries; the Commission's consistent acquisition adjustment policy is to value assets at original cost; the acquisition of Lehigh was a stock transfer; no new evidence has been offered to say that the facts have changed. Mr. Vierima questioned whether the Commission would be addressing this issue if Lehigh was purchased at a premium. (TR 4408-4410)

Lastly, Mr. Vierima stated that the Commission found that both the Lehigh and the Deltona acquisitions were in the public interest. Also, the Commission found that both acquisitions included certain amounts of non-used and useful assets and to the extent that these are funded by cost of capital, the cost of these non-used & useful assets can be viewed as further premiums paid by TGI for the utilities. Therefore, a negative acquisition adjustment for the above reasons would be a double hit because then there would be a non-used and useful adjustment. (TR 4413)

OPC believes that the acquisition adjustment policy needs to be looked at on a comprehensive basis. In its brief, OPC stated that this is the perfect opportunity for the Commission to address the issue of negative acquisition adjustments for SSU. Staff disagrees. We believe that the Commission has already taken the opportunity to address its acquisition policy through an investigation which resulted in Order No. 25729, issued on February 17, 1992. It states on page 1 that:

> Our policy on acquisition adjustments since approximately 1983 has been that absent extraordinary circumstances, the purchase of a utility system at a premium or discount shall not affect rate base. The purpose of this policy, as stated in PAA Order No. 23376, has been to create an incentive for larger utilities to acquire small, troubled utilities. We believe that this policy has done exactly what it was designed to do. Since its implementation, many small utilities, have in fact been acquired by larger utilities, and we have changed rate base in only a few cases.
>
> On page 3 of Order No. 25729 the Commission found that:
>
> This Commission has consistently interpreted the "investment of the utility" as contained in Section 367.081(2)(a), Florida Statutes, to be the original cost of the property when first dedicated to public service, not only in the context of acquisition adjustments, but elsewhere as well. In our current policy on acquisition adjustments, we do not deviate from this interpretation, nor do we exceed our statutory authority...
>
> We still believe that our current policy provides a much needed incentive for acquisitions. The buyer earns a return on not just the purchase price but the entire rate base of the acquired utility. The buyer also receives the benefit of depreciation on the full rate base. Without these benefits, large utilities would have no incentive to look for and acquire small, troubled systems. The customers of the acquired utility are not harmed by this policy because, generally, upon acquisition, rate base has not changed, so rates have not changed. Indeed, we think the customers receive benefits which amount to a better quality of service at a reasonable rate.

As stated in Order No. 25792, the FPSC's current acquisition policy has been an incentive for larger utilities to purchase smaller troubled utilities. Whereas, the NYPSC's acquisition policy, of not allowing positive and imposing negative acquisition adjustments, had the effect of acting as a significant disincentive to small water company acquisitions. (EXH 212, page 7 of 24)

Further, the issue of negative or positive acquisition adjustments for all of SSU's facilities has previously been addressed by the Commission in other proceedings. Therefore, staff

does not believe that, with respect to either the Lehigh or the Deltona purchases, circumstances have changed sufficient to warrant the Commission making a change in this docket.

In Docket No. 911188-WS, the Commission reviewed the issue of a negative acquisition adjustment for LUI for the second and third times. The first time was in the transfer docket in Order No. 25391, issued on November 25, 1991. Order No. PSC-93-1023-FOF-WS, issued on July 12, 1993, described in detail the procedures on reconsideration that the Commission undertook to make sure that its decision should be maintained.

Ms. Dismukes argument that the Commission's decision in the Lehigh rate case was factually inaccurate or that the facts have dramatically changed is not convincing. What was substantial and extraordinary to Ms. Dismukes was that the fair market value of the non-utility assets was not what the utility purported it to be at the time of the Commission's decision. However, the record reflects that the RJA report shows that SSU's utility assets should not be discounted by 60%. (EXH 177) Regardless of the reason why the change occurred, staff does not believe that the fair market value of non-utility assets is relevant to the decision of making an acquisition adjustment.

Even if a write-down of utility assets were to occur, the point remains that the Commission has a policy to not recognize negative acquisition adjustments unless extraordinary circumstances exist at the time of transfer. Even a possible showing that LUI's assets were purchased at 45% of book value does not show that extraordinary conditions exist, or that changes have occurred that the Commission erred in not recognizing extraordinary circumstances in its prior decisions.

With respect to the Deltona sale, staff is in agreement with the utility's position on the purchase price. Mr. Vierima's argument that the purchase price should not be reduced by the non-cash items has merit. The dividends payable were real obligations that either had to be adjusted in the purchase price or paid after the sale. Also, the $7 million settlement was a real cost which had to be paid before the sale could be completed. To disallow non-cash items in the determination of purchase price appears illogical. To force an unnecessary cash transaction would most likely increase the ultimate cost for both buyer and seller for no gain. Further, Mr. Larkin agreed that if the dividends payable were added to Mr. Larkin's calculation of purchase price, no negative acquisition would result. Accordingly, staff believes that the utility's calculation of the purchase price should be

accepted, resulting in no negative acquisition adjustment if one were to be calculated.

In conclusion, staff recommends that no adjustment is necessary. The acquisition adjustment issue for all of SSU facilities has previously been addressed by the Commission in other proceedings. No new evidence has been presented in this case which shows that the Commission erred in those proceedings and those decisions should not be reconsidered. Even if the issue were to be re-addressed, staff does not believe that negative acquisition adjustments are appropriate based on the Commission's current acquisition policy. The Lehigh and Deltona transactions were sales of stock not assets, thus no acquisition adjustment is warranted.

ISSUE 54: STIPULATION.

ISSUE 55: MOVED TO ISSUE 86(a).

ISSUE 56: Are any adjustments necessary to SSU's projected balance in the Preliminary Survey and Investigations (PS&I) account?

RECOMMENDATION: Yes. An adjustment should be made to reduce total company working capital by $1,849,076. (CLARK)

POSITION OF THE PARTIES

SSU: No. The MFRs only reflect the 1995 budget for PS&Is and no projection for additional 1996 spending was included. As such, any spending variance from budget in 1995 relating to PS&Is should be offset by the 1996 actual PS&I spending.

MARCO ET AL: Yes. An adjustment should be made to reduce total company working capital by $1,849,076.

NASSAU ASSOCIATIONS: Yes. According to Staff's Audit Disclosure No. 14, an adjustment should be made to reduce the 1996 projected amount by $1,849,076 due to the wide variance between actual and projected amounts as of September 30, 1995.

OPC: Yes. An adjustment should be made to reduce total company working capital by $1,849,076.

STAFF ANALYSIS: SSU's total company working capital allowance includes a component for Preliminary Survey and Investigation (PS&I) charges. The 13-month average balance of this component is $2,737,272 for the projected test year ending December 31, 1996. (EXH 67, Vol. III, Books 1 & 2, Schedule A-17)

In staff's Audit Disclosure No. 14, staff witness Winston indicated that the utility used internal projections to determine the 1995 balance of $2,737,272, with no additional amounts projected for the 1996 test year. Using the most recent data available at the time of the audit, the staff auditor performed a comparison of the actual and projected amounts for the 13-month average balance as of September, 1995. (EXH 191, pp. 17) This comparison revealed a variance of $1,849,076 between the actual and projected balances. (TR 3224, EXH 191, pp. 17) Mr. Winston concluded that this significant variance indicates an error in the utility's projection. (TR 3224) Further, Mr. Winston testified

that the utility's supporting documentation was internally generated with no outside verification. Based on the audit analysis, Mr. Winston recommended that the utility's 1996 working capital allowance should be reduced by $1,849,076. (TR 3224, EXH 191, pp. 17)

The utility did not provide any testimony on this issue, nor did it present any evidence at the hearing. However, in its brief, SSU pointed out that the MFRs only reflect the budgeted amounts of PS&Is for 1995, with no additional projected amount for spending in 1996. Based on this, the utility argued that any variance in the 1995 balance for PS&Is should be offset by the actual 1996 spending for PS&Is.

Although OPC did not address this issue in its brief, its position on this issue has been adopted from the Prehearing Order, Order No. PSC-96-0549-PHO-WS. OPC's position concurs with Mr. Winston's recommendation that SSU's total company working capital should be reduced by $1,849,076. Likewise, the briefs of Marco et al and Nassau Associations state similar positions on this issue.

Although SSU's argument may sound logical, the utility has provided no evidence to support the level of PS&I spending during 1996, if any, as well as any updated projections for the test year. Additionally, considering the wide variance in PS&I spending reported by the staff auditor as of September, 1995, the utility has provided no assurance that the 1996 spending level will meet or even come close to the level projected in the MFRs. The utility had ample opportunity to respond to the staff audit disclosure, but instead chose to disregard this issue. Since there is no indication in the record of what the 1996 PS&I spending level might be, and no verification of the projections from any outside sources, staff believes that it would be inappropriate to assume that it is equal to the variance reported by witness Winston. Based on the above, staff recommends that the 1996 total company working capital allowance should be reduced by $1,849,076.

ISSUE 57: DROPPED.

ISSUE 58: What adjustments are necessary to reflect reduced costs associated with the Keystone Heights aquifer performance test?

RECOMMENDATION: Total company working capital should be reduced by $43,454. In addition, a corresponding adjustment should be made to reduce amortization expense for Keystone Heights by $1,990. (CLARK)

POSITION OF THE PARTIES

SSU: 1996 test year expense should be reduced by $1,073.

MARCO ET AL: Total company working capital should be reduced by $43,454. In addition, a corresponding adjustment should be made to reduce amortization expense for Keystone Heights by $1,990.

NASSAU ASSOCIATIONS: The $75,000 budgeted for the aquifer performance test should be reduced to reflect the revised cost of $24,300. Therefore, an adjustment should be made to reduce working capital by $43,454 to reflect the 13-month average balance as of December 31, 1996. A corresponding adjustment should also be made to reduce amortization expense by $1,990.

OPC: Total company working capital should be reduced by $43,454. In addition, a corresponding adjustment should be made to reduce amortization expense for Keystone Heights by $1,990.

STAFF ANALYSIS: The utility included $75,000 in its 1995 budget for the cost of aquifer performance testing (APT) at Keystone Heights. (EXH 76) These costs were recorded in Account No. 186.2 - Other Deferred Debits, which is included as a component of SSU's total company working capital calculation. (EXH 67, Vol. III, Books 1 & 2, Schedule A-17, EXH 76) This testing was required by the SJRWMD in order to evaluate the ability of the Floridian aquifer to adequately supply the Keystone Heights service area. The testing also evaluated the potential for adverse impacts on the water resource. (EXH 76) At the hearing, utility witness Denny indicated that the original budget amount of $75,000 was subsequently reduced to $24,300 as a result of a change in the scope of tests to be performed. (TR 416-417, EXH 76)

OPC witness K. Dismukes testified that test year expenses should be reduced by $3,214, based on a seven year amortization period, to reflect the reduced cost estimate related to the APT

test. (TR 2774-2775, EXH 175, Schedule 34) Ms. Dismukes' expense adjustment reflects a reduced budgeted cost of $30,000, based on SSU's budget variance comparison for the month of June 1995. (TR 2774, EXH 175, Schedule 34) However, on cross examination, Ms. Dismukes agreed that if a more recent update were available for the cost of the APT test, the revised estimate should be used to calculate the appropriate adjustment. (TR 2880) Since the project will be amortized, Ms. Dismukes further agreed that in addition to an adjustment to expenses, it would also be appropriate to adjust total company working capital to reflect the revised unamortized balance. (TR 2774, 2879-2880)

In response to Ms. Dismukes' adjustment, SSU witness Bencini testified that it would be appropriate to make an adjustment, and he agreed with the monthly amortization amount of $357 calculated by Ms. Dismukes. (TR 5113-5114, EXH 175, Schedule 34) However, he disagreed with the total expense reduction calculated by Ms. Dismukes. (TR 5113-5114) Mr. Bencini stated that Ms. Dismukes' adjustment of $3,214, only reflects six months of test year amortization expense. The six-month period Ms. Dismukes used to formulate her adjustment was the amortization expense included in the 1995 budget. (TR 5113, EXH 175, Schedule 34) Mr. Bencini testified that since the projected 1996 test year was prepared by using the 1995 budget increased by the 1.95% escalation factor, without adjustments to annualize partial year expenses, the amortization expense for the APT test should be annualized to reflect twelve months of amortization expense in the test year. (TR 5113-5114) Consequently, based on the monthly amortization calculated by Ms. Dismukes, Mr. Bencini proposed that the appropriate amount of test year amortization expense should be $4,284, resulting in a decrease to test year expenses of $1,073. (TR 5114)

Although OPC did not address this issue in its brief, its position on this issue has been adopted from the Prehearing Order, Order No. PSC-96-0549-PHO-WS. OPC's position on this issue is that SSU's total company working capital should be reduced by $43,454, and test year amortization expense for Keystone Heights should be reduced by $1,990. Likewise, the briefs of Marco et al and Nassau Associations state similar positions on this issue.

Based on the testimony of Mr. Denny and Ms. Dismukes, staff believes that any adjustment for the Keystone Heights APT test should be calculated based on the revised cost estimate of $24,300. With regard to the calculation of the appropriate test year expense adjustment, we agree with SSU that the revised amortization expense for the APT test should be annualized to reflect twelve months of

amortization expense in the test year. Using the utility's amortization period of seven years, the annual amortization based of the revised cost is $3,471. Therefore, staff recommends that total company working capital should be reduced by $43,454. In addition, a corresponding adjustment should be made to reduce test year amortization expense for Keystone Heights by $1,990.

ISSUE 59: Should deferred debits for the Spring Hill wastewater treatment plant expansion be included in working capital?

RECOMMENDATION: No. SSU's total company working capital should be reduced by $17,615. (CLARK)

POSITION OF THE PARTIES

SSU: Yes.

MARCO ET AL: No. SSU's total company working capital should be reduced by $17,615.

NASSAU ASSOCIATIONS: No. An adjustment should be made to reduce the deferred debit account by $17,615 in order to remove the unamortized balance from the working capital allowance. No expense adjustment is necessary because this facility is not included in this proceeding. All costs associated with this project were incurred prior to the utility's ownership of this facility and should have been previously written off.

OPC: No. SSU's total company working capital should be reduced by $17,615.

STAFF ANALYSIS: Staff's Audit Exception No. 9 reported that charges related to an abandoned 2 MGD addition at the Spring Hill Wastewater Treatment Plant had been misclassified to an improper expense account. (TR 3223, EXH 191, p. 11) Staff witness Winston testified that SSU recorded $55,361 in Account No. 186.2 for this abandoned Operations and Administrative Project (OAP), and subsequently began amortizing these costs over a four-year period to Account No. 731.5, Contractual Services - Engineering. (EXH 191, p. 11) Mr. Winston concluded that the utility should be required to write off these costs to either Account No. 426, Miscellaneous Nonutility Expense, or Account No. 775, Miscellaneous Expenses. (TR 3223, EXH 191, p. 11) Staff acknowledges that since the Spring Hill facility is not included in the current rate proceeding, the expenses related to this project have no impact on the revenue requirement calculation. However, since the unamortized balance related to this project is included in total company working capital, which is allocated to all plants, the working capital component of rate base is affected by this issue. (TR 5150-5151)

On cross examination by the utility, Mr. Winston testified that his recommendation on Audit Exception No. 9 was not necessarily that the charges should be disallowed, but that the

Commission should make that determination. Mr. Winston agreed that these expenses were actually incurred by the utility, and that to his knowledge the funds had not been diverted or expended for another project. (TR 3226) Further, Mr. Winston concurred that it would be reasonable to assume that SSU will have additional abandoned projects in the future. (TR 3226-3227)

Although SSU witness Bencini did not specifically address Audit Exception No. 9, he did testify regarding Exceptions Nos. 6 and 8, which also identified costs associated with abandoned projects. (TR 5125-5127) Mr. Bencini testified that it is SSU's position that expenses related to abandoned preliminary survey and investigation (PS&I) projects should not be disallowed from rate recovery. (TR 5125) As testified to by Mr. Bencini, it is the utility's contention that all studies and investigations which SSU undertakes are based upon "irrefutable and prudent assumptions." (TR 5125) Furthermore, Mr. Bencini professed that, "under no circumstances should these costs be disallowed and charged below-the-line unless staff auditors prove that the initial project was imprudent." (TR 5126) Staff would like to point out that it is the utility's burden to prove that its investments and expenses are prudent and reasonable, not the burden of staff to disprove a specific expense or investment.

At the hearing, Mr. Bencini testified that it would be inappropriate to disallow costs related to deferred debits or preliminary survey and investigation (PS&I) projects based on jurisdiction, specifically referring to the Spring Hill deferred debits. Mr. Bencini argued that these charges should not be segregated and specifically identified by plant, as these deferred debits are considered general corporate charges on the utility's balance sheet. (TR 5150) The utility goes on to argue this position in its brief. Staff does not disagree with the utility on this point.

On cross examination by staff, Mr. Bencini testified that the four-year amortization period for the Spring Hill deferred debits began in September of 1993. (TR 1337-1338) However, Mr. Bencini admitted that no costs had been incurred related to this project since December of 1988, and all costs associated with this project were incurred prior to SSU's ownership of the Spring Hill facility. (TR 1338) Although Mr. Bencini stated that SSU deemed the project abandoned in September of 1993, (TR 1338) which coincides with the beginning of the amortization period, the utility provided no evidence to indicate why it was appropriate for the project costs to remain on the books for almost 5 years before the amortization period began.

Staff is not suggesting that these project costs were imprudent, nor that they should be disallowed based on jurisdiction. On the contrary, staff is asserting that it is improper for a utility to hold onto abandoned project costs for an excessive amount of time before beginning the amortization period. OPC witness K. Dismukes agreed with staff on this point. (TR 2879) Exhibit No. 244, MAB-5, page 1 of 5 indicates that the "abandonment of a study or CWIP project is only done after it is determined that it is not feasible for the study or project to be used for any alternative means." With respect to the Spring Hill deferred debits, there is no evidence in the record to support that the utility was attempting to make this type of determination prior to the ultimate abandonment of the project.

Although OPC did not address this issue in its brief, its position on this issue has been adopted from the Prehearing Order, Order No. PSC-96-0549-PHO-WS. OPC's position concurs with staff's recommendation that SSU's total company working capital should be reduced by $17,615 in order to remove the deferred debits associated with the abandoned project at Spring Hill. Likewise, the briefs of Marco et al and Nassau Associations state similar positions on this issue.

Staff believes that without sufficient evidence in the record to suggest otherwise, it appears that SSU inappropriately retained these project costs on its books before beginning the amortization period. Further, we believe that the costs associated with this project should have been completely written off prior to the 1996 test year. Therefore, staff recommends that the utility's total company working capital should be reduced by $17,615 to remove the 13-month average unamortized balance of the Spring Hill deferred debits.

ISSUE 60: STIPULATION.

ISSUE 61: What is the total company balance of working capital?

RECOMMENDATION: The appropriate amount of total company working capital should be $4,702,087, resulting in a total decrease of $2,452,905. (CLARK)

POSITION OF THE PARTIES

SSU: The total company balance of working capital on a 13-month average basis and using the balance sheet formula is $7,154,922. This balance can be found on Schedule A-17(W)(S) in any rate base presentation in the MFRs, including Volume III, Books 1 and 2, and Volume XII, Books 1-9. Working capital is presented in all cases on a total company basis.

MARCO ET AL: The appropriate amount of total company working capital should be $4,702,087, resulting in a total decrease of $2,452,905.

NASSAU ASSOCIATIONS: The final amount is subject to the resolution of other issues.

OPC: The appropriate amount of total company working capital should be $4,702,087, resulting in a total decrease of $2,452,905.

STAFF ANALYSIS: SSU is a Class A utility system. For the projected test year ending December 31, 1996, the utility used the balance sheet approach to calculate working capital. (TR 268, EXH 67, Vol. III, Books 1 & 2, Schedule A-17) Utility witness Vierima testified that SSU's calculation of working capital represents its net investment in assets that permit the utility to meet its current obligations. SSU's working capital allowance operates as a bridge between the period expenditures are required to provide service and the period collections for that service are actually received. (TR 268) According to Mr. Vierima, all accounts related to plant and cost of capital have been excluded from SSU's working capital calculation, as well as all deferred tax accounts, interest bearing assets and all non-utility accounts. (TR 268-269) The remaining balance of accounts, assets net of liabilities, have been included as a rate base component. (TR 269) The requested provision for total company working capital allowance is $7,154,992, which reflects the 13-month average balance for the test year ending December 31, 1996. (EXH 67, Vol. III, Books 1 & 2, Schedule A-17)

Pursuant to Rule 25-30.433, Florida Administrative Code, the utility has used the Balance Sheet approach to calculate the working capital allowance. (TR 268, EXH 67, Vol. III, Books 1 & 2, Schedule A-17) No testimony was presented to dispute the method of calculating working capital, as filed by the utility. Therefore, staff believes that the record supports the use of the balance sheet approach to calculate working capital.

Based on the adjustments addressed in other related issues, and illustrated in the attached schedule, staff recommends a working capital allowance of $4,702,087 allocated to the total company based on number of customers. Staff's recommended working capital represents a decrease of $2,452,905.

SSU - Docket No. 950495WS
Schedule of Working Capital Allowance
Projected Test Year Ending 12/31/96

ATTACHMENT C
Page 1 of 1

		Test Year 13 Month Average Balance
Working Capital Allowance Balance per SSU (Sch. A-17)		$7,154,992
Less Staff Adjustments:		
Adjustment to remove Accrued Interest Receivable (Stip. No. 5)	($204,043)	
Adjustment to remove Miscellaneous Current Assets (Stip. No. 6)	(145,972)	
Adjustment to include unamortized balance related to the Hurricane Preparedness Program (Stip. No. 14)	7,960	
Adjustment to remove overstatement of PS&Is (Issue No. 56)	(1,849,076)	
Adjmt. to reduce costs assoc. w/ Keystone Heights APT test (Issue No. 58)	(43,454)	
Adjustment to remove Spring Hill Deferred Debits (Issue No. 59)	(17,615)	
Adjustment to include unamortized balance related to the Hepatitis Immunization Program (Issue No. 86)	29,236	
Adjustment to SSU's unamortized balance for rate case costs (Issues Nos. 93, 94, 95, 96)	(229,941)	
Total Staff Adjustment to SSU's Working Capital Allowance		($2,452,905)
Staff Adjusted Working Capital		$4,702,087

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ISSUE 62: Should deferred debits related to the attempts to obtain a water supply for Marco Island be allowed and if so, what is the appropriate amount and amortization period?

RECOMMENDATION: Yes, deferred debits for Marco Island should be allowed. The appropriate test year amortization amount is $53,821, with a 25-year amortization period. This adjustment decreases test year amortization by $239,341 and the unamortized balance included in rate base by rate by $5,093. (MONIZ)

POSITION OF THE PARTIES

SSU: The deferred debits related to the attempts to obtain a water supply for Marco Island should be allowed. The amount of deferred debits being requested for amortization treatment is $1,465,808. The amortization period is 5 years beginning January 1, 1996, which results in a yearly amortization expense of $293,162.

MARCO ET AL: No. SSU should have recognized these expenses as they were incurred. The use of deferred debits to defer these costs from 1990 through 1994 to present case should not be allowed because SSU did not seek prior PSC approval for the deferral. Rate base should be reduced by $1,319,227 and amortization expense should be reduced by $293,162.

NASSAU ASSOCIATIONS: Agree with OPC.

OPC: The use of deferred debits to defer these costs from 1990 through 1994 to the present case should not be allowed. Rate base should be reduced by $1,319,227 and amortization expense should be reduced by $293,162. (Larkin/DeRonne schedule 12)

STAFF ANALYSIS: SSU witness Bencini testified that since SSU acquired Marco Island in 1989, the company has had several ongoing efforts to obtain a water source necessary to serve the island. The utility attempted to secure raw water from four separate sources. First it tried to renegotiate the lease for its raw water source of supply with the Barron Collier family (Collier Property), which expired on December 31, 1994. These efforts proved unsuccessful through early 1994, at which time condemnation proceedings began. In 1995 a settlement price of $8,000,000 was reached. The utility deferred $59,639 in consultant and legal fees for that purchase. (TR 1334-1335)

Second, SSU attempted negotiations for a new water source with the Dude family (Dude Property). Several legal issues arose over the proposed purchase of the land, which was subsequently bought by

another party. SSU deferred $886,409 in consultant and legal fees related to those acquisition efforts. (TR 1335)

Third, the utility was involved in the design and permitting of a new wellfield. SSU deferred $30,279 relative to its efforts to permit and construct the wellfield. (TR 1335)

Fourth, the utility began negotiations with the City of Naples in 1993, in order to interconnect to the City's raw water source. Late in 1994, the company realized that this alternative was not economically feasible and abandoned negotiations with the City. Consultant and legal fees related to the project were deferred and totaled $489,481. (TR 1335)

Based upon the four situations above, the company deferred a total of $1,465,808 through December 31, 1994. Mr. Bencini testifies that the utility is requesting recovery of these expenses through amortization over a five-year period, beginning January 1996, which is included in the MFRs for Marco Island. (TR 1335-1336)

COLLIER PROPERTY

OPC witnesses Larkin and Deronne testify that SSU attempted to renegotiate the Collier lease prior to its expiration. It was after SSU determined that the Collier family would not renegotiate the lease that SSU attempted to purchase the Collier property. Mr. Larkin and Ms. Deronne argue that since the renegotiations failed, the costs should have been treated as an expense during the period the costs were incurred. The OPC witnesses contend that SSU had no basis for treating the lease renegotiation costs differently than it would treat any other costs incurred for legal matters.

Witnesses Larkin and Deronne contend that SSU did not obtain specific Commission permission to defer these costs, which were incurred during 1992 and 1993. They maintain that it is inappropriate for SSU to begin amortize these period costs in 1996, over three years subsequent to when the actual costs were incurred. (TR 2634-2635)

Utility witness Teasley argues that SSU's attempt to renegotiate the lease on the Collier property was initiated in 1990, over four years before the lease was scheduled to expire. She contends that it would not have been prudent for SSU to attempt to acquire the property either through a negotiated purchase or through condemnation proceedings without first pursuing a long-term lease arrangement. Over the course of the next two years, SSU

attempted to renegotiate the lease utilizing both short and long-term alternatives and a variety of terms, without success. Approximately $60,000 was incurred in these efforts including expenses necessary to define the leased property, evaluate financial terms for the proposed lease, draft and negotiate a lease agreement, etc. Ms. Teasley maintains all such costs were prudently incurred and could not have been avoided in attempting to find the least cost alternative to obtain a permanent water supply source for Marco Island. Although it is true that these negotiations were not successful, they were a necessary precursor to the ultimate acquisition of the Collier property. If such negotiations had been successfully completed, a lease extension could likely have been the least cost alternative for Marco water supply, at least based upon the terms proposed by SSU at the time. Therefore, expending such costs was clearly prudent and in the best interest of SSU's customers. Under these circumstances it is not unreasonable for SSU to defer such costs until obtaining the permanent water supply source and then requesting recovery of such expenses from its customers. (TR 4976-4977)

Utility witness Bencini rebuts OPC's claim that SSU did not obtain specific Commission permission to defer these costs. He argues that no rule exists that requires SSU to obtain Commission approval prior to deferring non-recurring type costs and, in fact, the utility is not aware of any time in the past when such a request has been made. The amount of cost and administration necessary to support this suggestion would make it totally non-economical for this level of review. In addition, the deferral of these costs is consistent with the Company's policy of deferring and amortizing any non-recurring expense items which exceed $10,000 and do not recur for at least three years. (TR 5094-5095)

Mr. Bencini testified that SSU considered capitalizing the costs to the Collier water supply purchase since the studies were all related to the ultimate water source for Marco Island. However, since the final resolution was to condemn the water supply source, and the fact that land was not depreciated and perpetually remained in rate base unless it was disposed of, SSU determined that a more prudent course would be to defer these costs and amortize them over the Commission's prescribed five year period. (TR 5098-5099)

Further, according to witness Bencini, due to the materiality of the project cost, it was determined that the costs should be included as an "other" rate base item for purpose of segregating the costs associated with service to Marco Island. He maintains that is because SSU has proposed a separate reverse osmosis

treatment rate for Marco Island customers and the cost associated with obtaining a water source for that class of customers should appropriately be borne by those customers. Mr. Bencini agrees that an alternative treatment would be to include this project as a deferred debit in Account No. 186.2 and amortize the project cost over a certain period of time. He asserts that SSU selected five years because it did not have a better position for amortization purposes. However, a longer amortization period can be used as long as the unamortized balance remains either in an other rate base category or in the working capital component. (TR 5099)

Marco Island Civic Association witness Woelffer, testified that the amortization period used by the utility will not result in fair and equitable rates for the customers. He argued that since SSU has expended funds developing a long term asset, a water supply, the costs attributed to the asset should be included in the total asset and depreciated over forty years. (TR 3096-3097)

Mr. Bencini agrees that rate base treatment may pose an equitable alternative rate treatment for both the utility and the Marco Island customers. He proposed that the project be reclassified as intangible plant and amortized over twenty-five years. (TR 5100)

Based on utility witness Teasley's testimony, staff believes the utility acted prudently in its attempts to renegotiate the lease on the Collier property, since a lease extension would have been the least costly alternative. Accordingly, we believe the costs related to the attempts to renegotiate the lease on the collier property should be amortized above the line above.

Staff also accepts the explanation of utility witness Teasley that it was not unreasonable to defer the costs related to the Collier Property lease until obtaining the permanent water supply source. We also agree with Mr. Bencini that the Commission does not require a utility to request permission prior to deferring costs. Staff does not agree with the amortization period used by the utility to calculate its MFRs. Based on Mr. Bencini's testimony, staff believes it would be more reasonable to amortize the costs over twenty-five years. However, we do not agree it would be appropriate to change the treatment, used by the utility in its MFRs, to record these costs as intangible asset. We believe, as evidenced by the record, these costs reflect non-recurring charges and Pursuant to Rule 25-30.433 (8), Florida Administrative Code, should be amortized. Based on this, staff believes the costs should be amortized over twenty five years.

Hence, we recommend amortizing the $59,639 related to the attempts to renegotiate the Collier Property lease over 25 years.

DUDE PROPERTY

Mr. Larkin and Ms. Deronne question the charges for Image Marketing Associates related to the Dude property. They argue, that at the time the negotiations were in progress, the property was in foreclosure. According to witnesses Larkin and Deronne, SSU was required to pay half of the $180,000 foreclosure charge. The charge was nonrefundable unless the property was actually purchased by SSU. The utility ended up paying the full amount contingent on future reimbursement from another party for the other $90,000. SSU included the total $180,000 in its deferral, which OPC contends should be disallowed. (TR 2637)

Mr. Bencini contends that there is only one invoice included in the project from Image Marketing which totals $3,053. He argues that any other services provided by Image Marketing are not included nor relevant to this project. (TR 5098)

Utility witness Teasley testified that SSU pursued the use of this property from 1990 to 1994 for a water supply source for Marco Island. In August of 1990 an initial lease agreement was negotiated with Southfield Farms, the owner of the property, to supplement other Marco water sources. During the remainder of 1990 and 1991, SSU conducted hydrogeological studies to support proposed water withdrawals, began preliminary design of pump structures and pipeline, and pursued acquisition of easements and permits for the project. Although SSU experienced some permitting delays in late 1991, it continued to receive necessary permitting approvals through April of 1992. The Collier County Commission declined to grant necessary conditional use permits for the property. This denial was issued despite the fact that all other permitting agencies had approved the project. (TR 4981)

During the pendency of Collier County hearings, May to August 1992, SSU and Southfield Farms agreed to jointly defer a pending foreclosure action on the property by the payment of $180,000 to Barnett Bank. Pursuant to the agreement, SSU advanced $90,000 on behalf of Southfield Farms to the Bank which was to be repaid at a later time. Although the foreclosure action was delayed until October 1992, SSU and Southfield Farms were unsuccessful in obtaining the necessary permits from Collier County to use the property as a water supply source. A subsequent appeal of the County decision and related litigation with the adjacent agricultural property owners was likewise unsuccessful. The

adjacent property owners eventually purchased the property from Barnett Bank and SSU entered into a settlement agreement with them by which SSU received certain easement rights over the property. In a separate action against Southfield Farms and its principal, Harold Dude, SSU has obtained a judgement for the $90,000 it paid to Barnett Bank on behalf of Southfield Farms and is attempting to collect on this debt. (TR 4981-4983)

Ms. Teasley affirmed that all of SSU's activities to negotiate the Dude water purchase agreement, as well as to design and permit the project, were prudently incurred to obtain an additional water supply source for Marco Island. From project inception through the summer of 1992, SSU believed that the project was viable and cost-effective. Based on the perceived strength of SSU's legal position, the Company appealed the County Commission decision and pursued additional litigation with the property owners into 1994. However, when it became clear that SSU was going to be unsuccessful in any further attempts to utilize the property as a water supply source, it entered into a settlement agreement with the property owners. SSU did not voluntarily abandon the water supply project, but instead pursued it prudently to its logical conclusion.

Ms. Teasley continued that outside legal counsel advised the Company that relevant legal authority supported SSU's position that SSU was entitled to receive permits for the project. Despite this, however, the opposition prevailed. SSU should not now be denied recovery of the amounts prudently incurred because it was unsuccessful in permitting what appeared at the time decisions were being made to be the most viable and cost-effective water supply project. Furthermore, the sums paid to Barnett Bank were necessary to retain SSU's interest in the property during the pendency of the Collier County conditional use proceedings. Contrary to the testimony of witnesses Larkin/DeRonne, SSU did not and should not be expected to accept the risk that the Dude property would not be permitted as a water supply source and not be allowed to recover its costs which were prudently incurred. For the reasons stated above, Ms. Teasley stated that the utility believes it should be permitted to recover its costs associated with this project in current rates. (TR 4983-4985)

Staff witness Dodrill proposed reclassifying the $886,409, the utility included in deferred debits for the Dude property, to miscellaneous non-utility expense. He maintained that an appraisal of the property stated that a portion of the property was available for pit mining. Additionally, other sources indicated that a portion of the water source was sold to a golf course. Since the golf course is out of the utility's service area, the revenue would

be non-utility income. For these reasons, he recommended reclassifying the costs to non-utility expense. (TR 3209) (EXH 190)

Ms. Teasley rebutted the testimony provided by staff witness Dodrill regarding the use of the property for mining. She testified that the agreement between SSU and Southfield Farms provided that Southfield would conduct mining activities on the property and SSU would lease the property based on charges for the amount of water withdrawn. It was never anticipated that SSU would conduct or pay for any mining activities on the property, and none of the $886,409 expended by SSU related to studies, design or permitting activities for the proposed mining. In fact, all of the SSU expenditures related to obtaining permits and conducting related activities were to use the property for water supply. Southfield expended funds to permit the mining activities. She argued that any allocation and disallowance of SSU costs based on acres available for pit mining on the property is totally inappropriate. SSU did not stand to gain financially from any mining activities based on its agreement with Southfield Farms, and therefore, should not be denied recovery of its prudently incurred expenses because the owner had a proposed dual use for the property. (TR 4985-4986)

Ms. Teasley disagrees with Mr. Dodrill's proposed disallowance of costs related to a portion of the water from the Dude property to provide raw irrigation water to the Massachusetts Mutual Golf Course. She contends it is not clear that if such water had been sold by SSU to the golf course that it would not have been regulated by the FPSC as a bulk sale and treated as utility income. Furthermore, the amount of water which was anticipated for sale to the golf course in the draft agreement, 350,000 gallons per day, was in fact less than nine percent of the 4,000,000 gallons of water per day that was estimated to be available from the Dude property. The balance of the water supply, or 94% of the water, would have been available as a water supply source for SSU's Marco Island customers. Therefore, disallowing SSU's prudently incurred expenses to obtain this source of water for its customers, according to Ms. Teasley, is also inappropriate. (TR 4986-4987)

Staff believes that the utility has presented sufficient evidence to support its argument that the costs should not be reclassified to non-utility income. Staff accepts Ms. Teasley's explanation that it was never anticipated that SSU would conduct mining operations, it would only lease the property based on charges for the amount of water withdrawn. We agree that if the utility had received revenues from water sales to the golf course,

it would be appropriate to include the revenues in setting rates.

Based on Ms. Teasley's testimony, that at the time the utility believed the Dude property was the most viable and cost effective alternative, staff believes the utility acted prudently in its attempts to secure a raw water lease on this property. Therefore, we believe the costs related to the attempts to secure a lease on the Dude property should be amortized above the line. However, an adjustment should be made to remove the $90,000 foreclosure charge paid by the utility on behalf of Southfield Farms, since the utility is attempting to collect the debt. We also believe, as discussed above, the costs should be amortized over 25 years.

Based on the above, staff is recommending the deferred costs for the Dude property be reduced by $90,000. The remaining $796,000 should be amortized over twenty-five years.

NEW WELLFIELD

SSU also included $30,279 in costs associated with its design and permitting of a new wellfield on its 160 acre land parcel. Mr. Larkin and Ms. Deronne argue that these costs consist primarily of charges for a raw water source alternative analysis conducted by Hartman and Associates during September 1992 through 1993. The OPC witnesses contend the costs should have either been expensed during the period or should have continued to be deferred and ultimately charged to the new wellfield. In either case, OPC affirms the $30,279 should be removed from amortization expenses. (TR 2637-2638) Utility witness Bencini, agrees with Mr. Larkin's proposal that the $30,279 should be removed from test year expenses. (TR 5101-5102)

Based on the above, since all parties agree, staff recommends removing the $30,279 in costs related to the design and permitting of a new wellfield.

CITY OF NAPLES

Witnesses Larkin and Deronne testified that SSU incurred legal and consulting costs of $489,482 associated with its attempted interconnection with the City of Naples' raw water supply source. The costs were incurred from October 1992 through December 1994. They contend that SSU did not obtain specific Commission permission to defer these costs, nor did it present any evidence that these costs should be treated as anything other than normal period expenses. Accordingly, SSU should have charged the costs to

expenses during 1992 through 1994. They argue SSU should not be permitted to now recover costs which it "arbitrarily" deferred to 1996. Further, SSU should not have allocated overhead costs to its attempted interconnection efforts. (TR 2634-2636)

As stated above, utility witness Bencini rebuts OPC's claim that SSU should have obtained permission to defer the costs. (TR 5094-5095) Ms. Teasley argues that witnesses Larkin and DeRonne do not present any evidence that the costs related to the attempted interconnection with the City of Naples were not prudently incurred or were unreasonable in amount. She contends that the project was pursued in good faith. At the end of 1992, after the renegotiations with the Collier family failed, SSU pursued an interconnect with the City of Naples, as a prudent alternative to the uncertainties of condemnation. Preliminary indications in early 1993 were that adequate capacity was available from the City at a cost which would be less than an expected outcome under condemnation proceedings for the Collier property. Additionally, SSU believed additional water for future needs could be obtained through the city due to its projected wellfield expansion. (TR 4977-4978)

During 1993, a significant amount of work relating to studies, preliminary design, permitting and agreement negotiation with the City took place. Ms. Teasley contends that these activities were necessary to confirm available capacity, determine if necessary permits could be obtained and to make final cost estimates. When the final studies were completed in December of 1993, it became clear that several variables made the interconnect a more costly alternative than costs associated with an expected outcome in condemnation proceedings for the Collier property. Approximately $490,000 was spent to pursue the above-referenced activities relating to the project so that the interconnect would be able to provide water to Marco Island by January 1995. However, once the necessary studies were completed, and all the costs were fully explored, SSU determined that the interconnect was not the least cost alternative available as was originally anticipated. According to Ms. Teasley, it was no longer prudent to pursue this water supply alternative, and preparations were made to pursue the acquisition/condemnation of the Collier property. (TR 4978-4979)

Witness Teasley argues that these costs were not "arbitrarily deferred" as stated by Public Counsel witnesses Larkin/DeRonne. They were prudently incurred by SSU in seeking the lowest cost alternative for a Marco Island water supply source. As soon as the studies, negotiations, etc. that were necessary to determine ultimate project costs were completed, SSU discontinued this

project and pursued another least cost alternative. She maintains that such costs should be borne by the ratepayers as part of the ultimate cost of securing a permanent water supply source for Marco Island. If the Naples interconnect project had been completed, such costs would certainly have been charged to the interconnect capital project and included for recovery in the current rate case. Therefore, these costs are property includable in customer rates as part of this rate proceeding. (TR 4979-4980)

Staff notes that contrary to SSU's assertion, it is not OPC's burden to prove the costs were unreasonable. It is the utility's burden to demonstrate the costs were reasonable and prudent. Staff accepts the explanation of utility witness Teasley that SSU acted prudently because SSU was seeking the lowest cost alternative for a water source and as soon as the cost studies were complete, the utility abandoned the project for another least costly alternative. Based on the above, we believe the costs related to the attempts to secure a lease on the Dude property should be amortized above the line and amortized over twenty-five years. We also believe that SSU has justified its decision to defer the costs until the negotiations were complete and a water source had been obtained.

SUMMARY

Based on the above, staff is recommending an adjustment be made to decrease the utility's test year amortization amount by $239,341 and decrease the unamortized amount included in rate base by $5,093. Staff's adjustments are summarized below:

	MFR AMOUNT	STAFF'S ADJUSTMENT	STAFF'S RECOMMENDATION
Collier Property	$ 59,639	$ 0	$ 59,639
Dude Property	886,409	90,000	796,409
New Wellfield	30,279	30,279	0
City of Naples	489,481		486,361
TOTAL	$1,465,808	($120,279)	$1,345,529
Annual Amort	$ 293,162	($239,341)	$ 53,821
Unamortized Balance	$1,319,227	($ 5,093)	$1,314,134

ISSUE 63: What are the appropriate rate base amounts in total and by plant?

RECOMMENDATION: The recommended rate bases for the test year ended December 31, 1996, are shown in the attached schedules immediately following this issue. (BINFORD)

POSITION OF THE PARTIES

SSU: Average rate base in total for 1996 is $95,252,212 and $62,770,852 for water and wastewater, respectively. Rate base presentations for the plants not coming into the rate case with uniform rates can be found by referring to Schedules A-1 (W) and A-2 (S) in Volume III, Books 1 and 2. Rate base presentations for the plants coming into the case with uniform rates can be found by referring to Schedules A-1 (W) and A-2 (S) in Volume XII, Books 1-9. Identical rate base information is also presented in total and by plant in Summary Volume II, Book 1, pages 39-48.

MARCO ET AL: The final amounts are subject to the resolution of other issues.

NASSAU ASSOCIATIONS: The final amounts are subject to the resolution of other issues.

OPC: The final amounts are subject to the resolution of other issues.

STAFF ANALYSIS: Based upon 13-month average test year balances and staff's proposed adjustments, staff recommends the appropriate rate base in total should be $80,854,735 for water and $54,706,128 for wastewater. The average rate bases for the water and wastewater facilities by plant are shown in the attached schedules. The schedules for water and wastewater rate base are attached as Schedule Nos. 3-A and 3-B for each individual service area in alphabetical order. The schedules of adjustments to rate base are attached as Schedule No. 3-C following the rate base schedules.

COST OF CAPITAL

ISSUE 64: STIPULATION.

ISSUE 65: Should any adjustments be made to the equity component of the Company's capital structure?

RECOMMENDATION: Yes. The common equity component of SSU's capital structure should be reduced by $4,800,000. The Commission should not make any other adjustments to common equity. (LESTER)

POSITION OF THE PARTIES:

SSU: No.

MARCO ET AL: Adopt Public Counsel's Position.

NASSAU ASSOCIATIONS: Yes. The Commission should reduce the equity component of the Company's capital structure by $4,800,000. The Commission should also remove $203,924 of non-utility investment in general plant from equity. If the Commission does not make an adjustment amortizing the gain on sale of water and wastewater systems, an adjustment should be made to the equity component of capital structure to account for gains on sale.

OPC: Yes. The Commission should reduce the equity component of the Company's capital structure by $4,800,000. (K. Dismukes, Schedule 9). The Commission should also remove $203,924 of non-utility investment in general plant from equity.

If the Commission does not make an adjustment amortizing the gain on sale of water and wastewater systems, an adjustment should be made to the equity component of capital structure to account for gains on sale.

STAFF ANALYSIS: OPC witness Dismukes recommends three adjustments to the equity component of SSU's capital structure. First, if the Commission does not accept her primary recommendation to amortize gains on sales of utilities above the line, she recommends that the Commission reduce common equity by $8,940,411 to reflect the gains as non-utility investment. (TR 2740-2741) Second, she recommends that the Commission reduce SSU's equity by $4.8 million to reflect the reduction to 1996 net income caused by the refund the Commission ordered the company to make in Order No. PSC-95-1292-FOF-WS, issued October 19, 1995 in Docket No. 920199-WS. (TR 2741; EXH 175, Schedule 9) Third, she recommends that the Commission

reduce equity by $203,924 to reflect the company's investment in general plant associated with gas operations. (TR 2741; EXH 175, Schedule 9)

Regarding witness Dismukes' first recommended adjustment, SSU witness Gower states that the payment of rate regulated prices does not entitle customers to an equity interest in either specific utility assets or the capital with which they were financed. He states that it is irrelevant how the common equity originated. He further states that the reconciliation of capital structure and rate base shows the total capital devoted to utility operations and the source of that capital. He states that no further adjustment is necessary. (TR 4877-4878)

For Issue 105, staff is not recommending that the Commission amortize gains on sale of Venice Gardens utility above the line. Also, under cross examination, witness Dismukes acknowledged that the Venice Gardens utility was a regulated utility. (TR 2881) Staff notes that, in reconciling capital structure and rate base, the Commission typically removes an amount for non-utility investment specifically from common equity because non-utility investment is generally considered more risky than utility investment. (See Order No. PSC-93-0108-FOF-TL, issued January 21, 1993, pp. 33-34) Staff believes that it would be inappropriate to consider the gains as non-utility investment. Also, as witness Gower suggests, a company's use of funds cannot be traced to a specific source such as common equity. Therefore, staff does not recommend a specific adjustment to equity.

Regarding witness Dismukes' second recommendation to reduce common equity by $4.8 million, staff notes that the Commission by Order No. PSC-95-1292-FOF-WS ordered SSU to refund approximately $8.2 million. Logically, this would reduce net income and common equity during 1996. (TR 2741) Witness Dismukes acknowledged that the Commission should not make this adjustment if the refund is not ultimately required. (TR 2880) After the hearing, the Commission affirmed Order No. PSC-95-1292-FOF-WS at the June 11, 1996 Agenda Conference.

In its briefs, OPC argues that the Commission should make this adjustment and SSU states that no adjustment is necessary but offers no rebuttal. The position of the Commission as of the date of this recommendation is that SSU should make the refund required by Order No. PSC-95-1292-FOF-WS. Based on this position and the record for this issue, staff believes that SSU's common equity should be reduced by $4.8 million.

Finally, regarding witness Dismukes' testimony that the Commission remove $203,924 from common equity because this amount represents general plant associated with gas operations, staff notes that the Commission removes an amount for non-utility investment from common equity because of risk. (See the reference to the GTE-Florida order above) Witness Dismukes agrees that the general plant allocated to gas operations is not more risky than the general plant allocated to water and wastewater operations. (TR 2881-2882) However, she states that, if the gas operations were on a stand-alone basis and had their own general plant, it would be removed from the capital structure. OPC reiterates this in its brief. Whether the Commission should make this adjustment hinges on the general plant being more risky than utility operations. Since the general plant does not carry greater risk, staff recommends no adjustment in this matter.

ISSUE 66: What is the appropriate cost of common equity?

RECOMMENDATION: The appropriate cost of common equity is 11.88%, with a range of plus or minus 100 basis points. (LESTER)

POSITION OF THE PARTIES

SSU: With the weather normalization clause, 12.25%. Without the weather normalization clause, 12.5%.

MARCO ET AL: Adopt Public Counsel's Position with recognition of lower cost of debt for Marco Island based on Collier County Bonds. (Woelffer)

NASSAU ASSOCIATIONS: A return on equity of 10.1% should be used.

OPC: A return on equity of 10.1% should be used.

STAFF ANALYSIS: As provided in the prehearing order, the parties and staff stipulated to forego cross examination of the cost of equity witnesses, and their testimony and exhibits were moved into the record. SSU witness Roger Morin testifies that the appropriate cost of equity for SSU was 12.25% with the company-proposed weather normalization clause (WNC) and 12.50% without the WNC. (TR 317-318) Witness Morin testifies that, under normal circumstances, he would employ a discounted cash flow model (DCF), a risk premium analysis, and a capital asset pricing model (CAPM) along with his assessment of SSU's risk circumstances to estimate the return required by investors on equity capital. However, for this case, he uses the Commission's leverage formula and recommends modifications to it. (TR 325-326, 336)

Witness Morin filed his testimony on June 28, 1995. In it, he offers modifications to the leverage formula then in effect, which is presented in Order No. PSC-94-1051-FOF-WS, issued August 29, 1994. He believes that the leverage formula presented in this order, i.e, the 1994 leverage formula, is not responsive to the risks faced by Florida water utilities. (TR 336-337) He believes that the 94 leverage formula relies solely on the DCF model. He suggests that the Commission include a CAPM model among the models behind the leverage formula. He states that the CAPM model would be useful in quantifying risks faced by Florida water utilities. (TR 340-350, EXH 72, pp. 20-22)

Witness Morin's second modification to the 94 leverage formula is to correct a minor "computational blemish" or averaging error in the DCF model used in the calculation of the leverage formula. (TR

350-351, EXH 72, p. 22) Third, witness Morin recommends adding 30 to 35 basis points to the 94 leverage formula's risk premium model since this model uses natural gas companies, which Morin believes are less risky than water companies. (TR 351-352, EXH 72, pp. 22-23)

Fourth, witness Morin notes that the models behind the 94 leverage formula use a national index of companies. The 94 leverage formula recognizes the additional business risk faced by Florida water utilities by increasing the yield spread between Baa2 rated bonds and A rated bonds. Witness Morin recommends widening this spread by using the spread between Baa3 rated bonds and A rated bonds. He also recommends the addition of 50 basis points as a liquidity premium since Florida water utilities have privately placed debt. (TR 351-356, EXH 72, pp. 23-26) Fifth, witness Morin notes that the cost of debt in the 94 leverage formula is constant over the range of equity ratios, from 40% to 100%. He testifies that the cost of debt should vary over this range. He also testifies that the range of allowable equity ratios should be from 30% to 100%. (TR 356-358, EXH 72, pp. 26-30)

Morin's amended 94 leverage formula yields a 12.58% cost of equity at a 40.7% equity ratio. He testifies that, since SSU is somewhat less risky than other Florida water utilities, the liquidity adjustment should be reduced from 50 to 20 basis points. With rounding, this yields his recommended 12.25%. (TR 361)

Staff witness Andrew Maurey filed testimony on February 26, 1996. He testifies that the Commission should use the leverage formula then in effect to determine the appropriate cost of equity for SSU. That leverage formula was presented in Order No. PSC-95-0982-FOF-WS, issued August 10, 1995. Using this 1995 leverage formula and the 40.7% equity ratio indicated in SSU's MFRs, witness Maurey recommends an 11.83% cost of equity for SSU, with a range of plus or minus 100 basis points. (TR 3267, 3272, 3277)

Witness Maurey explains that the leverage formula is a linear equation that estimates changes in the cost of equity for given changes in financial leverage. He states that the underlying premise for the leverage formula is that firms with different equity ratios will have different costs of equity though they have the same business risk and overall cost of capital. (TR 3268-3269) He explains that the 95 leverage formula has four parts. First, a 10.78% return on equity is derived from two DCF models, a risk premium model, and a CAPM analysis. Second, a bond yield differential of 51 basis points is added to reflect the difference in risk between the companies used in the four models and an

average WAW utility in Florida. Third, a private placement premium of 25 basis points is added to recognize that Florida WAW utilities do not have access to the public capital markets. Finally, an adjustment of 34 basis points is added to reflect the required return on equity at a 40% equity ratio. (TR 3269, EXH 194, p. 2)

The DCF models behind the 95 leverage formula use stock prices from an index of publicly-traded WAW utilities. The minor averaging error noted by witness Morin has been corrected. (TR 3269-3270, 3274, EXH 194, pp. 3-4) The risk premium model uses an index of publicly-traded natural gas utilities. Since the index of WAW utilities is more risky than the index of natural gas utilities, a premium of 18 basis points is added to the risk premium model. (TR 3270, 3273-3275) The 95 leverage formula includes a prospective CAPM. (TR 3270-3271, EXH 194, p. 6)

OPC Witness James Rothschild filed testimony on February 12, 1996 and recommends 10.10% as the appropriate cost of equity for SSU. (TR 2948, EXH 183, p. 34) Rothschild states that the 95 leverage formula, in effect at the time he filed his testimony, suggested an 11.78% cost of equity for SSU (The correct number is 11.83%.). (TR 2948, Order No. PSC-95-0982-FOF-WS) He believes this is considerably higher than the current cost of equity for SSU. (TR 2948) Witness Rothschild bases his recommendation on his DCF models. He uses a risk premium model and a CAPM as a check of his DCF results. (TR 2949)

Witness Rothschild uses a constant growth DCF model as his primary method, using a growth rate based on earnings retention. (TR 2952-2957) He also uses a two-stage DCF model. For all his DCF models he uses the water and natural gas utilities reported in Value Line. (EXH 183, pp. 35-44) His risk premium model uses a group of electric utilities. Witness Rothschild has reservations about the risk premium model. He states that the risk premium does not remain constant and can be affected by changes in the tax law. (TR 2965-2971, EXH 183, pp. 50-51) Though witness Rothschild presents a CAPM, he also has reservations about this cost of equity method. Specifically, he states that the CAPM has the same problems as the risk premium method. He favors a geometric average, rather than an arithmetic average, in calculating historical returns that are an input for the CAPM. (TR 2971-2977, EXH 183, pp. 52-53)

Witness Rothschild finds flaws with witness Morin's CAPM, his assessment of risk faced by Florida WAW utilities, his addition of a liquidity premium, and the weather normalization clause. (TR 2971-2977, 2982-2983, 2988, 2989) He does not believe that market-

to-book value ratios above 1.0 hinder a DCF model. (TR 2978-2981)

In rebuttal, witness Morin states that witness Rothschild understates SSU's cost of equity. (TR 4431) He states that it is inappropriate for witness Rothschild to rely solely on a DCF model using the "retention growth" method. (TR 4487-4488, EXH 213, p. 1) He notes that witness Rothschild's models do not have an allowance for flotation costs. (TR 4432) Witness Morin believes that witness Rothschild has underestimated the risks faced by SSU and the water utility industry. (TR 4433)

Staff notes that the 95 leverage formula incorporates several but not all the modifications that witness Morin recommends. (TR 4490) Witness Morin recommended these modifications in a workshop on the return on equity for all WAW utilities held on February 23, 1995, and the modifications appear as an exhibit attached to his direct testimony in this case. (TR 326, 3273, 4490, EXH 72, pp. 20-31, Order No. PSC-95-0982-FOF-WS) With one exception, he recommends the same changes in his testimony in this case that he advocated at the workshop. (TR 3273)

Witness Morin uses historical and prospective market risk premiums in his recommended CAPM. (TR 348) The 95 leverage formula includes a prospective CAPM. Staff agrees with witness Maurey's testimony that realized returns can be substantially different from prospective returns. Therefore, the CAPM should not use historical, earned returns. (TR 3274) Further, a prospective CAPM avoids the controversy over geometric versus arithmetic averaging raised by witness Rothschild. (TR 2974-2977, 4479-4483)

A comparison of the financial statistics for water utilities and natural gas utilities shows that the latter is somewhat less risky. (TR 3274-3275, 4469) Though the benchmark Standard and Poor's interest coverage and equity ratios for an A rating are lower for water than for natural gas, the other financial statistics cited by witnesses Morin and Maurey suggest natural gas has lower risk. (TR 2986, 3274-3275, 4469, EXH 194, pp. 13-14) Witness Maurey states that the 95 leverage formula has a premium of 18 basis points for this effect. (TR 3275) Staff believes this amount is conservative and reasonable.

The bond yield differential for the 95 leverage formula is the spread between the yields on A1-rated bonds and Baa3-rated bonds. (TR 3271, EXH 194, pp. 7-8) The 95 leverage formula includes a private placement premium, or liquidity premium, of 25 basis points to recognize that Florida WAW utilities do not have access to the public debt and equity markets. (TR 3272) Though this is less

than the 50 basis points witness Morin recommends, it is based on a survey of the private placement market. (TR 3275-3276, 361) Witness Rothschild believes this adjustment is inappropriate in this case because SSU is owned by MP&L. (TR 2988) Witness Morin rebuts this by stating that SSU must be treated as a stand-alone entity and that it is intuitive that investors require a higher return from an illiquid investment. (TR 4466-4468) Staff believes that Florida WAW utilities do not have ready access to the public debt and equity markets. Therefore, the private placement premium of 25 basis points is appropriate.

In rebuttal to witness Maurey's testimony, witness Morin repeats his concerns about two of his suggested changes that are not in the 95 leverage formula. He believes that the cost of debt should vary over a range of equity ratios and he wants the 40% floor on common equity ratios lowered to 30%. (TR 4490) Witness Maurey disagrees with the first point for two reasons. First, he states that allowing the cost of debt to vary would be burdensome because the leverage formula would have to be recalculated for various interest rates. Second, he believes that the cost of debt will not vary up to the maximum debt ratio of 60%. (TR 3276) Staff believes that the assumption of a constant cost of debt is reasonable.

Witness Morin states that there is nothing magical about the 40% common equity floor in the 95 leverage formula. He believes a 30% floor is prudent. (TR 4490-4491) Witness Maurey states that the average equity ratio for publicly traded WAW utilities is 42%. He also states that Florida WAW utilities are more risky than the publicly traded utilities. (TR 3277) The Standard & Poor's benchmark equity ratio for BBB-rated water utilities is approximately 40%. (EXH 72, p. 80) For these reasons, staff believes the 40% floor is reasonable.

Witness Morin testifies that a revenue adjustment mechanism, such as SSU's proposed weather normalization clause (WNC), reduces a utility's risk and, therefore, its cost of equity. (TR 317-318, 363) He suggests that a WNC insulates a utility's earnings from changes in sales volume due to variations in weather. (TR 332) Though witness Rothschild states that a weather normalization clause would increase the predictability of revenue, he believes that variation from weather is a diversifiable risk. (TR 2989) Witness Morin disagrees, implying that demand volatility of a firm's revenue is a non-diversifiable risk. (TR 4471) Witness Morin offers no example of a water utility with a WNC. Witness Ludsen states that he is not aware of any privately-owned water or wastewater utility in the United States that has a WNC. Witness

Ludsen agrees that the WNC is a new idea and he has not seen such a clause in the water industry. (TR 5265-5266) Staff does not believe that the record has adequate evidence for an adjustment to the cost of equity based on the allowance or disallowance of a WNC. Further, staff notes that the cost of equity models behind the leverage formula use stock prices of water utilities, none of which have WNCs. These water utilities are subject to the risks of revenue variation due to variation in weather. Therefore, the cost of equity output of these models compensates for weather risk and no further adjustment is necessary. For these reasons, staff recommends that the Commission not adjust SSU's cost of equity regardless of the allowance or disallowance of the WNC. Staff will address whether the Commission should approve the WNC in Issue 118, which is scheduled for the August 15, 1995 Agenda.

Staff believes that the 95 leverage formula responds to the pertinent points in witness Morin's testimony. In part, it represents a response to witness Rothschild's criticisms of witness Morin's testimony in that the leverage formula has only a prospective CAPM and a liquidity premium of 25 instead of 50 basis points. Also, staff agrees with witness Morin that witness Rothschild's testimony relies too heavily on a DCF model with an earnings retention growth rate. Staff concludes that the 95 leverage formula is appropriate for determining SSU's cost of equity.

For Issue 65, staff is recommending an adjustment to SSU's common equity that results in an equity ratio of 39.24%. With this equity ratio and the 95 leverage formula, the resulting cost of equity is 11.88%. The Commission allows a range of reasonableness around the return on equity. Therefore, staff recommends that the appropriate return on equity for SSU is 11.88%, with a range of plus or minus 100 basis points.

ISSUE 67: What is the appropriate amount of accumulated deferred income taxes and what are the appropriate methods for allocating deferred income taxes to the individual plants?

RECOMMENDATION: The appropriate amount of accumulated deferred income taxes is a debit $4,496,962 on a total company basis. Deferred income taxes in Account 283 - depreciation, Account 190 - alternate minimum tax and Account 190 - other should be allocated to the individual rate bases on the basis of average gross plant, as reflected in the SSU filing. The deferred income taxes in Account 190 - OPEBs should be allocated to the individual rate bases on the basis of customers - total company, as reflected in the SSU filing. However, the debit deferred income taxes in Account 190 - CIAC should be allocated to the individual rate bases on the basis of the 1996 average of cumulative taxable CIAC activity, 1987 through the end of the 1996 test year, rather than 1996 CIAC activity, as filed. (C. ROMIG)

POSITION OF PARTIES:

SSU: The appropriate average balance of accumulated deferred income taxes is $4,496,962.

MARCO ET AL: No position.

NASSAU ASSOCIATIONS: No position.

OPC: No position.

STAFF ANALYSIS:

A. Amount of Accumulated Deferred Income Taxes (ADITs)

MFR Schedule C-6 in Volume IV, page 8, line 11 (EXH 67) identifies total company debit ADITs of $4,784,352. Staff recommends reducing the total company debit ADITs by $287,390 to $4,496,962.

In preparing its MFRs, SSU made numerous additions and adjustments to its rate base, several of which had ADIT consequences. Staff's review of the company's responses to staff's Interrogatories Nos. 119 and 120 revealed that the ADIT consequences of the rate base additions and adjustments had not been reflected in the MFRs, as agreed to by Witness Gangnon. (TR 2124-2125) A credit of $287,390 (EXH 148) to reflect the corresponding ADIT adjustments is required, resulting in total

company debit ADITs of $4,496,962. The $287,390 adjustment is summarized below.

Description	Amount	Account
Correction to depreciation expense	$(276,683)	283
Lehigh Lines	(27,341)	283
1995 plant interconnects	119	283
Unclaimed CIAC gross-up	16,515	190
TOTAL	$(287,390)	

The company is the only party that took a position on the appropriate amount of ADITs. The company's position mirrors staff's position; that the amount of total company ADITS as filed, a debit balance of $4,784,352, should be reduced by $287,390, to a debit balance of $4,496,962.

B. Allocation Methods

In MFR Volume II, Book 2 of 4, page 97 (EXH 67), the company allocated its debit ADITS to its individual plants in the manner that follows.

Acct.	Type	Allocation Method
283	Depreciation	Average gross plant
190	CIAC	1996 CIAC activity
190	Other	Average gross plant
190	OPEBS	Customers - total company
190	AMT	Average gross plant

Staff believes that the allocation methods used by the company are reasonable methods, with one exception. The company allocated the CIAC-related ADITs in Account 190 on the basis of 1996 CIAC activity. Staff believes that the CIAC-related ADITs in Account 190 should be allocated to the individual plants on the basis of the test year average balance of taxable CIAC activity since 1986: the year Section 118(b) of the IRC was amended to make all CIAC taxable. Staff compared the cumulative CIAC activity by plant in Late-filed Deposition Exhibit No. 2 (EXH 125) to the 1996 CIAC activity by plant in the MFRs, Volume II, Book 2 of 4, pages 97-122. (EXH 67) Staff believes that the variation resulting from the difference in methods is significant. Staff believes that its method more closely aligns the CIAC ADITs with the CIAC that created the CIAC-related ADITS.

Further, staff's method of allocating the CIAC-related ADITs is consistent with the method authorized by the Commission in Order No. PSC-93-0423-FOF-WS, Docket No. 920199, SSU's last "full" rate case. Lastly, although the company in its brief takes no position on the allocation methods, Witness Kimball acknowledged that she saw no reason for departure from the Commission's decision in Docket No. 920199 to allocate ADITS related to CIAC on cumulative CIAC activity and said that she did not object to using Hearing Exhibit No. 125 for the CIAC-related ADIT allocations to plant. (TR 1377)

As mentioned above, in its brief SSU did not take a position on the allocation methods for allocating the various deferred taxes to the individual plants. Further, no other party stated a position on the allocation methods.

Consequently, based on the record, total company debit ADITS should be reduced by $287,390, from $4,784,352 to $4,496,962. Further, the Commission should approve SSU's allocation methods as filed in its MFRs, with the exception of the CIAC-related deferred taxes, which should be allocated to the plants on the basis of the average 1996 balance of the 1987 through the 1996 projected CIAC activity, rather than on the basis of 1996 CIAC activity (one year's projected activity), as filed.

Staff's recommended debit deferred taxes are reflected on the individual rate base schedules.

ISSUE 68: What is the appropriate amount of unamortized investment tax credits?

RECOMMENDATION: The appropriate amount of unamortized investment tax credits, prior to reconciliation to rate base, is $1,933,972, an increase of $598,159. (C. ROMIG)

POSITION OF PARTIES:

SSU: The average unamortized investment credit tax credits balance (sic) should be $1,933,972 per Volume IV, page 19, line 11 of the MFRs (T. 2126-8).

MARCO ET AL: No position.

NASSAU ASSOCIATIONS: No position.

OPC: No position.

STAFF ANALYSIS: Late-filed Deposition Exhibit No. 4 (EXH 149) identifies "Per Rate Purposes" 1996 Average Unamortized ITCs as $1,933,972 and 1996 ITC amortization as $78,697. This deposition exhibit also identifies the "Per Books" 1996 Average Unamortized ITCs as $1,335,813 and the 1996 ITC Amortization as $45,801.

However, in calculating the revenue requirement in this proceeding, SSU's Capital Structure Schedule, Schedule D-1, MFR Volume IV, page 82, line 4, used total company ITCs prior to reconciliation to rate base of $1,335,813 whereas SSU's income tax calculation, MFR Volume IV, page 1, line 4, used the "per books" and "utility adjusted" ITC amortization of $78,697. (EXH 67)

Per Witness Gangnon, the apparent mismatch occurs because the utility believes that the company is forced to account for its ITCs in this manner. The mismatch occurs because prior to MP&L's acquisition of the companies, in previous rate cases the ITCs for the Deltona entities were treated as earned for rate purposes even though they were not actually collected on or rebated or used to reduce the currently payable income taxes on a tax return. Consequently, the ITC amortization in its income tax expense calculation is "based upon the carry-forward of the MFRs from the previous cases." However, its capital structure ITC "is based upon what is actually recorded on the books/ledgers of the company." In its capital structure, it is using the ITCs that it has collected from the Internal Revenue Service (i.e. the ITCs that it has been able to use to offset its currently payable taxes). (TR 2125-2129)

Based on the company's assertion regarding the Deltona adjustment, staff believes the "Per Rate Purposes" amortization is appropriate. Also, because SSU used the "Per Rate Purposes" ITC amortization of $78,697 as a reduction to its cost of service income tax expense, staff believes that SSU also should have used the "Per Rate Purposes" ITCs of $1,933,972 in its capital structure. This treatment results in consistent treatment of the ITCs in its capital structure with the ITC amortization included in its income tax expense and recognizes past Commission ordered adjustments, which have been carried forward. For this reason, staff recommends increasing unamortized ITCs by $598,159, from $1,335,813 to $1,933,972.

In its brief, the company's position (which has altered from its MFR presentation) is the same as staff's position: that the average unamortized ITC balance should be $1,933,972. No other party stated a position in its brief.

Accordingly, staff recommends that unamortized ITCs be increased from $1,335,813 to $1,933,972, or by $598,159. The adjustment to ITCs and the resulting amount of ITCs are shown on Schedule 1 of this recommendation.

ISSUE 69: What is the appropriate weighted average cost rate for investment tax credits?

RECOMMENDATION: The appropriate weighted average cost rate for investment tax credits is 10.17%, the weighted cost of the investor sources of capital using long-term debt, short-term debt, common stock and preferred stock. (C. ROMIG)

POSITION OF PARTIES:

SSU: The appropriate weighted average cost rate for investment tax credits is the average weighted cost of capital. All ITCs should be treated in accordance with Section 46(f)(2) of the Internal Revenue Code as filed in the MFRs.

MARCO ET AL: No position.

NASSAU ASSOCIATIONS: No position.

OPC: No position.

STAFF ANALYSIS: In MFR Volume IV, Book 1, page 82 (EXH 67), SSU's calculated cost of ITCs in its capital structure is 9.68%. This cost rate is the weighted average cost of its "reconciled to rate base" investor sources of capital. This approach assumes that all ITCs should be treated in accordance with Section 46(f)(2) of the Internal Revenue Code (IRC). No other party took a position on this issue.

A utility that has IRS Section 46(f)(1) status is often referred to as an Option 1 company; a utility that has IRS Section 46(f)(2) status is often referred to as an Option 2 company. The ratemaking treatment for Option 1 companies is to assign a cost rate of zero for ITCs in the capital structure and reflect the amortization of the ITCs below-the-line. Alternatively, the ratemaking treatment for an Option 2 company is to assign the weighted cost of investor sources of capital as the cost rate for ITCs in the capital structure and reflect the amortization of the ITCs as a reduction to above-the-line income tax expense.

The Option status of most regulated utilities is not at issue because once a utility makes its election (or defaults to an election) the election cannot be revoked. The issue arises with SSU, as a consequence of SSU's purchasing facilities that have Option 1 status at the time SSU makes the purchase. Thus, the Commission must decide if the Option 1 status of the companies purchased is germane for ratesetting.

In Docket No. 920199-WS, SSU treated all its "systems" as Option 2 companies. In Order No. PSC-93-0423-FOF-WS, the final rate order of that docket, the Commission recognized the mix of the Option 1 and Option 2 companies in the consolidated SSU capital structure and blended the ITCs of the Option 1 companies with those of the Option 2 companies to calculate a 2.22% cost rate. Based on the record in this docket, blending of the Option 1 and the Option 2 companies would result in a 2.72% ITC cost rate and a reduction to ITC amortization of $63,828. (EXH 149)

In this proceeding, SSU's ITC cost rate and the corresponding ITC amortization deducted from above-the-line income tax expense assumes Option 2 status for all "systems." Although this is inconsistent with the Commission's treatment in Docket No. 920199-WS, SSU concludes that IRS Regulation 1.381(c)(4)-1(c)(2) requires per books Option 2 treatment of all its systems. Per Witness Gangnon's Late-Filed Deposition Exhibit No. 3 (EXH 150),

> In 1992 several companies were merged into Southern States Utilities, Inc. IRC section 381 provides for the carryover of ITCs, NOLs, and the tax basis of all assets. Per IRS Reg. 1.381(c)(4)-1(c)(2) ... the principal method of accounting of an integrated business is determined by comparing overall adjusted basis of assets and gross receipts of the component businesses which are integrated.
> When the comparisons as required by Reg. 1.381(c)(4) were done, it was determined that the entire new group would follow the accounting method of Southern States Utilities, Inc. as to IRC 46(f)(2), due to it being the largest component of the integrating businesses.

To further support its position that Option 2 status is required for all companies, Witness Gangnon's Late-Filed Deposition Exhibit No. 3 (EXH 150) attached the regulation noted above as well as Letter Rulings 8030057, 8208107 and 8413074. Witness Gangnon summarizes his position, by stating that a company generally can have only one method of accounting for an item. When you merge two companies with two different methods of accounting, you have to decide what the appropriate method of accounting is, on a going forward basis. The appropriate accounting method, on a going forward basis, is normally the accounting method followed by the dominant company, based on size. Based on this technique, each time a company was merged with SSU, SSU was the dominant company. Therefore, SSU believes that Option 2 status for all SSU "systems" is appropriate. (TR 2129)

However, when Witness Gangnon was asked if he thought the Commission is required to use Option 2 treatment for all of SSU facilities in setting rates, Witness Gangnon responded that he believed that the Commission should use a consistent method. When asked if he could point to an exact place in any of the letter rulings that would require the Commission to use the Option 2 treatment for ratesetting, Witness Gangnon responded that he could not direct us to a point in those rulings where it says the Commission has to follow a dominant method. (TR 2130)

Staff reviewed the Internal Revenue Service documentation submitted. Based on this review, staff cannot find definitive language that would lead it to conclude that Option 2 treatment is required for all companies for ratesetting. Staff believes that the Commission may use either the blended rate and reduced amortization/higher income tax expense or the "pure" Option 2 rate. Staff does not believe that the Commission is required to afford the ITCs the same treatment for ratesetting as SSU is required to use for book purposes. However, staff does agree with the company that it is preferable for the book and the ratesetting treatment to be consistent. Consistent treatment between book and regulatory treatment often reduces burdensome recordkeeping costs with minimal offsetting benefits.

For the reasons stated above, staff believes that SSU's Option 2 treatment is reasonable and should be accepted. As noted, no other party took a position on this issue. Staff recommends that all ITCs be treated in accordance with Section 46(f)(2) of the IRC. Further, based on other staff adjustments to rate base and capital structure, the weighted average cost of the ITCs is 10.17%, as shown on Schedule No. 1.

ISSUE 70: What is the appropriate overall cost of capital including the proper components, amounts, and cost rates?

RECOMMENDATION: The appropriate overall cost of capital is 10.13%. (LESTER)

POSITION OF THE PARTIES

SSU: Per the MFRs.

MARCO ET AL: The appropriate overall cost of capital including the proper components, amounts, and cost rates is set forth in the testimony of James Rothschild, with the caveat that witness Woelffers' adjustment for Collier County bonds should be reflected in cost rates for Marco Island systems. (Woelffer).

NASSAU ASSOCIATIONS: The overall cost of capital is dependent upon the resolution of other cost of capital issues.

OPC: The appropriate overall cost of capital including the proper components, amounts, and cost rates is set forth in the testimony of James Rothschild.

STAFF ANALYSIS: SSU witness Vierima sponsored the MFRs and, in particular, sponsored the D schedules, which are the cost of capital schedules. (TR 232, 236; EXH 67, D Schedules) Witness Vierima presents a consolidated capital structure as the basis for his recommended 10.32% overall rate of return. (EXH 67, Vol. IV, p.82; TR 248) He testified that in recent SSU rate applications, the Commission approved the use of a consolidated capital structure. (TR 248, 249)

Witness Vierima testified that SSU does not finance investment in its facilities independently. He notes that, with the exception of the Marco Island Industrial Development Bonds and the Hernando/Volusia Private Activity Bonds, the lion's share of SSU's debt and all its equity financing are done on a utility-wide basis. (TR 249) Regarding equity financing, witness Vierima testifies that a large public offering to support multiple business purposes is normally more cost effective and efficient than multiple private offerings to local investors. (TR 251) He testifies that SSU's cost of debt is significantly lower on a consolidated basis compared to the cost of debt that would exist if the debt was incurred by the individual system. (TR 252-253, EXH 68) He testifies that marketing tax-exempt financing, such as private activity bonds, is more efficient on a consolidated basis than if done system by system. (TR 253) Finally, he testifies that market

recognition, administration of funds, access to credit support, availability of longer maturities, less restrictive loan covenants, and access to public as well as private markets are all promoted by unified financing programs. (TR 254)

Marco Witness Woelffer testifies that SSU should break out the debt attributable to the Marco Island facilities and calculate a cost of debt and overall cost of capital for Marco Island. According to witness Woelffer, this results in an overall cost of capital of 10.11% for the Marco Island facilities compared to SSUs requested 10.32%. (TR 3089-3090, EXH 187, p.1) Witness Woelffer notes that SSU has tax-exempt bonds associated with Collier, Lee, and Volusia counties. He states that Marco Island customers will pay higher rates and subsidize other customers because SSU did not match the source of long-term debt with specific assets. (3089-3090)

In rebuttal, witness Vierima states that it is not possible to calculate a true stand-alone cost of debt for any SSU service area. He testifies that, though private activity bonds such as the Collier County bonds are related to a specific project, SSU's creditors look to the entire company when deciding to lend funds. He notes that credit support and guarantees originate with SSU and with Topeka Group, Inc., its parent and not with specific assets. He opines that Marco Island could not on its own get the terms and rates that SSU got for the Collier County bonds. (TR 4415-4416)

Staff agrees with witness Vierima that SSU's credit rating depends on creditors considering the entire company as legal obligor for debt. Further, staff believes that SSU can obtain debt at a lower cost on a consolidated basis than it could do facility by facility. Therefore, staff believes that the Commission should calculate one overall cost of capital for SSU based on its consolidated capital structure. As noted by witness Vierima, this is consistent with previous SSU rate cases.

Staff calculated the recommended overall cost of capital using SSU's consolidated capital structure. (EXH 67, Vol IV, p. 82) Staff adjusted this capital structure as discussed in Issues 65 and 67. Pursuant to the stipulation for Issue 64, the cost rate for long-term debt is 9.06% as presented in the MFRs. Staff used 11.88% as the return on equity as discussed in Issue 66. The resulting recommended overall cost of capital is 10.13%.

NET OPERATING INCOME

ISSUE 71: STIPULATION.

ISSUES 76 AND 75 SHOULD BE CONSIDERED BEFORE ISSUE 72 IN THAT ORDER

ISSUE 72: Has SSU correctly calculated its 1996 water revenues at Marco Island?

STAFF RECOMMENDATION: No. As discussed in Issue 75, staff recommends projecting Marco Island's 1996 water revenues on 179,945 total ERCs and 2,236,503,459 total gallons, excluding bulk water. Therefore, based on these billing determinants staff recommends increasing test year water revenue by $33,274, excluding any conservation and/or price elasticity adjustments. Staff will recommend whether a price elasticity and/or a conservation adjustment is appropriate for determining rates in its August 8, 1996, recommendation. (GROOM)

POSITION OF THE PARTIES

SSU: Yes.

MARCO ET AL: No. SSU has understated its revenues at Marco Island. (Woelffer)

NASSAU ASSOCIATIONS: No. SSU has understated its revenues at Marco Island.

OPC: No Position.

STAFF ANALYSIS: Marco Island's Witness Woelffer stated that SSU has provided conflicting data in the MFRs for projecting Marco Island's 1996 revenues. (TR 3091) Witness Woelffer's first discrepancy in SSU's calculations is $216,657 collected as unbilled revenue. (TR 3091) Mr. Woelffer believes if this unbilled revenue is not attributed to ERCs and gallons in 1994 then all projections based on this 1994 data will understate future revenue. (TR 3091) The second discrepancy identified is a difference of 29,677,000 gallons of water sold between SSU's engineering schedules and its rate schedules. (TR 3092) In addition, Witness Woelffer believes SSU should be using actual number of ERCs instead of the number of bills to project growth. (TR 3091) Mr. Woelffer stated in his testimony that he was awaiting documents from SSU and will, once they are received, submit a late filed exhibit showing a revised schedule for Marco Island water revenue. (TR 3093) However, Mr.

Woelffer did not submit a late-filed exhibit revising these figures. Therefore, based on Mr. Woelffer's testimony, he recommends adding 313 ERCs and additional gallonage to the 1995 and 1996 revenue projections. This adjustment increases test year revenue by $174,741. (TR 3093)

SSU's Witness Bencini stated the reason SSU used the annual number of bills to project growth is because revenues are collected from bills and not ERCs. (TR 5145) Furthermore, Mr. Bencini states that the rate schedules are predicting, in essence, the revenues that will be expected from a given service area and since revenues are collected through bills, this is the appropriate methodology for a growth projection. (TR 5145) Mr. Bencini states in his rebuttal testimony that Mr. Woelffer's second discrepancy is the result of mixing engineering data with rate data. (TR 5146) Mr. Bencini states that engineering and rate data should be treated significantly different and should not be interchanged when projecting revenue. (TR 5146) Mr. Bencini identifies several problems that exist when rate and engineering data are interchanged. (TR 5146-5147) In its brief, SSU states that the most significant fact that 1996 revenues are not understated is because, based on actual 1995 data, SSU has over-projected revenues in 1995 for Marco Island. (BR 82, EXH 244) This exhibit shows that actual 1995 water revenues for Marco Island were $907,305 less than the amount projected in the MFRs.

Staff agrees with Witness Bencini that comparing rate schedules to engineering schedules will cause erroneous conclusions and should not be used interchangeably in projecting revenue. However, regarding Witness Woelffer's other discrepancies with the way SSU projected Marco Island's 1996 water revenue, staff believes the appropriate 1996 billing determinants and water revenues for Marco Island is recommended and discussed in Issue 75. In Issue 75, staff is recommending the appropriate 1996 revenues for Marco Island should be based on 179,945 ERCs and 2,236,503,459 gallons, excluding bulk water gallons. Staff's will address whether these gallons should be adjusted for conservation and/or elasticity in its August 8, 1996, recommendation. Therefore, if a conservation and/or elasticity adjustment is recommended at the next agenda for Marco Island, then the water gallons would likewise be adjusted to reflect this adjustment. In addition, consistent with Issue 76, staff's recommended 1996 gallons for Marco Island will not reflect SSU's adjustment of removing 62.1 million gallons of potable water and moving it to effluent for reuse for the Hideaway Beach and the Tommie Barfield School. Given staff's adjustment to 1996 gallons and staff's position in Issue 76, staff recommends calculating

rates for Marco Island, absent any conservation or elasticity adjustment, on 179,945 ERCs and 2,236,503,459 gallons.

Regarding Mr. Woelffer's first discrepancy of unbilled revenue, staff agrees that this type of an adjustment to ERCs and gallons may be appropriate. However, since staff is using the recommended methodology in Issue 75 to project 1996 ERCs and gallons for all plants including Marco Island, and given the fact that Witness Bencini's rebuttal testimony shows actual 1995 revenues for Marco Island were $907,305 less than the amount projected in the MFRs, staff believes an adjustment is not appropriate. However, OPC's Witness Dismukes has testified that the Commission should ignore any such suggestion because 1995 was even a wetter year than 1994. (TR 2932) Although this revenue deficiency in 1995 could be attributed to it being an even wetter year than 1994, staff still maintains the recommended methodology will correctly project 1996 billing determinants and revenue for Marco Island.

To summarize, staff recommends projecting Marco Island's 1996 water revenues on 179,945 total ERCs and 2,236,503,459 total gallons, excluding bulk water gallons. Therefore, based on these billing determinants staff recommends increasing test year water revenue by $33,274, excluding any conservation and/or price elasticity adjustments. Staff will recommend whether a price elasticity and/or a conservation adjustment is appropriate to Marco Island for determining rates in its August 8, 1996, recommendation.

ISSUE 73: Are any revenue or expense adjustments necessary to reflect the normalization of test year revenue for weather/rainfall?

RECOMMENDATION: No, there are no revenue or expense adjustments necessary to reflect the normalization of test year revenue for weather/rainfall. (LINGO)

POSITION OF PARTIES

SSU: No. Actual 1995 consumption was even lower than the 1995 MFR projections of consumption. An adjustment to increase consumption above the projected levels would be wholly inappropriate.

MARCO ET AL: Adopt Public Counsel's position.

NASSAU ASSOCIATIONS: Yes. The Commission should increase test year revenue by $1,937,931 to reflect the abnormally high level of rainfall experienced during the test year and the period used by SSU to project test year revenue. Likewise the Commission should increase test year expenses by $539,611 to reflect the increased variable expenses associated with increased consumption.

OPC: Yes. The Commission should increase test year revenue by $1,189,444 to reflect the abnormally high level of rainfall experienced during the test year and the period used by SSU to project test year revenue. Likewise the Commission should increase test year expenses to reflect the increased variable expenses associated with increased consumption.

STAFF ANALYSIS: As will be discussed in greater detail in Issue 75, SSU projected its 1996 water consumption and bills by first taking the average of the consumption experienced at each plant during the years 1991 through 1994, then applying a plant-specific compound growth rate for the 1991-1994 period to estimate bills and gallons for 1995 and 1996. The utility's projections for 1996 wastewater consumption were calculated in a slightly different manner, by taking the actual 1994 bills and gallons multiplied by the plant-specific four-year compound growth rate for 1995 and 1996. There are a number of factors affecting fluctuations in consumption in addition to weather. SSU used the four-year average consumption method not only to normalize consumption variations due to weather, but also to normalize consumption variations due to elasticities of demand and the Company's conservation efforts. (TR 1315-1317, 5133, 5138-5139; EXH 67, vol V, book 1)

OPC witness Kimberly Dismukes testified that the utility's proposal is flawed and significantly understates projected test year consumption and revenue. (TR 2742) She states that the primary flaw in SSU's methodology is that it has failed to take into consideration the effect of weather, in particular, rainfall. She referred to SSU's management reports as being replete with references to the abnormal level of rainfall depressing 1994 revenue. She also points out that the Company's MFRs indicate the costs for several systems were either higher or lower due to the heavy rainfall experienced during the 1994 historical test year. (TR 2744)

Ms. Dismukes analyzed rainfall data for the period 1960-1994. Her analysis revealed that in almost all of SSU's service areas, the rainfall experienced in 1991 and 1994 was abnormally high, and in several instances the rainfall experienced in 1992 was unusually high as well. (TR 2742, 2746-2747; EXH 175, Schs 10-15) Based on the results of her analysis, Ms. Dismukes recommends that the Commission reject SSU's method of projecting its 1995 and 1996 billing determinants and projected test year revenue. (TR 2747) Rather, Ms. Dismukes advocates weather normalizing the billing data for residential customers for 1996. This method produces an increase in projected 1996 residential consumption of 1,227,876,000 gallons, and an increase in test year revenues of $1,937,947. (TR 2748) The associated expense adjustment to account for the increased consumption and related costs is an increase of $515,332. (TR 2751) While under direct examination, Ms. Dismukes corrected the test year revenue figure to $1,189,444. (TR 2687)

In the alternative, if the Commission does not accept Ms. Dismukes' weather normalizing method, she recommends excluding 1991 and 1994 data from the calculations, using instead only 1992 and 1993 data. Based on this data, she recommends an increase in total consumption of 318,515,813 gallons and a test year revenue increase of $428,398. (TR 2748-2749; EXH 175, Schs 16-17) The corresponding adjustment to expenses would be an increase of $130,000. (TR 2932)

In his rebuttal testimony, SSU witness Bencini stated that projected 1995 consumption was 3.2% greater than actual 1995 consumption in the MFRs. He also stated that SSU's projections are conservative and resulted in an under-projection of 1995 revenues by $1,053,802. Further, he stated that had actual 1995 consumption been taken into account as part of the five-year average, projected consumption would have been even lower than that reflected for 1996 in the MFRs. (TR 5135-5137; EXH 244 (MAB-6)-(MAB-10))

SSU witness Whitcomb's rebuttal testimony included a discussion of Ms. Dismukes' methodology. He argues that Ms. Dismukes has an incomplete view of how weather affects water use because she ignores evapotranspiration (ET), a measure of the water evaporated and transpired from a vegetative surface such as turf grass. Witness Whitcomb explained that the net effect from weather can be calculated using a net irrigation requirement (NIR) variable, defined as ET minus effective rainfall (ER). He further argues that a second factor ignored by Ms. Dismukes is the water price elasticity repression caused by the 1991 rate case in Docket No. 920199-WS. (TR 1763-1765)

In its brief, OPC argues that the Commission should ignore any suggestion that SSU's methodology is appropriate because 1995 actual billing units were close to the Company's projections. OPC states that 1995 was not only a wetter year than 1994, it was one of the wettest of the five-year period. To include 1995 in the projection averaging pot would further exacerbate the understatement of consumption due to abnormally high levels of rainfall. Further, OPC argues that while NIR is an interesting statistic, the Commission should reject any conclusions drawn from it because the Company did not produce the information requested by OPC to evaluate Dr. Whitcomb's calculations, and that NIR measures how much irrigation is required, not how much customers actually irrigate.

SSU argues in its brief that the rate level and rate structure adjustments in the utility's prior cases most directly caused the reduction in 1994 water use levels, not the level of rainfall in 1994 as claimed by Ms. Dismukes. SSU points to Ms. Dismukes' previous support of the five-year average approach advocated by OPC witness Stewart in Docket No. 920655-WS. SSU also criticizes the alternative approach proposed by Ms. Dismukes as simply a method to increase SSU's projected revenues by eliminating the consumption numbers from 1991 and 1994, the two years in the 1991-1994 time period with the lowest consumption.

Staff is not persuaded that there is a direct correlation between rainfall and consumption. The weather normalizing method advocated by Ms. Dismukes compares the average rainfall in SSU's service areas during the 1991-1994 period to the average rainfall in the service areas during the 1960-1990 period. The four-year average rainfall in the service areas during 1991-1994 was approximately 14.85% greater than the average for the period 1960-1990. Based upon staff's review of EXH 175, Sch 16, the average rainfall factor was apparently applied to SSU's calculated average consumption per bill for the service areas resulting in

"normalized" consumption per bill. (EXH 175, Schs 11, 16) This method implicitly assumes that the reduced consumption levels were related entirely and directly to reduced outdoor water needs (from the increased rainfall).

Staff does not agree with this implicit assumption. As discussed in witness Bencini's rebuttal testimony, there is a weak correlation between SSU's average monthly consumption compared to rainfall for the 1991-1995 period, which demonstrates that rainfall is not a good indicator of consumption levels. (TR 5136; EXH 244 (MAB-8))

Instead, we are persuaded that a better indicator of outdoor water use is the NIR advocated by SSU. As discussed above, the NIR is defined as evapotranspiration (ET) less effective rainfall (ER), representing the average amount of water required to prevent stress on turf grass. Effective rainfall, the precipitation that directly offsets ET requirements, is estimated using a widely used equation by the United States Department of Agriculture as follows:

$$ER_t = [1.25*(RAIN_t*25.4)^{0.824} - 2.93]*[10^{0.000955*ETt*25.4)}]/25.4$$

where:

ER_t = effective precipitation in month t (inches)
$RAIN_t$ = rain in month t (inches)
ET_t = evapotranspiration in month t (inches)

Essentially, this equation recognizes that ER is less than actual rainfall. Some rain is lost as runoff or percolates into the ground past the turf grass root zone and is therefore not effective in offsetting ET, which is mainly a function of air temperature and incoming solar radiation. As ET increases, the amount of water needed by residents to irrigate tends to increase. (TR 1764; EXH 135 (JBW-2), p. 75) For example, in 1994, while rainfall was above normal, ET was above normal as well. The NIR for 1994 was only 3% below normal, making 1994 the most "normal" year in the 1991-1994 group. When comparing the variations in monthly residential water use to weather (NIR) during the 1991-1994 period, a positive correlation is apparent in most months, especially during 1992-1994. (TR 1764; EXH 140, pp. 10-12)

Finally, staff agrees that there are numerous other factors affecting fluctuations in consumption in addition to weather, e.g., the price changes caused by the 1992 rate case. Due to the combination of factors affecting consumption, SSU witness Whitcomb testified that at least six years of data is needed to disentangle

the effects of the various factors before the weather-only effects on consumption can be isolated. (TR 1934)

Based on the foregoing, staff is persuaded that the 1991-1994 period is a reasonable period upon which to base its 1996 consumption projections, and, therefore, no revenue or expense adjustments are necessary. Furthermore, we believe that 1994 is a "normal" year upon which to apply the consumption projections. However, because staff does recognize weather as one of the components affecting consumption, our recommendation on this issue should not preclude the consideration of weather-normalized consumption in future cases.

ISSUE 74: Are any revenue or expense adjustments necessary due to the utility's proposed repression adjustment?

RECOMMENDATION: Yes. The utility's proposed repression adjustment is based upon its proposed revenue requirement. However, staff's recommended repression adjustment, if any, cannot be determined until after the Commission determines the utility's appropriate revenue requirement. Consequently, this issue will be revisited in staff's subsequent Memorandum dated August 8, 1996. The Commission therefore should increase test year expenses by $287,585 to reverse the repression-related expense reductions recorded by SSU. Depending upon staff's recommended repression adjustments, if any, in its subsequent Memorandum, there may be additional expense adjustments necessary to reflect the direct effects of those adjustments on variable operation and maintenance expenses. (LINGO, CAPELESS)

POSITION OF PARTIES

SSU: No. SSU made the adjustment in the MFRs. In fact, the MFR adjustment exceeds a proper adjustment because SSU treated the decreased charges in electric power bills as variable costs thus overstating the adjustment.

MARCO ET AL: No position.

NASSAU ASSOCIATIONS: No position.

OPC: No position.

STAFF ANALYSIS: SSU has proposed a repression adjustment to the water gallonage component of its projected test year billing determinants. (TR 1318) The direct expenses impacted by this adjustment are purchased water, purchased power and chemicals. Consistent with its proposed repression adjustment, SSU has decreased expenses by $287,585. (TR 1368; EXH 67, Vol III, book 1, p. 59)

In its brief, the utility argues that since no party other than SSU took a position on this issue within their briefs, under the express language of the Order Establishing Procedure, the intervenors have waived the entire issue and the issue should be dropped from this proceeding. In the alternative, SSU states that its position on this issue should be approved.

Indeed, none of the intervenors listed this issue in their post-hearing statements. However, staff notes that OPC addresses

the issue within its argument on Issue 75 of its brief. (BR 95-105) Nevertheless, Rule 25-22.056(3), Florida Administrative Code, requires that

> [i]n any proceeding where a prehearing order has been issued, and such prehearing order contains a statement of the issues as well as the positions of the parties thereon, all post-hearing statements and other documents filed pursuant to this rule shall conform to the form and content of the statement of the issues and positions.

OPC's post-hearing statement does not conform to the form and content of Order No. PSC-96-0549-PHO-WS, the Prehearing Order issued in this docket, which lists Issues 74 and 75 as separate and distinct issues.

Staff further notes that by the Order Establishing Procedure in this docket, Order No. PSC-95-1208-PCO-WS, issued September 29, 1995, at 7, the Prehearing Officer ruled that

> [i]f a party's position on an issue in the post-hearing statement differs from what appears in the Prehearing Order, the position shall be marked with an asterisk; in the absence of such demarcation, the party's position on that issue will be shown in the staff recommendation as it appears in the Prehearing Order.

However, the Prehearing Order reflects that OPC took no position on this issue prior to the hearing. Order No. PSC-96-0549-PHO-WS at 52.

SSU is correct that by failing to identify this issue in their pre- or post-hearing statements, the intervenors, including OPC, have waived this issue. PSC-95-1208-PCO-WS at 5; Rule 25-22.056(3)(a), Florida Administrative Code. Moreover, Rule 25-22.056(3)(b), Florida Administrative Code, requires that if a brief is filed, each argument must be identified by the issue number to which it relates.

However, staff disagrees that it necessarily follows that this issue must be either dropped from this proceeding or approved. Because the utility has proposed the repression adjustment, it is the utility's burden to demonstrate the reasonableness of implementing it. Florida Power Corp. v. Cresse, 413 So. 2d 1187, 1191 (Fla. 1982). Section 367.081(2)(a), Florida Statutes, requires the Commission to consider, inter alia, the cost of providing service in fixing rates which are just, reasonable,

compensatory, and not unfairly discriminatory. It would be an abuse of discretion for the Commission to approve the utility's proposed repression adjustment simply because the intervening parties have not taken issue with it. Further, "the Commission is clearly authorized to utilize its staff to test the validity, credibility, and competence of the evidence presented in support of an increase." South Florida Natural Gas Co. v. PSC, 534 So. 2d 695, 698 (Fla. 1988). Therefore, staff offers the following recommendation on this issue.

The utility's proposed repression adjustment is based upon its proposed revenue requirement. However, staff's recommended repression adjustment, if any, cannot be determined until after the Commission determines the utility's appropriate revenue requirement. Consequently, this issue will be revisited in staff's subsequent Memorandum dated August 8, 1996. A recommendation will be made at that time based upon all the evidence in the record. The Commission therefore should increase test year expenses by $287,585 to reverse the repression-related expense reductions recorded by SSU. Depending upon staff's recommended repression adjustments, if any, in its subsequent Memorandum, there may be additional expense adjustments necessary to reflect the direct effects of those adjustments on variable operation and maintenance expenses.

ISSUE 76 SHOULD BE CONSIDERED BEFORE ISSUE 75

ISSUE 75: What are the appropriate projected number of water and wastewater bills and consumption to be used to calculate revenue for the 1996 projected test year and to calculate rates for service?

STAFF RECOMMENDATION: To calculate test year revenue, staff recommends using the number of projected bills, ERCs and gallons for the 1996 projected test year shown on Attachment D. To determine the appropriate 1996 projected bills and ERCs, staff recommends using SSU's methodology with staff's adjustments discussed below in staff's analysis. To determine the appropriate 1996 projected water gallons, staff recommends using the actual 1994 average consumption per bill and applying this to the recommended 1996 projected bills, excluding private fire protection and bulk water customers, as shown on Attachment D. To determine the appropriate 1996 wastewater gallons, staff recommends using the actual 1994 average capped usage per bill and applying this to the recommended 1996 wastewater bills, excluding effluent and multi-family non-metered customers, as shown on Attachment D. Therefore, staff is recommending that the appropriate 1996 ERCs for both water and wastewater that will be used to calculate rates for service is contained on these schedules. Staff is also recommending that the appropriate 1996 wastewater usage to calculate wastewater rates be based on Attachment D. With respect to the water gallonage determinants associated with conservation and repression, staff will present its recommended adjustments to Attachment D to determine the appropriate number of 1996 water gallons upon which to base rates in staff's Memorandum dated August 8, 1996. (GROOM)

POSITION OF THE PARTIES

SSU: Per the MFRs. SSU witness Dr. Whitcomb and SWFMD Senior Economist Jay Yingling verified the proper use of the WATERRATE program to reflect price elasticity adjustments to consumption. SSU's conservation program adjustments are supported by SSU witness Kowalsky. As discussed in the "projection factors" tab of Volume V, Book 1 of 1, the methodology employed to calculate growth projection factors for the projected 1996 test year has been consistently applied to all plants. As evidenced in the rebuttal testimony of SSU witness Bencini, the projection factors for 1995 resulted in a slight overstatement of billing determinants. SSU believes this fact confirms the conservative basis of the projected 1996 billing determinants.

MARCO ET AL: Adopt Public Counsel's Position. (Hanson, Woelffer)

NASSAU ASSOCIATIONS: No position at this time with respect to the growth in the number of customers. The appropriate test year gallons for residential customers is 9,501,263,000 as reflected on K. Dismukes Schedule 16. These are the weather normalized gallons for the projected test year ending 1996. If the Commission does not adopt the Citizen's primary recommendation, the appropriate gallons for the projected test year for all customers is 12,122,034,117 as reflected on K. Dismukes Schedule 17. The Commission should reject the Company's proposal to decrease billing determinate by 933,808,000 for the effects of repression.

OPC: Growth in the number of customers should reflect actual growth for 1995. The appropriate test year gallons for residential customers is 9,501,263,000. These are the weather normalized gallons for the projected test year ending 1996.

STAFF ANALYSIS: SSU used the historic 1991 through 1994 bills and gallons for water billing determinants. (TR 1315) SSU calculated the growth rates for its water bills by using the compound growth rate from 1991 through 1994 on a per plant basis. (TR 1316) The 1994 base number of water bills was adjusted to reflect "zero bills", which relate to plant usage, zero rate code bills, etc. This adjustment to the base number of bills more accurately reflects the number of customer bills. (TR 1315) Other adjustments to 1994 bills include a limit on number of available lots, trimming of start-up plants, zeroing-out negative growth rates, and recalculating the future compound growth rates for hyper-growth areas. (TR 1315-1316)

SSU Witness Bencini testified that to project 1996 water consumption, SSU used a simple four-year average (1991-1994) of consumption by plant to determine the base year. (TR 1316) This base year was then factored up in 1995 and 1996 for each plant's respective growth rate in bills to determine the 1996 gallons. SSU used this methodology in an effort to normalize the variability in consumption due to weather patterns, elasticity of demand from rate increases, and the Company's conservation efforts. (TR 1316) There are three water gallonage adjustments SSU has also made to the proposed billing determinants. They are as follows:

(1) an adjustment was made to reflect an overall 10.9% and 2.6% decrease in consumption related to the elasticity of demand of Conventional Treatment and Reverse Osmosis Treatment customers, respectively, based upon the requested revenue increase and conservation rate

structure. (TR 1318) (This will be addressed in staff's recommendation for the August 15, 1996, Special Agenda Conference)

(2) an annualized decrease of 62.1 million gallons was reflected in the consumption at Marco Island for multi-family and commercial customers related to the projected offset of reuse wastewater projected to be used at Hideaway Beach and the Tommie Barfield School beginning in 1996. (TR 1318-1319) (This will be addressed in Issue 76)

(3) adjustments have been made at six FPSC jurisdiction plants (excluding Valrico Hills) to reflect the effect of the Company's water conservation plan which totals a decrease of approximately 58.2 gallons for Conventional Treatment plants and 79.0 million gallons for Reverse Osmosis Treatment plants. (TR 1319) (This will be addressed in staff's recommendation for the August 15, 1996, Special Agenda Conference)

SSU's adjustment to Marco Island for the projected offset of reuse wastewater will be addressed in Issue 76 of this recommendation. However, as will be discussed further in this issue, staff used the actual 1994 data contained in Exhibit 122 to project 1996 consumption. The actual 1994 data contained in Exhibit 122 does not adjust for the projected offset of reuse wastewater projected to be used at Hideaway Beach or Tommie Barfield School. Therefore, staff does not need to reverse this adjustment as recommended in Issue 76. Regarding the other adjustments, staff will recommend whether a price elasticity and/or a conservation adjustment is appropriate to the projected 1996 water gallons in its August 8, 1996, recommendation.

For projecting 1996 wastewater bills and gallons, SSU used historic 1991 through 1994 bills and gallons. Effluent and bulk wastewater determinants were omitted due to the material skewing effect these classes have on their respective plants. (TR 1316) Actual 1994 bills and gallonage were used as base determinants from which to project 1995 and 1996. The compound growth rates for wastewater bills were calculated using the compound growth rate from 1991 through 1994 for bills on a per plant basis. (TR 1316-1317) This method was consistent with the way SSU projected water bills. (TR 1317) In other words, actual 1994 bills and gallons were used as base determinants from which to project 1995 and 1996. (TR 1316)

OPC Witness Dismukes recommends that the Commission should incorporate the actual results in 1995 for projecting 1996 bills. (TR 2932) With that modification, OPC states in its brief that it does not object to the method used by SSU. (BR 95) Witness Dismukes states that the appropriate test year gallons for residential customers is 9,501,263,000. She believes these are weather normalized gallons for the projected test year ending 1996. Her primary reason for disagreeing with SSU's proposed methodology is that it uses consumption data during a time period when rainfall was abnormally high. Therefore, she believes it understates projected test year consumption. (TR 2811) Furthermore, OPC believes the Company's proposal to decrease billing determinants by 933,808,000 for the effect of repression should be rejected. (BR 95) As stated before, staff will address the appropriateness of price elasticity of demand in its August 8, 1996, recommendation. It appears that OPC's recommended gallons in Issue 75 does not correspond to the recommended increase to test year revenues in Issue 73. Therefore, to be consistent with OPC's position in Issue 73, staff will use 9,026,200,000 as OPC's recommended appropriate 1996 water normalized consumption. OPC Witness Dismukes revised this number in her summary at the hearing. (TR 2687) However, OPC did not use this revised number for the appropriate 1996 normalized consumption in its position in Issue 75. Staff believes it is appropriate to use the revised number to be consistent with OPC's position in Issue 73. On Witness Dismukes's Schedule 16 of Exhibit 175, the correct 1996 normalized water consumption she is recommending that will increase test year revenue by $1,189,444 is 9,026,200,000 and not the previous 9,501,263,000. It should be mentioned that Witness Dismukes does not take issue with the methodology used by SSU to project wastewater usage.

Staff believes the methodology chosen by SSU to project 1996 number of water bills is appropriate with the three adjustments mentioned below. First, staff has recognized four plants that in 1995 have exceeded SSU's projected number of maximum bills. (EXH 244, MAB-9, pp. 8-9) Staff believes the new maximum number of bills for Beacon Hills, Imperial Mobile Terrace, Pine Ridge Estates, and Woodmere should now be determined by the number of adjusted 1995 bills in Exhibit 244 (MAB-9, pp. 8-9), since the number of actual 1995 adjusted bills were above their respected maximum bill caps. Therefore, staff recommends making the revised maximum number of bills in 1996 for these three plants to be the number of actual 1995 bills shown in Exhibit 244 (MAB-9, pp. 8-9).

Second, staff has adjusted the number of 1996 bills for the Beacon Hills plant for two executed developer agreements that are scheduled to bring an additional 60 customers per year (720 bills).

(TR 5192-5193, EXH 239) However, in reviewing this exhibit, staff has determined that this planned development is scheduled to start in June, 1996, and that not all homes expected to be built will be built in the first 6 months of this projected test year. Therefore, staff believes it is reasonable to assume that 20 of the 60 homes that are scheduled to be built in the Beacon Hills service area for this planned development should be included in this projected test year. (EXH 239)

Staff's last adjustment to the projected 1996 water bills is to apply the growth rate of 3.35% to Buenaventura Lakes, Lakeside, Spring Gardens, and Valencia Terrace. This growth rate of 3.35% is related to the composite growth rate for only the jurisdictional plants in this proceeding. SSU used the growth rate of 3.17%, which is the composite of all the plants' growth rates including the non-jurisdictional plants, to project 1996 bills for these plants. (EXH 67, Volume V, page 54) SSU used this composite growth rate for these acquired plants since there was not enough historic data to calculate their own growth rate. Staff believes it is appropriate to use the composite growth rate for only the jurisdictional plants of 3.35% for these plants. (TR 1339-1341) This would be consistent with SSU's position on Witness Dismukes' attempt to use the county regulated plants in her 1996 projected residential gallon calculation. SSU Witness Bencini testified that the first problem with Witness Dismukes' calculation is that it includes the county regulated plants which are not part of the instant proceeding. (TR 5141)

For projecting 1996 wastewater bills, staff believes it is appropriate to make two adjustments to SSU's methodology. First, staff used the jurisdictional total growth rate for Buenaventura Lakes, Spring Gardens, and Valencia Terrace instead of the total growth rate of all SSU's plants. (EXH 67, Volume V) This is consistent with staff's adjustment to the projected water bills. Second, staff believes it is appropriate to include the wastewater only customer's bills in the calculation of the rates. Therefore, each residential wastewater only customer represents one ERC in the calculation of the rates. Furthermore, staff recommends adding the average residential consumption of the respective plant for each residential wastewater only customer to that respective plant's total gallons. This will insure that metered customers are billed appropriately and are not subsidizing the wastewater only customers. In other words, each residential wastewater only customer should be included in the ERC calculation and likewise those customers will assumedly use the average usage for their respective plants when determining total gallons. This adjustment

will be addressed further in Issue 127 of the August 8, 1996, recommendation.

As discussed in Issue 73, staff believes it is appropriate to base 1996 water and wastewater consumption on the actual average usage in 1994. As shown on Attachment D, staff determined the average usage per plant in 1994 by taking the total gallons and dividing this number by the total number of bills for each plant, excluding private fire protection. After applying the 1995 and 1996 growth rates to the number of 1994 adjusted water bills, staff determined the 1996 projected number of gallons by multiplying the projected 1996 bills by the average usage in 1994. For projecting wastewater usage, staff used the same methodology as it did for projecting water gallons, except effluent and multi-family non-metered customers were excluded from the calculation. Furthermore, only capped wastewater usage was applied to the number of 1996 wastewater bills to project 1996 wastewater usage. Buenaventura Lakes, Deep Creek, Marco Island, and Valencia Terrace have different wastewater caps than the current 6,000 gallons. (EXH 67, Volume V) Therefore, staff used the current caps in effect in calculating test year revenue. However, for determining final rates, staff will need to adjust the capped consumption down to reflect the new 6,000 gallon cap for these plants. Staff will use SSU's methodology to determine the percentage change in capped usage due to these plants having a new 6,000 gallon wastewater cap. In other words, staff will rely on the same percentage to project its recommended 1996 capped usage for these plants as the same percentage of capped usage to total usage that SSU has projected for 1996.

To summarize, SSU believes the methodology employed to calculate growth projection factors for the projected 1996 test year has been consistently applied to all plants. Furthermore, SSU believes that the use of a four year average to project water consumption will effectively normalize the variability due the effects of weather, tourism, elasticity of demand and conservation. (TR 1315-1317, 5133; EXH 67) SSU witness Bencini demonstrated that had actual 1995 consumption been taken into account as part of the five year average, projected consumption would have been even lower than that reflected for 1996 in the MFRs. (TR 5134-5137; EXH 244; MAB-6, MAB-7, MAB-8, MAB-9 and MAB-10) OPC believes that 1996 customer growth projections should incorporate the actual results for 1995. With this modification, OPC does not object to the method used by SSU. (BR 95) However, regarding water consumption, OPC believes that SSU's proposal is relatively simplistic and inaccurate. (TR 2743) OPC's primary flaw in SSU's methodology is that it failed to take into consideration the effects of weather,

in particular rainfall. OPC states in its brief, that SSU's failure to either directly or indirectly account for the weather/rainfall on its billing units seriously undermines the veracity of its projected test year billing units and revenue. (BR 93) In addition, Witness Dismukes believes the Commission should ignore any such suggestion that actual 1995 billing units were close to the Company's projections because 1995 was an even wetter year than 1994. (TR 2932) Staff is recommending that SSU's methodology be used, with the specified modifications, to project water and wastewater bills and ERCs. As discussed in Issue 73, staff believes it is appropriate to project 1996 water and wastewater consumption on the average actual consumption in 1994 and factoring this up for the appropriate growth rate determined by SSU.

The utility has proposed adjustments to 1996 water gallons based on anticipated consumption reductions associated with conservation and repression. The appropriate conservation-related adjustments will be presented in staff's Memorandum dated August 8, 1996. Finally, with respect to the water gallonage determinants associated with repression, as discussed in Issue 74, the appropriate repression adjustment, if any, cannot be determined until after the Commission determines the utility's appropriate revenue requirement. Consequently, this issue will be revisited and staff will present its recommended adjustments to Attachment D to determine the appropriate number of 1996 water gallons upon which to base rates in staff's Memorandum dated August 8, 1996.

[a] Plant	[d] 1994 Bills	[f] 1994 Gallons	[h] Average Usage [f/d]	[j] 1995 Bill Projection Factor	[l] 1995 Projected Bills [j*d]	[n] 1996 Bill Projection Factor	[p] 1996 Projected Bills [n*l]	[t] Staff Projected 1996 Gallons [p*h]	[u] Staff Projected 1996 ERCs
Amelia Island [5]	17,425	326,887,107	18,760	8.80%	18,958	8.80%	20,627	386,950,652	31,554
Apache Shores	1,823	3,450,738	1,893	0.00%	1,823	0.00%	1,823	3,450,738	1,823
Apple Valley	11,397	122,074,074	10,711	1.74%	11,595	1.74%	11,797	126,359,211	12,522
Bay Lake Est.	834	6,380,090	7,650	2.96%	859	2.96%	884	6,763,381	884
Beacon Hills [4]	36,461	483,243,625	13,254	6.18%	38,714	6.18%	38,443	509,512,484	43,769
Beecher's Point	520	6,372,870	12,256	4.30%	542	4.30%	566	6,932,720	1,150
Burnt Store [5]	4,596	47,304,106	10,292	35.75%	6,239	35.75%	8,470	87,172,302	16,019
Carlton Village	1,512	11,187,100	7,399	8.41%	1,639	8.41%	1,777	13,147,894	1,784
Chuluota	7,963	61,830,805	7,765	1.54%	8,086	1.54%	8,210	63,749,858	8,574
Citrus Park	4,220	25,786,711	6,111	2.02%	4,305	2.02%	4,392	26,839,016	4,410
Citrus Springs	21,537	145,139,870	6,739	3.35%	22,258	3.35%	23,004	155,027,125	25,305
Crystal River High.	878	6,023,990	6,861	4.44%	917	4.44%	958	6,570,796	958
Daetwyler Shores	1,503	15,803,222	10,514	0.00%	1,503	0.00%	1,503	15,803,222	1,607
Deltona	274,120	2,621,442,428	9,563	2.31%	280,452	2.31%	286,931	2,743,951,896	313,053
Dol Ray Manor	713	13,395,172	18,787	1.17%	721	1.17%	730	13,710,453	909
Druid Hills	2,982	38,571,842	12,935	0.00%	2,982	0.00%	2,982	38,571,842	3,988
East Lake Harris Est.	2,074	5,531,314	2,667	0.87%	2,092	0.87%	2,110	5,627,978	2,128
Fern Park	2,166	16,917,582	7,811	0.29%	2,172	0.29%	2,179	17,015,846	2,245
Fern Terrace	1,472	12,720,817	8,642	0.87%	1,485	0.87%	1,498	12,943,122	1,516
Fisherman's Haven [4]	1,671	9,428,216	5,642	2.00%	1,704	2.00%	1,728	9,749,825	1,728
Fountains	348	2,697,160	7,750	7.91%	376	7.91%	405	3,140,726	424

[a] Plant	[d] 1994 Bills	[f] 1994 Gallons	[h] Average Usage [f/d]	[j] 1995 Bill Projection Factor	[l] 1995 Projected Bills [j*d]	[n] 1996 Bill Projection Factor	[p] 1996 Projected Bills [n*l]	[t] Staff Projected 1996 Gallons [p*h]	[u] Staff Projected 1996 ERCs
Fox Run	1,198	10,437,456	8,712	3.47%	1,240	3.47%	1,283	11,174,383	1,333
Friendly Center	242	1,390,680	5,747	1.09%	245	1.09%	247	1,421,162	247
Golden Terrace	1,274	4,674,600	3,669	0.71%	1,283	0.71%	1,292	4,741,215	1,460
Gospel Island Est.	96	651,590	6,787	0.00%	96	0.00%	96	651,590	96
Grand Terrace [4]	1,317	11,995,010	9,108	1.34%	1,335	1.34%	1,332	12,131,627	1,332
Harmony Homes	752	6,591,166	8,765	0.17%	753	0.17%	755	6,613,595	755
Hermits Cove	2,090	6,317,476	3,023	0.00%	2,090	0.00%	2,090	6,317,476	2,090
Hobby Hills	1,157	6,547,531	5,659	0.00%	1,157	0.00%	1,157	6,547,531	1,157
Holiday Haven	1,328	4,527,697	3,409	0.00%	1,328	0.00%	1,328	4,527,697	1,346
Holiday Heights [4]	630	5,474,720	8,690	0.32%	632	0.32%	634	5,509,480	634
Imperial Mobile Terr. [4]	2,894	13,408,360	4,633	0.00%	2,894	0.00%	2,904	13,454,692	2,926
Intercession City	3,039	15,795,903	5,198	0.93%	3,067	0.93%	3,096	16,091,073	3,149
Interlachen Lakes/Park Manor	2,954	12,515,418	4,237	0.71%	2,975	0.71%	2,996	12,693,768	3,044
Jungle Den	1,355	2,630,149	1,941	0.00%	1,355	0.00%	1,355	2,630,149	1,355
Keystone Heights [5]	11,814	103,617,115	8,771	0.88%	11,918	0.88%	12,023	105,448,800	14,294
Kingswood	741	3,635,429	4,906	0.22%	743	0.22%	744	3,651,442	744
Lake Ajay Est. [4]	1,016	13,774,807	13,558	9.19%	1,109	9.19%	1,200	16,269,457	1,297
Lake Brantley	795	6,117,610	7,695	0.83%	802	0.83%	808	6,219,584	808
Lake Conway Park	1,022	7,644,995	7,480	0.36%	1,026	0.36%	1,029	7,700,138	1,029
Lake Harriet Est.	3,380	25,206,831	7,458	0.35%	3,392	0.35%	3,404	25,383,588	3,421
Lakeview Villas	149	795,840	5,341	0.00%	149	0.00%	149	795,840	149

[a] Plant	[d] 1994 Bills	[f] 1994 Gallons	[h] Average Usage [f/d]	[j] 1995 Bill Projection Factor	[l] 1995 Projected Bills [j*d]	[n] 1996 Bill Projection Factor	[p] 1996 Projected Bills [n*l]	[t] Staff Projected 1996 Gallons [p*h]	[u] Staff Projected 1996 ERCs
Leilani Heights	4,687	43,012,488	9,177	0.63%	4,717	0.63%	4,746	43,556,153	4,746
Leisure Lakes (Covered Bridge)	2,915	7,289,947	2,501	0.01%	2,915	0.01%	2,916	7,291,405	2,916
Marco Shores	3,481	24,039,880	6,906	3.07%	3,588	3.07%	3,698	25,538,586	5,521
Marion Oaks	30,165	169,967,298	5,635	5.48%	31,818	5.48%	33,562	189,106,132	35,667
Meredith Manor [5]	7,774	72,587,134	9,337	0.00%	7,774	0.00%	7,774	72,587,134	8,957
Morningview	430	3,946,035	9,177	1.27%	435	1.27%	441	4,046,901	570
Oak Forest	1,712	12,024,279	7,024	1.49%	1,738	1.49%	1,763	12,385,272	1,829
Oakwood [4]	2,441	10,144,167	4,156	2.27%	2,496	2.27%	2,508	10,422,602	2,508
Palisades Country Club	406	11,910,150	29,335	53.98%	625	53.98%	963	28,238,776	1,636
Palm Port	1,192	5,097,894	4,277	3.49%	1,234	3.49%	1,277	5,459,936	1,277
Palm Terrace	14,228	63,697,734	4,477	0.31%	14,272	0.31%	14,316	64,093,272	14,580
Palms Mobile Home Park	701	1,615,690	2,305	0.00%	701	0.00%	701	1,615,690	701
Picciola Island	1,585	10,965,372	6,918	0.78%	1,597	0.78%	1,610	11,137,099	1,645
Pine Ridge	7,985	109,749,683	13,744	18.73%	9,481	18.73%	11,256	154,712,075	24,226
Pine Ridge Est. [4]	2,547	20,039,011	7,868	8.32%	2,759	8.32%	2,797	22,005,934	2,853
Piney Woods	2,001	17,204,003	8,598	0.30%	2,007	0.30%	2,013	17,307,382	2,013
Point O'Woods	4,131	19,036,383	4,608	2.43%	4,231	2.43%	4,334	19,972,792	4,335
Pomona Park	2,004	10,876,944	5,428	1.89%	2,042	1.89%	2,080	11,291,978	2,273
Postmaster Village	1,870	14,297,321	7,646	1.30%	1,894	1.30%	1,919	14,671,468	1,919
Quail Ridge	176	1,768,680	10,049	9.49%	193	9.49%	211	2,120,304	211
River Grove	1,254	7,790,550	6,213	0.00%	1,254	0.00%	1,254	7,790,550	1,254

[a] Plant	[d] 1994 Bills	[f] 1994 Gallons	[h] Average Usage [f/d]	[j] 1995 Bill Projection Factor	[l] 1995 Projected Bills [j*d]	[n] 1996 Bill Projection Factor	[p] 1996 Projected Bills [n*l]	[t] Staff Projected 1996 Gallons [p*h]	[u] Staff Projected 1996 ERCs
Rosemont/Rolling Green	1,430	17,984,709	12,577	4.08%	1,488	4.08%	1,549	19,482,199	1,549
Salt Springs	1,386	32,005,749	23,092	1.57%	1,408	1.57%	1,430	33,018,619	1,994
Samira Villas	24	921,520	38,397	0.00%	24	0.00%	24	921,520	156
Silver Lake Est./W. Shores	16,143	210,268,338	13,025	3.78%	16,753	3.78%	17,386	226,465,064	21,507
Silver Lake Oaks	314	1,797,250	5,724	4.69%	329	4.69%	344	1,969,785	344
Skycrest	1,364	6,925,847	5,078	0.51%	1,371	0.51%	1,378	6,996,671	1,378
St. Johns High.	984	2,805,770	2,851	1.45%	998	1.45%	1,013	2,887,727	1,013
Stone Mount.	84	1,173,690	13,973	4.32%	88	4.32%	91	1,277,287	91
Sugar Mill	7,446	25,510,194	3,426	1.37%	7,548	1.37%	7,651	26,213,961	7,953
Sugarmill Woods	26,948	325,769,936	12,089	8.05%	29,117	8.05%	31,461	380,329,966	69,277
Sunny Hills	5,112	28,317,131	5,539	1.32%	5,179	1.32%	5,248	29,069,637	7,503
Sunshine Parkway	124	24,436,401	197,068	12.93%	140	12.93%	158	31,164,194	882
Tropical Park	6,511	32,016,184	4,917	0.51%	6,544	0.51%	6,578	32,343,582	6,780
University Shores [5]	40,576	410,754,298	10,123	7.25%	43,518	7.25%	46,673	472,472,698	53,522
Venetian Village	1,628	8,557,382	5,256	1.63%	1,655	1.63%	1,682	8,838,626	1,682
Welaka/Saratoga Harb.	1,614	5,402,272	3,347	1.60%	1,640	1.60%	1,666	5,576,528	1,683
Westmont	1,570	12,178,260	7,757	3.04%	1,618	3.04%	1,667	12,929,953	1,667
Windsong	1,262	8,072,990	6,397	0.00%	1,262	0.00%	1,262	8,072,990	1,280
Woodmere [4]	13,997	183,004,449	13,075	3.16%	14,439	3.16%	14,583	190,666,134	17,240
Wootens	255	747,320	2,931	7.51%	274	7.51%	295	863,782	295
Zephy Shores	5,805	11,289,621	1,945	0.00%	5,805	0.00%	5,805	11,289,621	6,017

[a] Plant	[d] 1994 Bills	[f] 1994 Gallons	[h] Average Usage [f/d]	[j] 1995 Bill Projection Factor	[l] 1995 Projected Bills [j*d]	[n] 1996 Bill Projection Factor	[p] 1996 Projected Bills [n*l]	[t] Staff Projected 1996 Gallons [p*h]	[u] Staff Projected 1996 ERCs
Sub. FPSC Juris Uniform	663,720	6,232,939,176	9,391	3.66%	687,981	3.35%	711,021	6,751,167,359	844,466
Buenaventura Lakes [6]	106,723	554,411,000	5,195	0.00%	106,723	**3.35%**	110,298	572,983,769	115,379
Deep Creek	35,428	219,496,620	6,196	3.81%	36,778	3.81%	38,179	236,540,886	44,816
Geneva Lake Est.	1,048	10,982,289	10,479	3.20%	1,082	3.20%	1,116	11,696,401	1,434
Keystone Club Est.	1,828	11,492,655	6,287	3.12%	1,885	3.12%	1,944	12,220,984	2,064
Lakeside	972	6,717,096	6,911	**3.35%**	1,005	**3.35%**	1,038	7,174,680	1,038
Lehigh [5]	102,877	399,084,229	3,879	2.84%	105,799	2.84%	108,803	422,074,099	116,672
Marco Island [5,7]	68,539	2,112,629,013	30,824	2.89%	70,520	2.89%	72,558	2,236,503,459	179,945
Palm Valley [4]	2,476	16,968,340	6,853	1.07%	2,502	1.07%	2,548	17,461,765	2,851
Remington Forest [4]	770	9,309,950	12,091	23.04%	947	23.04%	1,044	12,622,841	1,056
Spring Gardens	1,506	6,748,651	4,481	**3.35%**	1,556	**3.35%**	1,609	7,208,384	1,788
Valencia Terrace	4,115	23,998,272	5,832	**3.35%**	4,253	**3.35%**	4,395	25,633,088	4,645
Sub. FPSC Non-Uniform	326,282	3,371,838,115	10,334	2.07%	333,050	3.15%	343,533	3,562,120,356	471,688
Total FPSC [1,2,3]	**990,002**	**9,604,777,291**	**9,702**	**3.13%**	**1,021,031**	**3.28%**	**1,054,553**	**10,313,287,715**	**1,316,154**

[1] 1994 Bills and Gallons include all Residential, Commercial, Multi-Family, and Public Authority Customers. (Excludes Private Fire Protection)
[2] Excludes River Park and Enterprise.
[3] The 1994 Actual Bills and Gallons were taken from Exhibit No. 122 labeled "Supplemental E Schedules to MFR Information Conatined in Volume V."
[4] Beacon Hills, Fisherman's Haven, Grand Terrace, Holiday Heights, Imperial Mobile Terrace, Lake Ajay Estates, Oakwood, Pine Ridge Estates, Woodmere, Palm Valley, and Remington Forest were capped at their repected maximum bills.
[5] Amelia Island, Burnt Store, Keystone Heights, Meredith Manor, University Shores, Lehigh, and Marco Island excludes Private Fire Protection Bills.
[6] Buenaventura Lakes has only 1995 bills and gallons to project 1996.
[7] Marco Island's bills and gallons exclude raw water.
Staff's adjustments are discussed in Issue 75

[a]	[d] 1994 Bills [1]	[f] 1994 Gallons (capped usage) [1]	[h] Average Usage [f/d]	[j] 1995 Bill Projection Factor [2]	[l] 1995 Projected Bills [j*d]	[n] 1996 Bill Projection Factor [2]	[p] 1996 Projected Bills [n*l]	[t] 1996 Staff Projected Gallons [p*h]	[u] 1996 Staff Projected ERCs
Amelia Island	15,338	191,869,662	12,509	6.71%	16,367	6.71%	17,465	218,482,447	24,883
Apache Shores [7]	1,348	2,028,256	1,505	0.00%	1,348	0.00%	1,348	2,028,256	1,348
Apple Valley	2,003	9,878,367	4,932	0.12%	2,005	0.12%	2,008	9,902,089	2,065
Beacon Hills [4,7]	35,220	218,870,252	6,214	5.93%	37,309	5.93%	38,136	236,991,367	40,210
Beecher's Point	193	1,893,980	9,813	0.35%	194	0.35%	194	1,907,261	482
Burnt Store	3,979	27,436,475	6,895	39.08%	5,534	39.08%	7,697	53,071,050	13,459
Chuluota	1,609	6,630,971	4,121	0.65%	1,619	0.65%	1,630	6,717,454	1,630
Citrus Park	3,197	13,472,031	4,214	0.97%	3,228	0.97%	3,259	13,734,656	3,277
Citrus Springs	8,233	27,855,957	3,383	0.40%	8,266	0.40%	8,299	28,079,250	8,422
Deltona	55,405	261,288,380	4,716	1.10%	56,014	1.10%	56,631	267,068,340	61,064
Fisherman's Haven [4,7]	1,727	6,772,146	3,921	0.35%	1,733	0.35%	1,728	6,776,067	1,739
FL Central Comm. Park [3]	412	18,662,633	45,298	2.67%	423	2.67%	434	19,672,522	1,773
Fox Run	1,176	6,123,681	5,207	2.91%	1,210	2.91%	1,245	6,485,265	1,245
Holiday Haven	1,100	3,086,287	2,806	0.00%	1,100	0.00%	1,100	3,086,287	1,118
Jungle Den	1,396	2,697,989	1,933	0.48%	1,403	0.48%	1,409	2,723,952	1,409
Leilani Heights	4,671	24,784,802	5,306	0.24%	4,682	0.24%	4,693	24,903,912	4,777
Leisure Lakes (Covered Bridge)	2,753	6,600,619	2,398	0.01%	2,753	0.01%	2,754	6,601,939	2,754
Marco Shores	3,036	11,942,688	3,934	2.32%	3,106	2.32%	3,179	12,503,257	3,850

[a]	[d] 1994 Bills [1]	[f] 1994 Gallons (capped usage) [1]	[h] Average Usage [f/d]	[j] 1995 Bill Projection Factor [2]	[l] 1995 Projected Bills [j*d]	[n] 1996 Bill Projection Factor [2]	[p] 1996 Projected Bills [n*l]	[t] 1996 Staff Projected Gallons [p*h]	[u] 1996 Staff Projected ERCs
Marion Oaks	15,984	55,684,012	3,484	1.46%	16,217	1.46%	16,454	57,321,855	17,041
Meredith Manor	341	2,377,150	6,971	1.30%	345	1.30%	350	2,439,358	406
Morningview [7]	432	2,087,620	4,832	0.65%	435	0.65%	438	2,114,847	438
Palm Port	1,192	4,392,414	3,685	3.54%	1,234	3.54%	1,278	4,708,901	1,278
Palm Terrace	12,338	39,423,698	3,195	0.31%	12,376	0.31%	12,415	39,668,504	12,415
Park Manor	348	2,638,920	7,583	0.78%	351	0.78%	353	2,680,248	402
Point O'Woods	1,655	5,147,630	3,110	3.33%	1,710	3.33%	1,767	5,496,170	1,767
Salt Springs	1,349	12,965,744	9,611	0.83%	1,360	0.83%	1,371	13,181,869	1,827
Silver Lake Oaks	312	1,132,820	3,631	1.77%	318	1.77%	323	1,173,277	323
South Forty	395	8,013,269	20,287	7.11%	423	7.11%	453	9,193,265	874
Sugar Mill [7]	7,375	22,984,401	3,117	1.55%	7,489	1.55%	7,605	23,702,439	7,816
Sugarmill Woods	26,274	131,250,814	4,995	7.88%	28,344	7.88%	30,578	152,750,936	31,643
Sunny Hills	2,130	7,569,362	3,554	0.49%	2,140	0.49%	2,151	7,643,723	2,151
Sunshine Parkway	105	21,639,431	206,090	8.61%	114	8.61%	124	25,526,159	953
University Shores [7]	37,955	270,368,929	7,123	7.24%	40,703	7.24%	43,648	310,922,487	48,192
Venetian Village [7]	1,034	4,423,522	4,278	1.62%	1,051	1.62%	1,068	4,568,005	1,068
Woodmere	13,459	103,230,286	7,670	2.56%	13,804	2.56%	14,157	108,583,330	16,220
Zephy Shores	5,781	10,574,641	1,829	0.00%	5,781	0.00%	5,781	10,574,641	5,993

[a]	[d] 1994 Bills [1]	[f] 1994 Gallons (capped usage) [1]	[h] Average Usage [f/d]	[j] 1995 Bill Projection Factor [2]	[l] 1995 Projected Bills [j*d]	[n] 1996 Bill Projection Factor [2]	[p] 1996 Projected Bills [n*l]	[t] 1996 Staff Projected Gallons [p*h]	[u] 1996 Staff Projected ERCs
Sub. FPSC Juris Uniform	271,255	1,547,799,839	5,706	4.14%	282,492	3.91%	293,524	1,702,985,384	326,312
Buenaventura Lakes [5, 8]	85,443	427,486,000	5,003	0.00%	85,443	**3.68%**	88,587	443,217,485 378,587,511 [9]	91,369
Deep Creek [5]	36,035	213,726,766	5,931	4.17%	37,538	4.17%	39,103	231,923,226 205,355,956 [9]	45,642
Lehigh [3,7]	81,476	273,372,414	3,355	2.85%	83,798	2.85%	86,186	289,176,688	92,052
Marco Island [3,5,7]	22,979	623,447,473	27,131	0.42%	23,076	0.42%	23,172	628,695,429 606,099,487 [9]	49,546
Spring Gardens [8]	1,506	5,114,230	3,396	**3.68%**	1,561	**3.68%**	1,619	5,497,563	1,791
Tropical Isles [7]	2,629	0	0	13.82%	2,992	13.82%	3,406	0	3,406
Valencia Terrace [6,8]	4,115	17,161,895	4,171	**3.68%**	4,266	**3.68%**	4,423	18,448,252 14,880,341 [9]	4,675
Sub. FPSC Non-Uniform	234,183	1,560,308,778	6,663	1.92%	238,674	3.28%	246,497	1,616,958,643 1,499,597,547	288,481
Total FPSC	505,438	3,108,108,617	6,149	3.11%	521,166	3.62%	540,021	3,319,944,027 3,202,582,931	614,793

[1] 1994 Bills and Gallons (Capped) were pulled from Exhibit No. 122 - "Supplemental E Schedules to MFR Information"
[2] 1995 and 1996 Projection Factors were taken from Volume V, MFRs. (SSU's Projected Growth Rates)
[3] Florida Central Commerce Park, Lehigh, and Marco Island DO NOT include effluent bills and gallons.
[4] Beacon Hills and Fisherman's Haven were capped at their respected maximum bills.
[5] Marco Island, Deep Creek, and Buenaventura Lakes had a 10,000 gallon wastewater cap in 1994.
[6] Valencia Terrace had a 9,725 gallon wastewater cap in 1994.
[7] Apache Shores, Beacon Hills, Fisherman's Haven, Morningview, Sugar Mill, University Shores, Venetian Village, Lehigh, and Tropical Isles had wastewater only customers added to the ERCs and Gallons calculation.
[8] Buenaventura Lakes, Spring Gardens, and Valencia Terrace used the composite FPSC Jurisdictional growth rate.
[9] 1996 Wastewater Capped Usage at new 6,000 gallon wastewater cap.

Staff's adjustments discussed in Issue 75

ISSUE 76: Should an adjustment to revenue be made for reuse revenue on Marco Island?

RECOMMENDATION: Yes. Test year water revenue should be increased by $183,668 and test year wastewater revenue should be reduced by $13,688 to reflect that Hideaway Beach and the Tommie Barfield School will not be connected as reuse customers in 1996. (VON FOSSEN, XANDERS)

POSITION OF THE PARTIES

SSU: No.

MARCO ET AL: Adopt OPC's position.

NASSAU ASSOCIATION: No position.

OPC: Yes. Test year water revenue should be increased by $183,668 and test year wastewater revenue should be reduced by $13,688.

STAFF ANALYSIS: SSU had projected that in 1996 it would be providing effluent reuse to both Hideaway Beach and the Tommie Barfield School from its Marco Island plant. Since both facilities are presently water customers of SSU, the utility decreased its water billing analysis by 62.1 million gallons, the projected usage to be provided through reuse. 54.75 million gallons was then added to the effluent billing analysis to reflect the Hideaway Beach usage.(TR 1318-1319, EXH 67, Volume V, Book 1, p. 207,558) No adjustments were made for the Tommie Barfield School since service will be provided at no charge in exchange for an easement (EXH 250).

OPC contends that these projections are inappropriate because these projects will not be implemented in 1996. OPC has quantified this adjustment by applying the rates which were in effect prior to the granting of interim rates. (TR 2752, EXH 175, Schedule 20) It is OPC's position that the billing determinants and corresponding revenue adjustments proposed by SSU should not be allowed. Therefore, OPC's proposed adjustment is to reverse SSU's adjustment. The key to this issue, in establishing new rates, is whether billing determinants will be changed based upon the proposed reuse projects.

Staff believes and the record supports that while these two reuse projects were proposed for 1996, there is no indication that either project will be on line in 1996. SSU has indicated that it does not expect reuse to be available to Hideaway Beach prior to

December 31, 1996.(EXH 249, p. 9) Additionally, the utility was unable to tell the Commission when the reuse conversion for the Tommie Barfield school would be completed.(TR 5282-5283) Since neither project will be completed in 1996, staff agrees with OPC and recommends that the utility's test year water revenues for Marco Island be increased by $183,668 and wastewater revenue be decreased by $13,688.

ISSUE 77: Should the miscellaneous revenue adjustments proposed by Witness Dismukes for billing adjustments and non-utility income be made?

RECOMMENDATION: Yes. Test year revenue should be increased by $57,595 and test year income should be increased by $8,351. (GROOM)

POSITION OF THE PARTIES

SSU: No. Test year revenue should be increased by $50,595 and test year income should be increased by $8,351. These adjustments are included on Ex. 244 (MAB-4).

MARCO ET AL: Adopt Public Counsel's Position.

NASSAU ASSOCIATIONS: Yes. Test year revenue should be increased by $57,595 and test year income should be increased by $8,474.

OPC: Yes. Test year revenue should be increased by $57,595 and test year income should be increased by $8,474.

STAFF ANALYSIS: Witness Dismukes recommends increasing test year wastewater revenue by $50,595 for wastewater provided free of charge or at a discount. Witness Dismukes believes these foregone revenues should be borne by the stockholders not ratepayers. (TR 2778) In addition, Witness Dismukes recommends increasing test year revenue by $7,000 for revenue recorded below the line. This revenue is associated with billing customers for electricity use at the Palm Terrace plant. SSU charges those customers that take street lighting service a fixed charge for electricity which is greater than the cost of providing the service. (TR 2775) Although it is a non-utility function, Witness Dismukes believes SSU's employees provide this service and the full cost of their salaries are included in test year expenses. (TR 2775) Finally, Witness Dismukes recommends increasing test year income by $8,474 for several miscellaneous items recorded below the line for rate making purposes. (TR 2779, EXH 175) She recommends that all the associated income should be moved above the line for ratemaking purposes since those items are either related to the utility's operations, or provided by the employees of SSU. (TR 2777)

SSU agrees that test year revenue should be increased by $50,595 for the wastewater provided free of charge, as proposed by Witness Dismukes in Schedule 35 of Exhibit 175. However, it disagrees with increasing test year revenues by $7,000 to reflect the billing of customers for electricity use. SSU states that the

"additional" cost of adding the fixed electricity charge is de minimus and that it already incurs the administrative costs for those bills. (TR 5115-6) The company has revised its adjustments reflecting increases to test year revenue of $50,595 and to test year income of $8,351 in Exhibit 244. Witness Bencini states that the difference between Witness Dismukes recommended adjustment of $8,474 and his adjustment of $8,351 is due to Ms. Dismukes erroneously using a different allocation factor. (TR 5123-5124) Witness Bencini states that it is totally inappropriate to use the factor which considers allocation to gas customers for expense allocations, but excludes allocations to gas customers for income allocations as is done by Ms. Dismukes. (TR 5123-5124)

Staff recommends that test year wastewater revenue be increased by $50,595 for wastewater provided free of charge or at a discount. Staff concurs with all parties that if the utility wishes to provide free service it should be borne by its shareholders and not their ratepayers. Therefore, staff increased test year revenue by $1,025 for Tropical Isles and $49,570 for University Shores. Furthermore, staff agrees with Witness Dismukes that test year revenue should be increased by $7,000 for the revenue received from the customers for street lighting service which was recorded below the line. Although the company believes it is de minimus and that there is no marginal cost to the ratepayers, staff believes this would send a wrong signal to the utilities by allowing them to charge extra for non-utility services while using their employees for those services. Therefore, staff believes that test year income should be increased by $7,000 for Palm Terrace. Finally, staff concurs with the utility in that the adjustment of $8,351, instead of $8,474 recommended by Witness Dismukes, should be used for several miscellaneous items recorded below the line for rate making purposes. The difference is due to Witness Dismukes including an allocation of expenses to gas customers but excluding an allocation of income to gas customers. (TR 5123-5124) Staff believes that the same allocation factor should be used for consistency. Therefore, staff recommends increasing test year revenue for other income by $8,351 for ratemaking purposes since those items are either related to the utility's operations, or provided by the employees of SSU. (TR 2777)

ISSUE 78: STIPULATION.

ISSUE 79: STIPULATION.

ISSUE 80: Should the Commission accept the projected wage increases of SSU regarding market equity, merit, licensure, and promotional adjustments?

RECOMMENDATION: Yes. The utility's 1996 projected salary increases totaling 5.75% are prudent and reasonable. (CLARK)

POSITION OF THE PARTIES

SSU: Yes. SSU's 1996 projected salary increases are reasonable, consistent with prior years, and necessary for SSU to retain, recruit and hire qualified employees.

MARCO ET AL: SSU failed to justify its projected wage increase. Salary expenses should be reduced by $1,027,052; payroll tax expense should be reduced by $82,164.

NASSAU ASSOCIATIONS: SSU failed to justify its projected wage increase. Salary expenses should be reduced by $1,027,052; payroll tax expense should be reduced by $82,164.

OPC: SSU failed to justify its projected wage increase. Salary expenses should be reduced by $1,027,052; payroll tax expense should be reduced by $82,164. (Katz; Larkin/DeRonne schedules 19-21)

STAFF ANALYSIS: In the MFRs, the utility has requested test year salary increases related to merit, promotion, license attainment, and market/equity. (TR 1988, EXH 67) For the 1996 test year, SSU has budgeted merit increases of 3%, promotional increases of 1%, and .25% for license attainment increases. These percentages represent the actual spending for 1994, and the amount budgeted for 1995 as well, for each classification of salary adjustments. According to SSU witness Lock, as of March, 1995, the utility phased out its step adjustment program, and replaced it with market and equity adjustments. In 1995 and 1996, SSU budgeted increases of 1.5% to reflect market and equity increases. (TR 1988)

It appears that the testimony provided by the utility and OPC related to this issue, as well as the arguments presented in the briefs, are significantly intermingled with the testimony and

arguments presented related to Issue 82. Based on staff's review, we believe the evidence and arguments presented lean more heavily toward the utility's proposed Hewitt Study adjustment. As such, we have presented the evidence supporting staff's recommendation on this issue within the staff analysis on Issue 82. Based on our arguments listed therein, staff recommends that no adjustment should be made to the utility's proposed salary increases for merit, promotion, license attainment, and market/equity adjustments. Further, staff believes that the utility's 1996 projected salary increases totaling 5.75% are prudent and reasonable.

ISSUE 81: STIPULATION.

ISSUE 82: Should the utility's proposed salary adjustment based on the Hewitt study be approved?

RECOMMENDATION: Yes, in part. Staff recommends that a market adjustment of 2.7% should be approved. Consequently, SSU's projected 1996 salaries should be reduced by 2.07%, or $117,655 and $86,143 for water and wastewater, respectively. (CLARK)

POSITION OF THE PARTIES

SSU: Yes. The adjustment is reasonable and, as requested by SSU, represents significantly less than the salary increases needed to bring SSU pay levels to market levels. SSU has implemented the first steps by bringing operations and maintenance and customer service salaries closer to market levels.

MARCO ET AL: No.

NASSAU ASSOCIATIONS: No position at this time.

OPC: No. See discussion concerning issue 80.

STAFF ANALYSIS: In the MFRs, the utility has requested recovery of a 4.77% market-based pay adjustment for the employees of SSU and Buenaventura Lakes. (TR 1988, EXH 67, Vol. III, Books 1 & 2, Schedules B-5 & B-6) The requested market adjustment is in addition to the 1.5% equity adjustment identified in Issue No. 80, in order to bring the employees' pay closer to competitive market levels. (TR 1988) On a total company basis, the proposed adjustments for the 1996 test year are $711,405 (4.77%) for SSU, and $27,916 (4.76%) for the employees serving the Buenaventura Lakes facilities (former employees of Orange Osceola Utilities who will be SSU employees in 1996). (TR 1997) For the service areas included in the current rate proceeding, the proposed market adjustments total $271,491 for water and $198,776 for wastewater. (EXH 67, Vol. III, Books 1 & 2, Schedules B-5 & B-6)

Direct Testimony of Dale G. Lock

In support of SSU's proposed salary adjustment, utility witness Lock presented an external market compensation study which was conducted by Hewitt Associates. (TR 1989, EXH 142, DGL-3) Ms. Lock testified that the Hewitt study found the pay rates for plant operators, plant maintenance, rate department and customer service

personnel to be significantly below market pay rates. According to Ms. Lock, these particular positions constitute over 60% of the positions at SSU. (TR 1989)

Overall, for the job categories included in the study, Hewitt found that SSU's pay rates are on an average basis 17.3% below the market surveyed. (TR 1989, EXH 142, DGL-3) However, because the pay rates for the rate department turned out to be far below the comparison market, the market to average comparison was recalculated excluding these positions, as to not skew the study results. (TR 1990) Thus, by excluding the rate department, on a company-wide basis SSU's average pay rates are 12.9% below the market rates. (TR 1990, EXH 142, DGL-3, pp. 11) As Ms. Lock testified, according to Hewitt Associates, pay levels can be considered fully competitive when they are within a range of 5%. (TR 1990, EXH 142, DGL-3, pp. 5) As a result of these findings, SSU has requested a market increase of 4.77% to achieve a portion of the balance of the adjustments needed to bring its pay levels into a position which is competitive with the market. (TR 1997)

Based on the utility's analysis, Ms. Lock testified that SSU's salary structure and average salaries are considerably below market, while at the same time employee turnover rates exceed the market significantly. (TR 1990) According to Ms. Lock's testimony, SSU's salary structure was originally established based upon 1988 salary survey data, and was last revised in 1990 by a 2% increase in the salary ranges. (TR 1991) Survey data from Hewitt Associates indicated that between 1992 and 1994, Florida employers increased their salary ranges by an average of 7.8%, while during the same time period, Ms. Lock stated that SSU's salary structure remained constant. (TR 1991)

In addition to the survey data on salary structures, Ms. Lock testified that the Hewitt survey provided information on average salary increase budgets for Florida employers. (TR 1991-1992) According to the Hewitt data, from 1993 to 1994, on average, employees in Florida received an 8.57% compound increase in salaries. On the other hand, Ms. Lock testified that SSU's salary increase budgets reflected a compound growth rate of 7.2% during the same time period, with an actual average growth of 1.44%. Further, Ms. Lock professed that although SSU has attempted to keep pace with the external market increases, the utility has not been financially able to implement salary adjustments on a company-wide basis. Thus the utility's pay rates still lag behind the external market. (TR 1992)

Ms. Lock testified that SSU has experienced high rates of turnover during previous years, as well as difficulty recruiting. SSU's turnover percentages for 1992, 1993, 1994 and for the first quarter of 1995 (annualized) were 13.2%, 13.5%, 11.54%, and 11%, respectively. As Ms. Lock testified, SSU's turnover rates are significantly higher than the average turnover rates for the nation and the Southern United States. (TR 1993) Ms. Lock attributes SSU's turnover rate to the utility's level of wages and salary scale discussed above. (TR 1992-1993) As testified to by Ms. Lock, high turnover results in higher recruitment costs, reduced productivity by employees and increased retraining costs. Ms. Lock concluded that if trained employees can not be retained, this will have a negative impact on the utility's customer service and operating efficiency. (TR 1994)

In an effort to control turnover, Ms. Lock testified that when new employees are hired, their pay rates are compressed at the low end of the respective pay ranges. (TR 1994) To improve retention of administrative and clerical employees within the lower pay grades, SSU previously compensated these employees with up to three step adjustments within the first year and half of employment. This program has since been discontinued, with the expectation that SSU will implement the market adjustments based on the Hewitt Study results. (TR 1994) Additionally, to improve retention of plant operators and plant maintenance employees, hourly pay adjustments are granted for those employees who obtain additional or higher level licenses. (TR 1994) In spite of SSU's efforts and the modest improvement in its turnover rates since 1992, Ms. Lock testified that the Hewitt Study data indicated that the licensing adjustments have not adequately brought pay levels in line with the external market. (TR 1995)

In addition to its efforts to control turnover rates, SSU has also attempted to control payroll costs. Ms. Lock testified that the 1995 labor budget was reduced by $600,000 as a result of a hiring freeze that went into effect at the beginning of 1995. Further, Ms. Lock stated that all 1995 vacancies are subject to review and re-justification. (TR 1995) In an effort to account for turnover and ongoing vacancies, additional adjustments are made to the labor budget each year. In 1995, this reduction totaled $125,000. (TR 1996)

As testified to by Ms. Lock, it is the utility's belief that in order to mitigate the problems resulting from high turnover rates, SSU must begin implementing the salary adjustments identified in the Hewitt Study. (TR 1996-1997) At some point in the future, it is SSU's intent to pay its employees within 5% of

the comparable external labor market. (TR 1997) Ms. Lock stated that SSU began to implement pay adjustments of 1.5% in 1995 in order to accomplish a portion of the competitive market adjustments indicated in the Hewitt Study, and is proposing recovery of a 4.77% increase for the 1996 test year. (TR 1996, 1997) As a summary point, Ms. Lock professed that the problems SSU has experienced related to high turnover will end up costing more for the customers than the utility's proposed salary adjustments. (TR 1996)

Direct Testimony of Paul A. Katz

In response to Ms. Lock's testimony, OPC witness Katz asserted that the salary surveys used by SSU were non-comparable, and that the utility had misused the data. Thus, Mr. Katz opined that the Commission should not give any weight to the conclusions reached by the utility in support of its proposed salary adjustment. Using the same topics outlined in Ms. Lock's testimony, Mr. Katz testified that SSU has erred in its analysis with respect to its salary structure, salaries, and turnover. (TR 2289)

Regarding SSU's salary structure, Mr. Katz stated that although the utility's pay grades have not increased during the same time period that other employers have raised their structures by 7.8%, this does not support SSU's conclusion that its structure is non-competitive. (TR 2289) Mr. Katz testified that a company's salary structure, which symbolizes the minimum and maximum pay rates for a particular job or pay grade, has little to do with actual pay. Further, Mr. Katz stated that increases in salary structures and increases in salaries can be completely different. As such, a company can increase employees' pay substantially within a pay grade, without making adjustments to its salary structure. Mr. Katz summarized his argument by declaring that SSU's ability to compete fairly in the external market was not hampered by the fact that the utility has not increased its salary structure. (TR 2290)

With respect to Ms. Lock's testimony regarding SSU's salaries, Mr. Katz contended that the utility is guilty of throwing numbers around. For example, Mr. Katz asserted that Ms. Lock erroneously concluded that budget increases equaled actual increases. (TR 2291) When comparing SSU's salary increases with other Florida employers, Ms. Lock stated that, "average overall salary increase budgets in Florida were 4.0% hourly and 4.4% exempt and, in 1994, 4.1% hourly and 4.4% exempt. . . . the average Florida employee thus received an 8.57% compound increase in earnings." (TR 1991-1992) In contrast, Mr. Katz testified that budgeted increases are merely projections a company makes with regard to its employees' salaries, which are not necessarily the actual increases granted by

a company. Further, he stated that a company's budgeted increases could vary significantly from its actual salary increases. (TR 2291)

On a related point, Mr. Katz referenced Ms. Lock's testimony which indicated that since SSU's average actual raises increased by 1.44% from 1993 to 1994, as opposed to its budgeted increase of 7.2%, she concluded that this "confirms that, proportionately, SSU is filling more lower paid operator, maintenance and customer service classifications than higher paid positions." (TR 1992, 2291) In response to this statement, Mr. Katz argued that the utility provided no evidence or analysis which would indicate any correlation, or to support Ms. Lock's conclusions. (TR 2292) Ms. Lock also testified that the average employee at SSU earned a base salary of $27,168 in 1993, while at the same time, on average, the compensation for investor-owned water utility employees was $34,586 in the Southern U.S., and $39,109 nationally. (TR 1992) In response to this, Mr. Katz stated that according to these figures, SSU's salaries are behind by 44%. He indicated that this percentage difference did not seem possible since average salaries do not usually vary by such a large amount, within and among industries, due to competitive pressures in the marketplace and the availability of salary information. Mr. Katz concluded his remarks on SSU's salaries by stating that these significant differences reported by the utility indicate a problem with data comparability. (TR 2292)

In addition to his assertions regarding errors in the utility's analysis of its salary structure and salaries, Mr. Katz further alleged that the utility has also erred in its analysis of turnover. As Mr. Katz pointed out, SSU failed to provide any analysis or proof which might defend the utility's assertions that its "non-competitive pay" is the direct cause of its "high turnover and recruitment difficulty." (TR 2293) On this point, Mr. Katz testified that there are numerous factors that can contribute to turnover, such as "poor management, poor physical or emotional working conditions, or hiring the wrong people," and that compensation is rarely a critical factor for employees voluntarily departing. (TR 2293) Furthermore, using data provided by SSU, Mr. Katz testified that SSU's turnover rate would also be at the national average of 10.8%, if eight fewer employees departed. (TR 2293) Based on this analysis, Mr. Katz declared that the data provided by SSU does not support Ms. Lock's assertions that the utility's turnover rates are "abysmal" and substantially higher than the national average. (TR 1993-1994, 2293)

Additionally, Mr. Katz testified that SSU has failed to adequately compare its salaries to the local labor market. Further, Mr. Katz argued that it is inappropriate for a corporation to apply a national, state, or regional survey to each of its subsidiaries, without considering local factors such as unemployment rates, wage rates, skill/education levels, and the availability of workers. (TR 2294) Mr. Katz also criticized the use of the Florida League of Cities Wage Survey within the Hewitt Study, as not being indicative of local, or non-urban area pay. (TR 2295)

In addition to the testimony Mr. Katz provided based on his concerns regarding SSU's market-based salary survey, he also produced an analysis of the relationship of SSU's payroll to the utility's revenues and customers. (TR 2296) According to Mr. Katz's analysis which compared SSU with other utility companies included in the 1994 National Association of Water Companies survey, SSU ranked 98 out of 101 for payroll dollars spent per revenues, and 88 out of 101 for payroll dollars per customer. (TR 2296, EXH 165)

Mr. Katz concluded by insisting that SSU has not supported its requested salary increase, and therefore, should not be granted any increase. (TR 2297) He further suggested that the Commission should require SSU to provide a valid compensation survey that is indicative of the specific local markets in which the utility operates. (TR 2297-2298) Additionally, Mr. Katz proposed that SSU should implement a performance-based incentive pay program in which employees would be rewarded with a portion of the company's financial gain, and thus, not require increased funding from customers. (TR 2298)

Direct Testimony of Larkin/DeRonne

Based on the testimony provided by Mr. Katz, OPC witnesses Larkin and DeRonne proposed to reduce SSU's 1996 projected test year expenses by $593,755 and $433,297 for water and wastewater, respectively. (TR 2656-2657, EXH 174, Schedules 19 & 20) Mr. Larkin and Ms. DeRonne also proposed a corresponding adjustment to reduce payroll tax by $82,164. (TR 2657, EXH 174, Schedule 21) These recommended adjustments remove SSU's requested test year salary increases in their entirety. (TR 2656)

Rebuttal Testimony of Dale G. Lock and Frank Johnson

SSU witness Johnson, a principal with the firm Hewitt Associates, provided a detailed description of the procedures that

Hewitt observed in order to ensure that the market data utilized was relevant, valid, and comparable with respect to analyzing the competitiveness of SSU's salaries and salary structure. (TR 4357-4367) According to Mr. Johnson, the process included:

- A careful evaluation of SSU's jobs to determine actual job content. (TR 4348)
- Comprehension of the appropriate competitive market places to understand the areas employees are recruited from, and where they go for other employment. (TR 4348-4350)
- Use of a variety of surveys which captures data on the relative markets in order to ensure market specificity, and to control bias. (TR 4350-4351)
- Matching the content of SSU's jobs with the descriptions of the surveyed jobs. (TR 4351-4352)
- Modification of all survey data to be effective at a common date. All survey data was adjusted to July 1, 1995 for the study conducted for SSU. (TR 4352)
- Analyze survey data and assign a weight to each survey to ensure the highest weight is given to the most relevant data. (TR 4352)
- Establish an Estimated Market Value calculated based on the weighted average of all survey data compiled. (TR 4352-4353)

Throughout Ms. Lock's rebuttal testimony, she alleged that Mr. Katz did not review or analyze the Hewitt Study data, since he made no mention of the study in his testimony. (TR 4300-4301, 4303, 4309, 4313, 4317, 4321) Thus, she concluded that Mr. Katz was flawed in his testimony and the conclusions he reached with respect to SSU's proposed salary increases. (TR 4321) From Ms. Lock's perspective, "he was able to discern very little about SSU's pay practices, business operations, revenue base or the justification for competitive pay adjustments. His conclusions demonstrate errors in analysis, interpretation and serious deficiencies of vital numbers and information." (TR 4303) In addition, Mr. Johnson argued that it appeared that Mr. Katz only selectively looked at the data included in the Hewitt Study, and therefore, did not have a balanced view of all the information. (TR 4376)

First, Ms. Lock asserted that Mr. Katz erred in his analysis of the National Association of Water Companies (NAWC) survey data which he used to compare SSU's revenues and customers per payroll dollars, with other water utility companies. (TR 4304) Based on his analysis, Mr. Katz concluded that in relation to almost all the other companies included in the survey, SSU's spends more money on employee pay. (TR 2296, 4305-4306) However, Ms. Lock testified that while Mr. Katz included wastewater payroll dollars in his comparison, he failed to also include wastewater revenues or customers. (TR 4304) In addition, Ms. Lock maintained that since wastewater operations are more labor intensive as compared to water operations, it is her opinion that it is inappropriate to compare SSU, a water and wastewater utility, to other utilities that have only water operations. It is her belief that the higher labor costs associated with the wastewater operations distort payroll comparisons with water utilities. (TR 4306, 4307)

In an attempt to present additional evidence to refute Mr. Katz's conclusions of SSU's payroll compared to the NAWC survey, the utility performed a payroll analysis using water and sewer payroll costs and revenue based on average pay per employee for both 1993 and 1994. (TR 4307-4308) Exhibit 211, illustrated that SSU's average pay per employee was $25,216 in 1993 and $27,269 in 1994, compared to the NAWC averages of $37,876 and $39,694, for 1993 and 1994, respectively. Ms. Lock maintained that this analysis supports the utility's need for the market-based salary adjustments indicated by the Hewitt Study. (TR 4308)

In response to Mr. Katz's assertions that the salary survey information utilized by Hewitt was non-comparable to SSU, Ms. Lock disagreed by stating that the surveys used were "highly relevant and represented the exact jobs which SSU employs." In addition, she explained that the data contained within the surveys included salary information from many of the cities and counties in which SSU conducts business. (TR 4309) Mr. Johnson provided testimony regarding the process Hewitt Associates followed to ensure that the surveys used in the study were comparable to SSU. Characteristics which were considered in the selection process were: 1) surveys comprised of jobs directly comparable to SSU, 2) surveys comprised of organizations which compete with SSU for similar types of workers, 3) surveys encompassing geographic areas in which SSU recruits and/or loses employees, 4) surveys conducted by reputable organizations, and 5) surveys containing timely data. (TR 4358-4359) Based on this selection process, Mr. Johnson concluded that the survey data used in the study is comparable to SSU, and that the application of the salary survey data provided a representative external market comparison. (TR 4374)

Ms. Lock further disagreed with Mr. Katz's criticism of Hewitt Associates' use of the Florida League of Cities Survey (FLCS) as a comparison market for certain plant personnel jobs. (TR 4309-4310) She maintained that the FLCS survey contains an exact geographic match of many rural areas in which SSU operates. Mr. Johnson echoed Ms. Lock's testimony regarding the appropriateness of Hewitt's use of the FLCS survey. (TR 4364-4366) Moreover, Ms. Lock professed that since the utility's largest competitors in the labor market are the county and municipal entities, "it would be irresponsible for SSU to ignore the single largest data base of pay rates for licensed Water and Wastewater Plant Operators and maintenance personnel in the State of Florida." (TR 4311, 4312) Mr. Johnson also supported Ms. Lock's statements that the government owned water and wastewater operations are SSU's most likely competitors, since the training plant operators undergo is of a restricted nature. (TR 4366)

In response to Mr. Katz's testimony concerning SSU's salary structure, Ms. Lock testified that due to the utility's pay practices for new hires, the minimums assigned to each pay range influence SSU's ability to attract new employees. Therefore, contrary to Mr. Katz's testimony that the utility's claims regarding its salary structure should be rejected, Ms. Lock maintained that SSU's salary structure does have an impact on individual employee salaries. Based on these two points, Ms. Lock further maintained that the utility's testimony regarding its current pay ranges does, in fact, support SSU's proposed market-based pay increase. (TR 4314-4316) On this same point, in theory, Mr. Johnson agreed with Mr. Katz's assertion that salary structure does not necessarily dictate salaries. (TR 4371) However, in reality, Mr. Johnson explained that, "they are closely integrated in virtually all organizations, and the salary structure has a direct impact on pay practices and pay levels." (TR 4373)

In Mr. Katz's testimony, he referenced Ms. Lock's statements that SSU budgeted increases of 7.2% in 1993 and 1994, while the utility's average actual raises were 1.44%. (TR 2291) However, Ms. Lock affirmed that her testimony actually stated "actual average pay" which she defined as total payroll divided by the total number of employees. (TR 4319-4320) In response to Mr. Katz's criticism that the utility provided no evidence to indicate that this percentage difference was a result of filling more lower paid than higher paid positions, Ms. Lock suggested that these differences demonstrated that although SSU has granted pay increases, this same percentage growth is not reflected in SSU's average pay. Further, Ms. Lock insisted that turnover is the only

explanation for the differences calculated in percentage increases and growth in average pay. (TR 4320)

In response to Mr. Katz's assertion that compensation is rarely a critical factor for employees departing voluntarily, Ms. Lock testified that to apply a 1954 motivation study to the 1996 work place is inappropriate, in that 40 years of change would be disregarded. (TR 2293, 4324) Although, on cross examination, Mr. Katz testified that as of 1992, and possibly 1993, this study was still being taught by the American Compensation Association. (TR 2309-2310) On a related point, Ms. Lock reported that based on exit interviews conducted by SSU, the percentage of departing employees who cited "better paying jobs" as a reason for leaving increased from 11.8% in 1992 to 40.7% in 1995. (TR 4324-4325) On the other hand, Mr. Katz testified that while an employee may express higher pay as his/her reason for leaving, this may not necessarily mean that the employee will receive higher pay for same job. (TR 2314-2315) Moreover, Mr. Katz testified that although the exit and review forms utilized by SSU lists various reasons why an employee might be leaving for higher pay, the utility has not provided this information for review, nor indicated whether or not this data was actually recorded. (TR 2315)

Based on information provided by DEP, Ms. Lock testified that there appears to be a shortage of licensed individuals who are qualified to operate water and wastewater facilities in compliance with DEP requirements. (TR 4325-4326) Additionally, due to changes in license testing, early indications suggest that the number of licensed water and wastewater plant operators can be expected to further decrease, thereby increasing demand. (TR 4326-4327) Ms. Lock indicated that this shortage further supports the utility's need for market-based pay adjustments. (TR 4327)

In response to Mr. Katz's criticism of the utility's analysis of its turnover rate, Ms. Lock testified that water and wastewater employees are skilled workers, and that SSU must compensate those workers who have higher training and licensing costs. (TR 4327) For this reason, Ms. Lock maintained that it is not satisfactory for SSU to have a turnover rate equal to the national average, which includes employers such as restaurants and retail establishments, otherwise, she concluded that customer rates may be affected. (TR 4327-4328) In Exhibit 211, DGL-7, Ms. Lock demonstrated that SSU's turnover rate for 1995 was 16.01% in total, while the percentage of preventable turnover was 11.8%. (TR 4328) Ms. Lock compared this to 1994 turnover data from the Saratoga Institute, which reported 7.8% as total employee departures for utility companies. (TR 4328) Mr. Johnson testified that an

organization will experience difficulty in recruiting and retaining employees if its pay levels decline in relation to the competitive market. (TR 4370-4371) Further, Mr. Johnson reported that the long-term effects of these problems will likely have a negative impact on quality of service. (TR 4371)

In response to Mr. Katz's suggestions that SSU should be required to adopt a performance based incentive program, Ms. Lock testified that this type of program would be a major disincentive for hourly employees, unless they are being paid at market-level pay. (TR 4330) Ms. Lock explained that incentive programs based on a company's financial performance are primarily implemented for salary, as opposed to hourly employees. (TR 4330) Moreover, Ms. Lock stated that, "it would be highly unlikely that any company could attract and retain hourly workers by paying non-competitive pay rates and compounding this problem by placing portions of their pay at risk based on company financial performance." (TR 4329-4330)

In summary, Ms. Lock testified that the salary adjustments proposed by Mr. Larkin and Ms. DeRonne are not justified, and that Mr. Katz had no basis for recommending removal of SSU's proposed competitive market-based pay adjustment. (TR 4330) Ms. Lock further contended that SSU's proposed payroll adjustments for merit pay, license attainment, promotions, and step increases are prudent and reasonable. (TR 4331-4332) Moreover, Ms. Lock maintained that the utility's ability to recruit and retain employees would be significantly impaired if the Commission disallows SSU's proposed salary increases. (TR 4333) In addition, Mr. Johnson testified that the detailed analysis conducted by Hewitt Associates indicated that SSU's pay levels are below the competitive market. (TR 4368-4369) In Mr. Johnson's opinion, the utility's proposed salary adjustments are a reasonable attempt to begin to address its non-competitive salary levels. (TR 4369) Consequently, as of December, 1995, SSU began to implement the first step of the proposed Hewitt Study adjustments by granting a 5.08% market-based increase to its customer service employees. (TR 4333)

Summary of Arguments

As argued in its brief, as well as the testimony of Ms. Lock and Mr. Johnson, SSU questioned the credibility of Mr. Katz's ability to provide expert testimony in the area of corporate compensation practices, since a majority of his experience has been in the government arena. (TR 4301-4302, 4374-4376) On cross examination, however, Mr. Katz listed a number of companies he has been hired to testify for or against, concerning pay and personnel

practices. (TR 2303-2305) Regardless, the Commission has accepted Mr. Katz as an expert in this field, and as such, should give his testimony the weight it deserves.

In its brief, SSU also argues that the Commission should disregard Mr. Katz's testimony based on his analysis of SSU's payroll costs compared to the NAWC survey, since Ms. Lock demonstrated that his comparison included water and wastewater payroll dollars, but only water revenues and customers. In contrast to Mr. Katz's conclusions, Ms. Lock testified that payroll per customers and revenues are "far below average" when both water and wastewater revenues and customers are analyzed. (TR 4304-4305) Ms. Lock provided Exhibit 211, DGL-5, in support of her testimony, which indicated that the company generates $4.20 of revenue per dollar of payroll, compared to $2.57 calculated by Mr. Katz. (TR 4305) Staff notes, however, by using Ms. Lock's calculation, SSU would be ranked 71 out of 101, which is still considerably above the average. (EXH 165) Staff believes this does not support her conclusion with respect to payroll dollars spent per revenue earned. On the other hand, SSU would be ranked 39 out of 101 with respect to payroll per customer. (EXH 165, 211, DGL-5) On this point, staff agrees with Ms. Lock's contention that SSU is below average regarding the amount of payroll burden placed on the utility's ratepayers. (TR 4306-4307)

In its brief, OPC argued that the utility did not meet its burden of proof regarding the need for the proposed test year salary increases. OPC argued three major points of concern regarding SSU's assertions of an exact geographic match, that the utility's salaries are 17.3% below market, and SSU's claims that its turnover rates are excessive and are a direct result of its salary levels.

The first point OPC argued against was SSU's contention that the FLCS survey that was used to compare the utility's operations personnel provided an exact geographic match to the market in which SSU competes for employees. (TR 4311) OPC pointed out that SSU has placed a great deal of emphasis on this survey, however, the utility failed to be aware of and provide all of the relevant data to Hewitt Associates for use in the competitive pay survey. (TR 2042-2044) Staff is also concerned about the exclusion of this data. Although Ms. Lock insisted that the FLCS survey was the single most important data base regarding pay data for operations and maintenance personnel, a portion of the survey was excluded by SSU, as irrelevant to its analysis. (TR 4311-4312, 2042-2044)

On cross examination by OPC, Ms. Lock questioned the relevance of the third volume of the FLCS survey, for populations of less than 10,000, because many of the municipalities included in the survey had populations around 2,000 or less. Ms. Lock further stated, "Some of them are little more than package plants that operators run as a side line, . . . I would assume they have far less complex and size facilities as would SSU." (TR 2042) In defense of this exclusion, Ms. Lock claimed that the two volumes of the FLCS survey that the utility did use were representative of a major portion of the operators in the state of Florida. (TR 2045) Staff is concerned with Ms. Lock's comments regarding the relevance of the third volume to SSU's operations. According to the utility's MFRs, for 1996, SSU has only 3 jurisdictional water and wastewater plants which serve over 10,000 total customers. Alternatively, 83 out of 101 water and/or wastewater plants have less than 1,000 total customers, and 69 of these ranged from a total of 2 customers up to 288. (EXH 67, Vol. II, Book 1 of 4) Based on this, staff has to question the utility's decision to include municipalities with populations over 50,000, but to disregard those under 10,000. Furthermore, based on Ms. Lock's statements above, staff questions her familiarity with the plants SSU owns and operates, as well as her judgement with respect to the determination of an "exact geographic match."

In addition to the utility's position that the third volume was irrelevant to its analysis, SSU argued in its brief that it would be unlikely for the utility's operators to leave SSU's employ to be among the lowest paid operators in the state. Staff notes, however, that it is possible that SSU might recruit from these areas. Based on the utility's own testimony, when performing a market comparison, it is important to consider not only where employees may go when they leave, but also where new employees are likely to be recruited. (TR 4348) Moreover, SSU's argument on this point is also contrary to Ms. Lock's statements that by averaging together the lowest and highest payers, this should result in an average that is indicative of the overall market. (TR 2066) Based on these inconsistencies, staff disagrees with the utility's argument as a basis for excluding the portion of the FLCS survey which focuses on populations of 10,000 or less.

Another issue OPC argued in its brief was the utility's assertion that on average, SSU's salaries needed to be increased by 17.3% in order to bring them in line with the market. OPC argued that this percentage was calculated excluding executive level salaries, as well as the lower level positions included in the Hewitt Study whose pay was above the market, while the utility's requested 4.77% increase was applied to total company salaries. On

cross examination by OPC, Ms. Lock admitted that the 17.3% figure was calculated based on the simple average of only the positions included in the Hewitt Study which were found to be below market. (TR 2022) Based on this, OPC argued that if the positions which are paid above the market are included in this calculation, SSU's salaries would be only 10.8% below market, and excluding the rate department positions, this figure would drop to 7.8%. Moreover, since Ms. Lock stated that salaries can be considered fully competitive when they exist within a range of 5% of the market, (TR 1990) OPC argued that SSU's salaries are within 2.7% of being fully competitive, before any adjustments.

On a related point, OPC argued that SSU's executive level salaries are excessive. At the technical hearing, OPC presented Confidential Exhibit 146 which included some draft survey information regarding SSU's Vice President of Finance and Administration. Staff does not believe it would be appropriate to assume that all executive level salaries are excessive, strictly based on the market comparison information for one officer.

One final point addressed by OPC is related to the utility's assertion that its salary levels are the cause of its turnover rates. In its brief, OPC argued that turnover can be caused by a multiplicity of factors, and that SSU's turnover data includes losses for layoffs, downsizing, temporary employees, and losses transpiring within six months of the date of hire. Regarding losses of newly-hired employees, OPC argued that since these individuals are aware of their starting salaries, it does not appear that this would be a leading cause of turnover for this group.

Based on the evidence presented in the record, it appears that SSU has experienced a relatively high turnover rate over the last few years. However, staff is not convinced that this is indicative of non-competitive salaries, nor that it is a direct result of the level of salaries paid. The utility has not presented any evidence to indicate that a direct correlation exists between SSU's pay levels and its turnover rates. Although SSU has provided some percentages of employees who have stated "better pay" as their reason for leaving, staff agrees with Mr. Katz's argument that "better pay" does not necessarily equate to better pay for the same type of job. In addition, staff agrees with OPC's argument that other factors can contribute to high turnover.

Although it appears there are some problems with the evidence presented by the utility in support of its salary increases, we believe that the utility has adequately demonstrated the need for

some level of increase. Based on the evidence presented by the utility in support of its budgeted merit increases, it appears that SSU's requested 3% is below average, which ranges from 3.3% to 4.3%, based on 1994 actual increases. (TR 4332) In addition, SSU's requested 1% increase for promotions is based on information for 1993 through 1995. Further, Exhibit 211, DGL-6, illustrated that the utility's average payroll per employee was well below average for both 1993 and 1994. Staff believes that all these factors, as well as the above analysis support the utility's requested salary increases for merit, promotion, license attainment, and market/equity, totaling 5.75% of total payroll. Moreover, we believe the utility has supported at least some level of market-based salary adjustment.

As stated above, the utility has requested recovery of a 4.77% market salary adjustment, based on the Hewitt Study. In consideration of the discrepancies discussed above regarding the exclusion of relevant market data, as well as the calculation of the percentage needed to bring salaries to the market level, staff does not believe that the utility has adequately justified the need for a 4.77% increase of total payroll. As OPC presented in its brief, the utility's salaries are within 2.7% of being fully competitive with the market. Therefore, based on the above discussion, staff recommends that a market adjustment of 2.7% should be approved. Consequently, SSU's projected 1996 salaries should be reduced by 2.07%, or $117,655 and $86,143 for water and wastewater, respectively.

ISSUE 83: What adjustments are necessary to remove salaries and benefits associated with employee lobbying?

RECOMMENDATION: Test year expenses should be reduced by $65,661 for salaries and $15,626 for related expenses. (CLARK)

POSITION OF THE PARTIES

SSU: Fifty percent (50%) of the salary of SSU's manager of Communications and Governmental Relations should be removed.

MARCO ET AL: Test year expenses should be reduced by $65,661 for salaries and $15,626 for related expenses.

NASSAU ASSOCIATIONS: Test year expenses should be reduced by $65,661 for salaries and $15,626 for related expenses.

OPC: Test year expenses should be reduced by $65,661 for salaries and $15,626 for related expenses.

STAFF ANALYSIS: OPC witness K. Dismukes reported that SSU did not record any salary expenses related to lobbying efforts below-the-line for the 1996 projected test year. (TR 2761) With respect to SSU's employee selected to perform public and governmental relations (Mr. Tracy Smith, a registered lobbyist for SSU), through discovery the utility informed OPC that there were no salaries related to this employee included in the 1995 budget, nor in the 1996 test year. (TR 2761, 2764) However, SSU did identify $92,000 of lobbying costs included below-the-line in the 1995 budget. (TR 2761)

Based on her evaluation of the utility's 1995 travel vouchers and of the correspondence between Mr. Smith and SSU's lobbying consultant (Capital Strategies), Ms. Dismukes concluded that Mr. Smith is a primary connection between SSU and the legislature. (TR 2762-2764) Ms. Dismukes testified that with rare exception, throughout 1995 Mr. Smith's travel related primarily to lobbying efforts. (TR 2762) Likewise, Mr. Smith's role as a lobbyist was substantiated by the correspondence between Mr. Smith and the utility's lobbying consultant. (TR 2762-2764) Ms. Dismukes further testified that in the past, the Commission has not permitted recovery of expenses related to lobbying and public relations from ratepayers, as these efforts have been deemed to benefit only the stockholders. (TR 2764) Therefore, Ms. Dismukes has recommended that an adjustment should be made to remove Mr. Smith's salary and related payroll costs in the amount of $65,661. (TR 2764, EXH 175, Schedule 26)

In addition to her adjustment to remove salaries and benefits related to lobbying activities, Ms. Dismukes also recommends removal of some miscellaneous costs from test year expenses which are related to public relations, government relations, and image enhancement. (TR 2764) Exhibit 175, Schedule 27 indicates the following expense adjustments recommended by Ms. Dismukes:

PR Association Dues	($375)
Florida Leadership Training	(5,000)
Legal-Public Relations	(658)
Public Relations Memberships	(900)
Corporate Image	(13,250)
Total	($20,183)

After applying the 1.95% attrition factor to calculate the 1996 expense amount, Ms. Dismukes recommended a reduction to test year expenses of $15,626, which reflects the portion allocated to the plants included in the current proceeding. (TR 2764-2765, EXH 175, Schedule 27)

In response to Ms. Dismukes' adjustments, SSU witness Lock testified that a 100% disallowance would be inappropriate. Instead, Ms. Lock proposed that the percentage disallowance should be divided based on the type of job functions associated with Mr. Smith's position. (TR 4335-4336) Ms. Lock professed that only 50% of Mr. Smith's salary should be recorded below-the-line since 30% of the job functions are related to lobbying efforts, and another 20% are related to public relations advertising and company image enhancement. (TR 4335-4336) On the other hand, Ms. Lock maintained that "[a]t least 50% of Mr. Smith's efforts are internal communication management responsibilities (including media liaison) and external customer water supply, and conservation education." (TR 4336) Further, Ms. Lock stated that only 3 of the 13 duties listed on Mr. Smith's job description are related to lobbying activities. (TR 4336-4337, EXH 211) In addition, Ms. Lock testified that during 1995, Mr. Smith's communication efforts were in large part expended to educate and inform employees and customers on issues critical to utility operations and customer service. (TR 4337)

In its brief, OPC reiterated the testimony of Ms. Dismukes which substantiated Mr. Smith's principal role as a lobbyist for SSU. OPC further argued that the Commission has consistently disallowed expenses related to lobbying and public relations, as this type of expense benefits the stockholders, not the customers of the utility. In support of this, OPC cites Orders Nos. 7669 p.

10, 11307 and 24049 p. 28. These orders held that expenses related to lobbying, public relations, and corporate image activities have been consistently disallowed on the grounds they should be more appropriately funded by the stockholders of the company.

In its brief, SSU stated "Ms. Dismukes limited her analysis to the travel reimbursement forms of the subject employee, failed to address the employee's timesheets, and made no mention of the employee's correspondence and activities with persons other than SSU's lobbyist," (pp. 97-98) implying that OPC did not adequately prove that Mr. Smith's salary should be disallowed. SSU maintained that Ms. Lock's suggested 50% disallowance should be adopted based on her testimony that only 3 out of 13 responsibilities listed on Mr. Smith's job description are lobbying related. In support of this argument, SSU cites two Commission orders. In Order No. PSC-93-0295-FOF-WS, Docket No. 910637-WS, the Commission removed a portion of an employee's salary based on the number of nonrecurring responsibilities on a list of work duties. In Order No. PSC-92-1197-FOF-EI, Docket No. 910890-EI, the Commission allowed a portion of expenses related to a government liaison to be included in above-the-line expenses.

Based on the arguments in its brief, it appears that SSU is suggesting that it is OPC's burden to prove that a specific expense is unreasonable. SSU argued that since OPC did not examine historical time sheets and only considered particular correspondence, the Commission should adopt the utility's suggested alternative to include 50% of Mr. Smith's salary above-the-line. However, staff acknowledges that in a rate proceeding, it is the utility's burden to prove that its expenses are prudent and reasonable, and not the burden of OPC to disprove a specific expense. Florida Power Corporation v. Cresse 413 So.2d 1187, 1191 (Fla. 1982). See also Rolling Oaks Utilities Inc. v. Florida Public Service Commission 533 So.2d 770, 773 (Fla. 1st DCA 1988) and South Florida Natural Gas Co. v. Public Service Commission 534 So.2d 695, 697 (Fla. 1988).

Staff is concerned with the utility's inconsistency with regard to this issue. In a response to OPC's discovery request, SSU indicated that there were no salaries related to lobbying included in the 1995 budget, and therefore, none included above-the-line in the MFRs for the 1996 test year. (TR 2761) However, in the utility's rebuttal testimony, Ms. Lock conceded that it would be appropriate to remove 50% of Mr. Smith's salary based on his job description. Based on this, it is apparent that salary expenses related to Mr. Smith's position were, in fact, included in test year O&M expenses.

Another point of concern is Ms. Lock's testimony that Mr. Smith's job description indicates that external and internal communications are the primary functions involved in his position. However, staff notes that "external and internal communications" does not necessarily equate to allowable expense items. Additionally, Ms. Lock neglected to mention that the general purpose of Mr. Smith's job overwhelmingly suggests that his position is concerned with government and public relations. The job description states the following as the general purpose for the Manager of Communications and Governmental Relations:

> Establishes government relations and communications strategies for company. Performs and manages a variety of governmental liaisons and educational and public relations functions. Position requires a broad-based, industry knowledge, government and communications contacts and the ability to communicate company positions and concerns to the broad spectrum of employees, customers, general public, government personnel and community opinion leaders. (emphasis added) (EXH 211, DGL-9)

On a similar point, Ms. Lock stressed that only 3 of the 13 duties listed on Mr. Smith's job description are related to lobbying, however, she omitted the number of duties related to public relations advertising and image enhancement. After reviewing the remaining list of job responsibilities, staff notes that it is difficult to determine which duties relate to communications regarding education of utility issues, as opposed to advertising and image building.

In its brief, SSU cited from Order No. PSC-93-0295-FOF-WS, in support of its argument that the Commission should allow a portion of Mr. Smith's salary based on the number of responsibilities listed on his job description. In that case the Commission disallowed a portion of the employee's salary because many of the work duties listed for that employee were nonrecurring. Staff distinguishes that case from the current proceeding in that Mr. Smith's salary is in question with relation to what portion of his responsibilities appertain to items allowable as above-the-line expenses, as opposed to what should be disallowed for ratemaking purposes.

Similarly, SSU also cited from Order No. PSC-92-1197-FOF-EI, in which the Commission allowed a portion of expenses related to a

government liaison to be included in above-the-line expenses. Staff recognizes that this order states:

> . . . all lobbying expenses shall be recorded below-the-line, including liaison related expenses. However, when preparing a rate case, the company may make an adjustment to transfer these expenses above-the-line; the company must then justify any amounts charged to jurisdictional expenses. (emphasis added)

In her rebuttal testimony, Ms. Lock emphasized that 50% of Mr. Smith's time is related to internal communications with employees and customer/public education, and therefore should be allowed as above-the-line expenses. Nonetheless, staff points out that the only support provided by the utility to advocate including 50% of Mr. Smith's salary was the description of his position, which in staff's opinion was hardly convincing.

As indicated above, in a rate proceeding, it is the utility's burden to prove that its expenses are prudent and reasonable, and not the burden of OPC to prove specific expense items should be disallowed. Based on the above, staff believes that SSU has failed to meet its burden to demonstrate by a preponderance of the evidence that all, or even part of Mr. Smith's salary should be included above-the-line. Considering the inconsistency surrounding this issue, as well as the lack of support from the utility, staff believes that OPC's proposal to remove the expenses related to Mr. Smith's salary is reasonable. Additionally, with respect to OPC's proposed adjustment to remove miscellaneous test year expenses related to public and government relations and image enhancement, the utility did not provide any testimony, nor address this adjustment in its brief. Because the utility has not proven by a preponderance of the evidence that these expenses should be included above-the-line, staff believes that it is appropriate to remove the utility's expenses related to lobbying and public relations. Therefore, we recommend that test year expenses should be reduced by $65,661 for salaries and $15,626 for related expenses.

ISSUE 84: Should expenses be reduced to reflect salaries and expenses related to SSU's acquisition efforts?

RECOMMENDATION: Yes. Test year expenses should be reduced by $175,928 for salaries and $10,742 for related expenses. (CLARK)

POSITION OF THE PARTIES

SSU: Adjustments should only be made according to time sheets consistent with the Commission's past practice. OPC failed to present this information to the Commission and failed to provide credible evidence supporting any adjustment whatsoever. Therefore, the Commission should accept SSU witness Vierima's proposal to allocate 50% of the salaries for the employees identified in Mr. Vierima's testimony to acquisition efforts.

MARCO ET AL: Yes. Test year expenses should be reduced by $175,928 for salaries and $10,742 for related expenses.

NASSAU ASSOCIATIONS: Yes. Test year expenses should be reduced by $175,928 for salaries and $10,742 for related expenses.

OPC: Yes. Test year expenses should be reduced by $175,928 for salaries and $10,742 for related expenses.

STAFF ANALYSIS: OPC witness K. Dismukes reported that SSU recorded an estimate of $30,585 below-the-line for the 1996 projected test year salary expenses related to the utility's acquisition efforts. (TR 2759-2760) Ms. Dismukes asserted that since this estimate is substantially lower than the amount recorded below-the-line in 1994, the utility failed to recognize a sufficient amount of acquisition-related salaries for the projected test year. (TR 2759-2760) Therefore, Ms. Dismukes reduced test year salaries by $175,928 to reflect her recommended level of salaries associated with SSU's acquisition efforts. (TR 2759, EXH 175, Schedule 24)

As indicated in Exhibit 175, Schedule 24, with the exception of the corporate development department, Ms. Dismukes utilized the actual percentages for each employee who spent time related to acquisitions in 1994, and applied those percentages to the employee's base salary for 1996. (TR 2760) With respect to the corporate development department, which is predominately responsible for the utility's acquisition efforts, instead of using the actual 1994 percentage Ms. Dismukes applied a current estimate to reflect time currently spent related to acquisitions. Based on an estimate by Mr. Charles Sweat, SSU's Vice President in charge of corporate development, Ms. Dismukes removed 90% of that

department's salaries. (TR 2760, 4413, EXH 175, Schedule 24) Ms. Dismukes contends that her adjustment to disallow these additional salaries is probably on the conservative side since, although SSU intends to increase its acquisition efforts compared to 1994, her adjustment does not reflect increased percentages for the other employees who spend time on acquisition efforts. (TR 2760)

In addition to her adjustment to remove 90% of the salaries and benefits related to acquisition efforts expended by the corporate development department, Ms. Dismukes also recommends removal of some of the test year expenses charged to that responsibility center. (TR 2761) She concludes that since a preponderance of Mr. Sweat's time is related to acquisition efforts, that the same percentage of expenses should also be charged below-the-line. (TR 2761) Exhibit 175, Schedule 25 indicates the following expenses related to the corporate development department:

Materials and Supplies	($2,280)
Transportation	(1,842)
Miscellaneous Expenses	(11,295)
Total	($15,417)

After applying the 1.95% attrition factor to calculate the 1996 expense amount, Ms. Dismukes recommended a 90% reduction to test year expenses of $10,742, which reflects the portion allocated to the plants included in the current proceeding. (TR 2761, EXH 175, Schedule 25)

In response to Ms. Dismukes' adjustments, SSU witness Vierima testified that it would be inappropriate to disallow 90% of the resources from Mr. Sweat's department. Mr. Vierima testified that Ms. Dismukes' recommended percentage disallowance was derived from Mr. Sweat's statements taken from a deposition in which he indicated that approximately 90% of his present time related to acquisitions and divestitures. Mr. Vierima points out that at the time Mr. Sweat made that statement, he was actively involved in the acquisition of OOU. Further, Mr. Vierima argues that since the corporate development department spends a varied amount of time on acquisitions, it would be incorrect to conclude that throughout the year Mr. Sweat's department spends 90% of their available time on acquisitions and divestitures. Mr. Vierima concluded by stating that 50% would be a reasonable estimate for time spent by the corporate development section on activities related to acquisitions. (TR 4413-4414)

As Mr. Vierima testified and further argued in its brief, SSU believes that the Commission should evaluate time sheets in order to determine the actual time spent on acquisition related activities, and make any adjustments based on that evaluation. (TR 4414) In its brief, SSU further argues that not only did OPC fail to present the historical time sheets, OPC also failed to present any "credible evidence supporting any adjustment whatsoever."

Based on Ms. Dismukes' testimony, it appears there is sufficient evidence in the record to indicate that the amount of acquisition related salaries recorded below-the-line was considerably lower than what should have reasonably been recorded. In effect, SSU has conceded to this point in that the utility only disagreed with the portion of OPC's adjustment related to the percentage disallowance associated with Mr. Sweat's department. As an alternative to Ms. Dismukes' recommendation, Mr. Vierima suggested that it would be reasonable to record 50% of this department's salaries and related expenses below-the-line. (TR 4414) However, staff has to question the reasonableness of this percentage, considering the following points: 1) the record indicates that the level of effort expended on acquisitions is increasing over previous years, but the amount of salaries SSU recorded below-the-line is decreasing (TR 2759-2760), 2) SSU has provided no evidence to support how its recommended 50% disallowance was determined, or any substantive basis as to why that percentage would be reasonable, and 3) 50% of Mr. Sweat's salary alone is more than what the utility originally recorded below-the-line.

Judging by the arguments presented in the testimony and in its brief, it appears that SSU is attempting to shift the burden of proof onto OPC to disprove the reasonableness of SSU's expenses. SSU argued that since OPC did not present historical time sheets or any other evidence, that the Commission should adopt the utility's suggested alternative. However, staff recognizes that in a rate proceeding, it is the utility's burden to prove that its expenses are prudent and reasonable. Florida Power Corporation v. Cresse 413 So.2d 1187, 1191 (Fla. 1982). See also Rolling Oaks Utilities Inc. v. Florida Public Service Commission 533 So.2d 770, 773 (Fla. 1st DCA 1988) and South Florida Natural Gas Co. v. Public Service Commission 534 So.2d 695, 697 (Fla. 1988). Based on SSU's concession that the amount of acquisition related salaries recorded below-the-line is insufficient, in addition to the preceding discussion, staff believes that SSU has not met its burden of proof. While SSU argues that time sheets should be used as the determining factor, and points out that OPC did not supply them to support its proposed adjustment, SSU has not adequately supported

its original estimate nor its proposed estimate with regard to the salaries for the corporate development section. Considering that Ms. Dismukes used a conservative estimate to calculate the disallowance for all other employees who spend time related to acquisitions, staff believes that OPC's recommended adjustment is reasonable. Therefore, we recommend that test year expenses should be reduced by $175,928 for salaries and $10,742 for related expenses.

ISSUE 85: STIPULATION

ISSUE 86: What adjustments are necessary to SSU's Hepatitis Immunization Program (Audit Disclosure No. 11)?

RECOMMENDATION: The total cost of the immunization program should be $35,520, amortized over a five-year period. This results in an annual expense of $7,104 and a reduction to test year expenses of $9,208. (KAPROTH)

POSITION OF THE PARTIES

SSU: The adjustments to SSU's Hepatitis Immunization Program should be ($8,896) for 1995 and ($9,031) for 1996.

MARCO ET AL: Adopts Staff's position

NASSAU ASSOCIATIONS: Adopts Staff's position

OPC: Adopts Staff's position put in Staff's position from preheating order.

STAFF ANALYSIS: In Audit Disclosure 11, staff witness Small stated that the utility included $16,312 in its 1996 budget for a newly implemented Hepatitis Immunization Program. His audit disclosure stated that the cost of the immunization cycle for 200 employees should be amortized over a five-year period in accordance with Rule 25-30.433 (8), Florida Administrative Code. (EXH 192) This rule states that non-recurring expenses should be amortized over five years unless a shorter or longer time period is justified.

Mr. Small testified that by taking the 1995 expense amount of $16,000 and dividing that by the number of employees that will be immunized, the per employee cost will be $80. Escalating the 1995 cost by the attrition adjustment of 1.95%, the 1996 per employee cost will be $82. Mr. Small then determined that the utility in 1996 would have an additional 22 employees vaccinated due to SSU's 11% employee turnover rate (200 employees x 11%). Multiplying the $82 cost per employee times the 22 additional employees, Mr. Small recommended that $1,804 should be the adjusted annual expense in 1996. This resulted in a decrease to test year expenses of $14,508. (EXH 192)

On cross examination, Mr. Small was asked to review Exhibit 193. This exhibit is SSU's response to FPSC Interrogatory No. 336 regarding SSU's hepatitis immunization program. That exhibit

indicates that the cost is $160/employee rather than $80 stated by Mr. Small in his audit disclosure. Mr. Small, on cross examination, admits that he has no reason to believe or factual evidence that the cost per employee is not $160. He added that information included in Exhibit 193 was not made available to him when the audit field work "was being done". (TR 3261-3262)

SSU's response to Interrogatory 336 also states that the original estimate of $16,000 was for 100 employees, not 200 as stated by Mr. Small. Further, using this $160 cost per employee and the 222 employees participating in the program, the resulting total cost would be $35,520. This amount amortized over five years, results in an annual expense of $7,104 and a reduction to test year expenses of $9,208. (EXH 193) The difference between the proposed adjustment of $9,031 in SSU's position and the proposed adjustment in Exhibit 193 is SSU's 1.95% attrition factor for 1996. Other than the utility's statement that the amount should be increase by the attrition factor, it presented no evidence showing why the total costs should be increased for inflation.

All parties agree that the immunization program should be amortized over five years. Based on the above, staff believes that the total cost of the immunization program should be $35,520, amortized over a five-year period. This results in an annual expense of $7,104 and a reduction to test year expenses of $9,208.

ISSUE 86a: Should an adjustment be made to reflect Other Administrative Projects that will be amortized by the end of the test year?

RECOMMENDATION: Yes. An adjustment should be made to reduce test year expenses by $93,452. (CLARK)

POSITION OF THE PARTIES

SSU: Yes. However, the reductions in test year expense should only total $63,817, rather than the $93,452 proposed by OPC witness Kim Dismukes.

MARCO ET AL: Yes. Test year expenses should be reduced by $93,452.

NASSAU ASSOCIATIONS: Yes. Test year expenses should be reduced by $93,452.

OPC: Yes. Test year expenses should be reduced by $93,452.

STAFF ANALYSIS: OPC witness Dismukes recommended an adjustment to reduce test year expenses by $93,452. (TR 2774, EXH 175, Schedule 33) As Ms. Dismukes testified, the utility did not adjust its projected test year expenses to remove Operations and Administrative Project (OAP) expenses which will be fully amortized by the end of 1996. The adjustment proposed by Ms. Dismukes removes these expenses from the test year. (TR 2774)

In response to Ms. Dismukes' adjustments, SSU witness Bencini recognized that it is appropriate ratemaking to remove amortization expenses related to deferred assets which will be completely amortized by the end of the test year. (TR 5111-5112) In that respect, the utility partially agrees with Ms. Dismukes adjustment. However, Mr. Bencini contends that this is not the appropriate treatment since the projected test year in this case was based on the budget for 1995, and the actual amortization expense related to the 1996 deferred debit projects were not included in this case. (TR 5112) Mr. Bencini testified that $15,742 of amortization expense was included in the MFRs for the 1996 test year, where as $45,377 was actually budgeted for 1996 related to the 1995-96 OAP projects. (TR 5112, EXH 244, MAB-2) Based on this, Mr. Bencini suggested that it would be appropriate to reduce Ms. Dismukes' adjustment by $29,635, for a net expense reduction of $63,817. (TR 5112-5113, EXH 244, MAB-2)

In its brief, OPC argued that SSU's expenses will be inflated on a going-forward basis if the Commission does not remove the amortization expenses associated with the OAP projects which will be fully amortized by the end of 1996. With respect to the appropriate ratemaking treatment, staff agrees with OPC's contention that the utility's test year expenses should be reduced.

In its brief, SSU reiterates Mr. Bencini's argument that it would not be appropriate in this case to remove the amortization expenses identified with the OAP projects which will be fully amortized by the end of the test year. SSU argues that since the 1995 budget was used to project the 1996 expenses, the actual OAP projects for 1996 and the associated amortization expenses were not included in the test year MFRs. Further, SSU identifies seven OAP projects which will increase the actual 1996 amortization expenses over the amount included in the MFRs.

Staff disagrees with SSU's argument that this one expense item should be adjusted based on actual 1996 expenses. We believe that it would be inappropriate for the Commission to concede to SSU's alternative adjustment simply because the projection methodology utilized by the utility to predict the 1996 amortization expenses, in fact estimated an expense level lower than the actual 1996 amounts. Consistent with Issue No. 99, staff is not recommending a change to the utility's 1996 expense projection methodology. Thus, we recommend that the Commission not divert from that methodology in this instance. Based on the above, staff recommends that an adjustment should be made to reduce test year expenses by $93,452.

ISSUE 87: Are any adjustments necessary to sludge hauling expense at the Beecher's Point/Palm Port facility?

RECOMMENDATION: No. The cost of hauling treated effluent from the percolation ponds at the Beecher's Point facility should be identified as "Purchased Sewage Treatment Expense" rather than sludge hauling however it is still a legitimate, prudent, recurring expense. (DAVIS)

POSITION OF PARTIES

SSU: No. The sludge hauling expenses being incurred are the most cost effective remedy available to date, and these are recurring expenses.

MARCO ET AL: Adopts Public Counsel's position.

NASSAU ASSOCIATIONS: Adopts Public Counsel's position.

OPC: Yes. The hauling of treated effluent should be identified as a "Purchased Sewage Treatment Expense" rather than sludge hauling; further, these costs should not be treated as recurring. The utility should be directed to determine a more cost-effective solution.

STAFF ANALYSIS: During the staff audit, an issue arose concerning the classification of sludge hauling expenses for the Beecher's Point/Palm Port facility, and whether those expenses were correctly classified. The utility removed treated effluent from the percolation ponds and classified it as sludge removal expenses. (TR 3254-3255) The issue was identified by staff witness Jeffery A. Small in Audit Disclosure No. 5, which was specified in his direct testimony. (TR 3230-3234)

The utility, in their brief, contends that since witness Small admitted under cross-examination that he is not aware of any disposal methods more cost-effective than the disposal method currently employed by SSU, (TR 3255) and agreed that any effluent disposal method would involve some recurring cost; (TR 3256) that there is an absence of evidence establishing the costs as unreasonable or imprudently incurred, they must be permitted to recover them in rates. No other witness gave testimony to support the utility's position on this issue.

OPC, in its position on this issue, contends that the hauling of treated effluent should be identified as a, "Purchased Sewage Treatment Expense" rather than sludge hauling, that those costs

should not be treated as recurring, and the utility should be directed to determine a more cost-effective solution. OPC offered no witness to support their position on this issue, however.

In testimony rendered by staff auditor Small, the description of what NARUC determines as sludge hauling was quoted as, "This account shall include the cost of removal of sludge if such work is performed...." (TR 3254-3255) Staff agrees with the auditor's position that the removal of treated effluent from the percolation ponds does not fit the NARUC determination of sludge hauling. (TR 3255) Further, staff witness Small agreed under cross examination that whatever method of disposal might be used by SSU, there would still be some recurring cost. (TR 3256)

Based on the evidence in the record, staff recommends that these expenses should be listed as "Purchased Sewage Treatment Expense" rather than sludge hauling because the removal of treated effluent from the percolation pond does not fit the definition of sludge hauling. (TR 3254-3255) Because any method of disposal would result in recurring costs, (TR 3256) the cost of the purchased treatment should be classified as recurring.

ISSUE 88: Should SSU's requested amount of purchased power expense for Deltona Lakes be approved (Audit Disclosure No.8)?

RECOMMENDATION: No. Projected 1996 purchased power expenses for Deltona Lakes water plant should be reduced by $56,916. (RIEGER)

POSITION OF THE PARTIES

SSU: Yes. Although the total purchased power for 1995 was under budget by approximately $76,000 (or 14%) in 1995, this was due largely to wet weather. Actual year-to-date costs exceed the MFR budgeted costs.

MARCO ET AL: No. Projected 1996 purchased power expenses for Deltona Lakes water plant should be reduced by $56,916.

NASSAU ASSOCIATIONS: No. Projected 1996 purchased power expenses for Deltona Lakes water plant should be reduced by $56,916.

OPC: No. Projected 1996 purchased power expenses for Deltona Lakes water plant should be reduced by $56,916.

STAFF ANALYSIS: In Audit Disclosure No. 8, it was stated that the audit staff believed that SSU's calculation of "normalized expected power cost" for the Deltona Lakes purchased power is flawed and overstates the actual amount that should be budgeted. In this case, the recommended adjusted amount for the projected 1996 purchased power expense should be reduced by $56,916. (EXH 192, JAS-1, p. 11 of 21) Staff witness Small testified that the utility has consistently over-budgeted for this expense. Since 1992, purchased power expense has been over-budgeted by an average of 20.48%. (TR 3233) The utility acknowledged in its brief that the actual total purchased power for 1995 was under budget by $76,000, or 14%, and stated that wet weather was largely responsible.

The attorney for SSU asked Witness Small that if, subject to check, purchased power was $4,200 over budget for the first four months of 1996, would his recommendation change, given this knowledge. (TR 3257) Witness Small responded by saying it would depend on other factors not given to him, such as what happened in 1995. He said that the 1996 proposed adjustment is based on three-year averaging. (TR 3259) In redirect, Mr. Small was asked about the four month example given to him, and would a full twelve month example have been a better gauge. He said yes. When asked about the use of averaging, the witness said he used a simple three-year average of 1992, 1993 and 1994. (TR 3262)

Witness Small was the only witness to provide testimony on this issue. The utility's argument is based on a normalization adjustment it made in the MFRs to reflect what purchased power would be required for a normal weather year. (EXH 192, JAS-4, p. 2 of 8) Staff believes that not enough evidence has been provided by the utility to warrant any special consideration to change the audit adjustment. This adjustment is appropriate and should be allowed.

ISSUE 89: STIPULATION.

ISSUE 90: Should an adjustment be made to remove the utility's allocated share of Shareholder Services from A&G Expenses (Audit Exception No. 5)?

RECOMMENDATION: No, an adjustment should not be made to remove the utility's allocated share of Shareholder Services. (MONIZ)

POSITION OF PARTIES

SSU: No. The allocated expenses of $208,776 are reasonable.

MARCO ET AL: Yes. 1996 A&G expenses should be reduced by $208,776 to remove SSU's allocated share of Shareholder Services.

NASSAU ASSOCIATIONS: Yes. 1996 A&G expenses should be reduced by $208,776 to remove SSU's allocated share of Shareholder Services.

OPC: Yes. 1996 A&G expenses should be reduced by $208,776 to remove SSU's allocated share of Shareholder Services.

STAFF ANALYSIS: SSU included $208,776 in its MFRs for shareholder service costs. (EXH 192) According to utility witness Vierima, these costs have been assessed to the parent and all subsidiaries based on average invested equity as a percent of consolidated common equity. He testified that services provided to the shareholders include the following: annual shareholder meetings, SEC filings, stock exchange fees, rating agency fees, registrar and transfer agent expenses, board fees, annual and quarterly reports, proxy statements and the staff assigned to respond to shareholder inquires. Mr. Vierima contends that SSU benefits from the financial strength and reputation of Minnesota Power by guaranteeing the debt which in turn reduces debt costs. (TR 267)

Staff witness Small testified that pursuant to Order No. 11307, page 86, in a Tampa Electric Company (TECO) rate case, the Commission disallowed stockholder relations expenses incurred for activities related to image building and goodwill. Mr. Small used this order as the basis for removing all the expenses related to shareholder services. (TR 3231, EXH 192) However, on the same page in that order the Commission allowed the major portion of stockholder expenses related to financial communications. (TR 3239) On cross examination, witness Small testified that the majority of the shareholder services expenses included by SSU in this case

could be related to communicating with the financial community, not with image building or goodwill. (TR 3239-3247)

OPC witness Kimberly Dismukes argued that other than the brief description by Mr. Vierima, SSU did not support its shareholder costs or the benefit to SSU's ratepayers. (TR 2766) Ms. Dismukes contended that SSU had not demonstrated that these costs were appropriate and had not produced documents supporting the expense. She advocated reducing shareholder expenses by 50%. Ms. Dismukes also referenced Order No. PSC-92-0708-FOF-TL, at page 31 to support her conclusion. (TR 2766-2767)

In his rebuttal testimony, Mr. Vierima countered Ms. Dismukes' testimony. He explained that as part of the minimum filing requirements, SSU submitted line-item detail of the seventeen components of shareholder costs. In addition, SSU also provided responses to several discovery requests on this same subject. (TR 4387) Mr. Vierima confirmed that SSU's allocated share of MPL's shareholder services does not include expenses related to image building and good will (TR 4388).

Staff believes the record supports SSU's argument that the shareholder expenses do not relate to image building, but represent cost incurred by MPL for reporting and communicating with shareholders. Accordingly, we believe there is no basis for disallowance of these costs. Consequently, we are not recommending an adjustment be made to reduce 1996 A&G expenses for SSU's allocated share of Shareholder Services.

ISSUE 91: STIPULATION.

ISSUE 92: Should the Commission allow the Company's proposed conservation expenses?

RECOMMENDATION: No. The Commission should disallow $181,019 of the Company's proposed conservation expenses. Therefore, the appropriate amount of conservation expenses is $343,712. SSU should be required to file with the Commission copies of all reports, surveys, etc. that are provided to the WMDs with respect to any aspect of the utility's conservation program. (LINGO, MONIZ, ZHANG)

POSITION OF THE PARTIES

SSU: Yes. Several representatives of Florida's water management districts support SSU's program and support recovery of the associated expenses.

MARCO ET AL: Adopt Public Counsel's position.

NASSAU ASSOCIATIONS: No. The Commission should reduce the Company's conservation expenses by $268,534. If the Commission adopts the Citizens' adjustment, it should for consistency increase test year revenue by $70,710 and reduce variable expenses by $33,372.

OPC: No. The Commission should reduce the Company's conservation expenses by $348,473. If the Commission adopts the Citizens' adjustment, it should for consistency increase test year revenue by $70,710 and reduce variable expenses by $33,372.

STAFF ANALYSIS: SSU requested $524,425 for its conservation programs for 1996, including $153,420 for a statewide education program, $87,500 for a conservation program specific to Marco Island customers, and $283,505 to support an aggressive conservation program in six targeted high-use communities. (EXH 153 (CHK-3), p. 73) Staff has delineated the Company's conservation programs between those for specific communities versus its general, statewide program for purposes of the following discussion and analysis.

Conservation Programs for Specific Communities (LINGO)

SSU Direct Testimony

Ms. Carlyn Kowalsky, an environmental attorney for SSU, sponsored the utility's testimony on this issue. She testified that in December 1994, SSU launched a pilot conservation program for its Marco Island facility, which was selected because its customers are among the highest average monthly users of all communities served by SSU. The project was designed to educate customers regarding the need for water conservation and to provide incentives to encourage voluntary conservation. (TR 2167) The education element of the Marco Island project included in part public workshops, open houses, advertising, newsletters, indoor conservation retrofit devices, water audits for high volume residential and multi-family customers, and rebates toward irrigation shutoff devices. (TR 2168-2169)

The utility has proposed to enhance its conservation program, in large part by launching a comprehensive conservation program involving six targeted communities: Palisades Country Club, Silver Lake Estates/Western Shores and Quail Ridge in Lake County; Dol Ray Manor in Seminole County; Sugar Mill Woods in Citrus County; and Valrico Hills in Hillsborough County. These communities were selected primarily because they had high average monthly consumption for the past four years. The proposal for these communities includes an extensive public education effort, free indoor retrofit kits, water saving toilet rebates, rebates for irrigation shutoff devices, and a survey of the participants to assess the programs's effectiveness. Following the implementation and review of the results of the programs for the targeted communities, it will serve as the Company's guide for future efforts. To recover the additional cost for the expanded conservation program, SSU has made a pro forma increase to its expenses for 1996 of $321,290. (TR 2169-2170; EXH 153 (CHK-3), p. 73)

Intervenors' Testimony

OPC's witness Kimberly Dismukes testified that SSU has neither demonstrated that its conservation program is cost effective nor provided any analysis comparing the various alternative conservation methods that are available to it and its customers and the costs and benefits of each. She believes this is a fundamental flaw in SSU's proposal. Without the proper cost/benefit analysis, she states that SSU's requested pro forma increase to its 1996

conservation expenses of $321,290 is highly questionable. (TR 2722-2723)

Ms. Dismukes believes another fundamental flaw in SSU's proposal is its failure to make a comparison between the projected water savings resulting from its enhanced conservation program versus water savings that might be achieved from any particular rate design. The Company is asking its customers to pay for programs to produce conservation when she believes a change in SSU's rate design could produce the same or more conservation for a fraction of the cost. (TR 2729-2730)

Ms. Dismukes took issue with several other aspects of the Company's proposed conservation expenses. SSU's consultant reported that, in Tucson, Arizona, the impact from low flow showerheads was small due to the high removal rate of "cheap" devices. She therefore questioned spending $60,180 on retrofit kits. She also stated that giving the kits away and assuming only 50% to 60% of the customers would actually install the devices is inefficient. Ms. Dismukes suggested either to offer rebates only after the devices are installed or to charge customers some portion (perhaps 50%) of the cost of the retrofit kits. (TR 2723-2724)

Another area of concern discussed by Ms. Dismukes is the $20,850 for rebates associated with irrigation shutoff devices. She cites a survey of local contractors done by Image Marketing (SSU's consultant) which indicated that rain sensors may not be effective. (TR 2724-2725) She also testified as to the difficulty in distinguishing what portion of the Company's water conservation advertising and other public relations efforts are really conservation efforts as opposed to public relations efforts. She stated that the Commission has consistently disallowed public relations costs in the past, and therefore the portion of costs associated with SSU's public relations efforts should not be borne by ratepayers. (TR 2725-2727) Other areas of contention discussed in Ms. Dismukes' testimony include: 1) spending $20,000 for residential water audits on Marco Island; 2) the cost effectiveness of SSU's conservation workshops; and 3) the Marco Island customer survey. (TR 2727-2730)

Ms. Dismukes recommends that the Commission disallow $348,473 associated with SSU's proposed conservation expenditures. She has allowed most of the Marco Island conservation program expenses because of the high consumption per customer and the potential water shortages faced by that community. The major areas of recommended disallowances with respect to the programs for specific communities are: 1) $248,149 representing all costs associated

with the six targeted communities; 2) $35,000 associated with cost share funds from the SFWMD; and 3) contract services related to Marco Island. (TR 2730-2731; EXH 175, Sch 7)

Mr. Buddy Hansen testified on behalf of the Sugarmill Woods Civic Association, Inc. (SMW). He does not believe that SSU's conservation proposal will produce the projected water savings of approximately 35 million gallons at Sugarmill Woods because: 1) SSU has lost its level of trust with the residents at SMW; 2) the new construction in the area over the past years already have the water saving devices that SSU is promoting, and many of the older homes already have some retrofit devices; 3) residents have already scaled back usage due in part to the uniform rate pricing; and 4) there is no water crisis at SMW. (TR 3127-3128)

SSU Rebuttal Testimony - Kowalsky

SSU witness Kowalsky testified in her rebuttal testimony that SSU's proposed conservation program is in large part due to pressure from the WMDs to expand its conservation efforts. (TR 4150) SSU worked with the WMDs to include elements in the program that the WMDs believed would be effective. Witness Kowalsky argues that a cost/benefit analysis as advocated by OPC witness Dismukes might cost more than actually implementing the conservation program itself. (TR 4151) Regarding the specifics of Ms. Dismukes' testimony, Ms. Kowalsky argues that conservation programs cannot be successful without public participation and support, and that advertising is an integral part of making that happen. To disallow advertising costs would undermine the success of the conservation program. (TR 4152)

Ms. Kowalsky also discusses the comments made about the Tucson, Arizona retrofit program and the unlikelihood that customers will use "cheap devices." She notes that SSU's consultant reported the results of retrofit programs from six different cities. The Tucson utility is the one instance in which, due to customers not receiving adequate water pressure, the retrofit devices were not well received. She points out that SSU has distributed over 6,200 retrofit devices thus far without receiving any complaints about the quality of the devices. Many other utilities have distributed these devices and obtained a high level of participation. Continuing customer education and follow-up surveys are both important components of any retrofit program. (TR 4153-4155)

Ms. Kowalsky rebuts Ms. Dismukes' comments regarding irrigation shutoff devices. She stated that the negative comments

about the rain sensor devices appear to be isolated instances concerning devices other than the Mini-click type proposed by SSU. The Mini-click has several built-in safeguards that make the device more reliable. These devices were distributed in Lee County during 1991-1992, and after gathering data over that one-year period, the results were that the devices produced average water savings of 31% for irrigation use. The SJRWMD consumptive use handbook recommends implementation of a rain sensor distribution program in at least 10% of the applicable connections served. (TR 4155-4157)

Ms. Kowalsky offered a June 1995 AWWA white paper entitled Water Conservation and Water Utility Programs, to rebut Ms. Dismukes' testimony regarding conservation rate structures and their place in an effective water conservation program. The paper states that conservation rate structures by themselves do not constitute an effective water conservation program. Rather, the rate structure tool works best when paired with a sustained customer education program. (TR 4158-4159; EXH 206)

With regard to comments about other aspects of the Marco Island conservation plan, Ms. Kowalsky takes exception to Ms. Dismukes' characterization that the water audit program was not successful. While only 7 of 17 single family residents participated in the program in 1995, there were an additional 66 of 78 commercial/multi-family customers who also participated. She states that education of these customers is critical to changing their high water use habits over the long term. She also points to the decline in average consumption on Marco Island since 1991, falling from 23,462 gpm in 1991 to 14,928 gpm in 1995. She attributes the reduction in average consumption to the utility's intensive conservation efforts on the island. (TR 4159-4161) In the utility's analysis of the Marco Island conservation program, it found that Marco Island customers saved 69 gallons per home, which is close to SSU's predicted savings of 72 gallons per home. (TR 4219) She also testified that while SSU has been awarded $10,000 from the SFWMD for a portion of the Marco Island conservation program in 1996, the utility has not entered into any cost share contract with SFWMD for $25,000 as indicated by Ms. Dismukes. (TR 4168)

Ms. Kowalsky testified during cross examination that if the Commission does not allow SSU money for the proposed program enhancements, SSU may well not implement those enhancements. (TR 4172) She further testified that there are no dollars in the conservation budget for public relations that are not related to conservation. (TR 4191, 4193, 4195) When asked about money in the conservation budget for a Christmas float, Ms. Kowalsky replied

that there is no money in the budget for a float, and that if the Commission does find such a request, the Commission is free to disregard it. (TR 4202)

SSU Rebuttal Testimony - Water Management Districts

SSU also offered several rebuttal witnesses from the SFWMD, the SWFWMD, and the SJRWMD. Mr. Bruce Adams, the Conservation Coordinator for the SFWMD, testified that in SFWMD's "Basis of Review for Water Use Permit Applications", public water suppliers are required to implement a conservation program, which includes in part a water conservation public education program. He testified that successful water conservation programs include a broad mix of techniques including public relations, advertising, marketing, auditing and conservation. SSU's program elements are in the best interests of the customers and are consistent with the goals of the SFWMD. Based on his experience, SSU's proposal is consistent with the successful programs undertaken by other utilities in Florida and across the nation, both in terms of the targets that they have established and the predicted water savings. (TR 3670-3672, 3675-3676)

Mr. Adams also specifically rebutted OPC witness Dismukes regarding the issues of the Marco Island water audits and the effectiveness of irrigation shutoff devices. SFWMD strongly encourages utilities to undertake water audits. (TR 3677) Witness Adams believes that the Marco Island water audits project is indicated and proper because of the high water demands and scarce resources. Mr. Adams is one of the State's leading proponents of the use of rain switches for the control of automatic landscape irrigation systems, and based upon his knowledge and experience, when they are properly installed, maintained and operated, rain switches are effective. (TR 3673)

Further, witness Adams testified on cross examination with regard to image enhancement. The SFWMD believes there are three parts to educating people about water conservation techniques -- awareness, education and action. The SFWMD has found that the first, primary part of water conservation education is the extreme necessity to gain the trust of the public; if the utility is not trusted, then the conservation message cannot be received or accepted. (TR 3680-3681) He disagrees with Ms. Dismukes' view of disallowing image enhancing expenses because it disallows the "public relations or public education costs" that could result in image enhancing. (TR 3682)

Mr. Mark Farrell, Assistant Executive Director of the SWFWMD, also filed rebuttal testimony on behalf of the utility. According to the Memorandum of Understanding between the FPSC and Florida's five WMDs, it is a common objective of both the FPSC and the WMDs to "foster conservation and the reduction of withdrawal demand of ground and surface water through, among other measures, employment of conservation promoting rate structures, through maximization of reuse of reclaimed water, and through consumer education programs." (TR 3731-3732) No one is immune from the need to practice water conservation. (TR 3732) Witness Farrell estimates that 70% to 80% of the combined jurisdictions of the SFWMD, the SJRWMD and the SWFWMD are now designated as WRCAs. (TR 3755)

Mr. Farrell discussed the requirements of the SWFWMD as set forth in Chapter 40D-2, F.A.C. These rules require water use permit applicants to incorporate water conservation measures as a condition for issuance of a permit. Once a permit is issued, it contains standard conditions requiring permittees to implement the provisions of their district approved water conservation plan. Private utilities must focus on public education, rate structures and retrofit programs to accomplish conservation objectives. (TR 3734-3735)

Mr. Farrell reviewed SSU's proposed water conservation program enhancements, and the SWFWMD supports SSU's proposal. He stated that SSU's program is comprehensive in that each conservation element is designed to reach customers in a variety of ways, rather than relying on only one method of disseminating the conservation message. (TR 3740-3741) He echoed Mr. Adams' comments that awareness, education and implementation are very critical to a properly implemented conservation program. Follow-up is very important also, as it is the key to sustainability. (TR 3760)

Mr. Farrell discussed a comparison of SSU's conservation proposal to programs implemented by the City of Tampa and Hillsborough County. All of these programs include distribution of retrofit kits, low-flow toilet rebates, rain sensor devices, extensive public education programs, and surveys to measure program effectiveness. SSU's proposal is reasonable and in line with the program costs of the other two utilities, as well as in line with other programs in the SWFWMD. (TR 2169-2170, 3741-3742, 3778-3779)

Mr. Farrell took issue with several aspects of Ms. Dismukes' testimony. He stated that to disallow the public relations/image enhancement costs associated with the conservation program would be counterproductive to the legislatively declared goal to promote water conservation. (TR 3743) Water audits are an effective tool

to educate customers about how to maximize the efficiency of their irrigation practices. The information obtained through the water audits can result in a permanent water savings and will enhance customer awareness. SSU's water audit would be a worthwhile expenditure. (TR 3743-3744) Customer surveys are an important aspect of any kind of conservation program in order to gauge customer response to the various components of the program. Costs for these surveys would also be an appropriate expenditure. (TR 3744)

Mr. Farrell testified that SSU should be allowed recovery of its projected costs of the conservation program for the six targeted communities. In particular, with respect to the retrofit kits and irrigation shutoff devices, they have proven to be effective means of reducing consumption. He asserts that even if the success of the Tucson, Arizona retrofit program was limited, it does not mean that retrofit programs will not be effective in other communities. (TR 3744-3746) Finally, he disagrees with Ms. Dismukes' assertion that conservation rate structures alone can result in an effective water conservation program. In order for conservation rates to be effective, they must be combined with a consumer education program. (TR 3749)

Mr. Farrell testified during cross examination that the SWFWMD makes a general threshold determination, rather than a line item analysis, of the cost-effectiveness of the various aspects of a conservation program. The SWFWMD looks primarily at the effectiveness of programs, rather than cost-effectiveness. (TR 3769-3771) He has no knowledge of whether SSU paid too much for any specific itemized expense. (TR 3803) He disputes Ms. Dismukes' notion that image-enhancing expenses should be disallowed, by stating that conservation education programs almost always have some aspect of image enhancing. To remove image enhancing costs would provide a disincentive and compromise the conservation education message. (TR 3782)

Mr. Harold Wilkening, Assistant Director of the Resource Management Department of the SJRWMD, also filed rebuttal testimony on behalf of SSU. He testifies that water conservation is important, even in areas that are not presently experiencing water resource problems. (TR 4006) Four of the service areas included in SSU's proposed plan are located in the SJRWMD WRCA. (TR 4013) He has reviewed SSU's proposed conservation program enhancements and testified that they are supported by the SJRWMD and are consistent with recommendations of the AWWA to contribute to a reduction in public supply water use. SSU should be allowed to recover the costs for its proposed conservation enhancements, which

are consistent with legislative policy. (TR 4007-4008, 4016) The program is necessary and appropriate to comply with SJRWMD regulations and is the type of water conservation program the SJRWMD believes will be the standard for other utilities in that district. (TR 4015)

During cross examination, Mr. Wilkening testified that the cost of SSU's programs are appropriate and necessary to obtain a consumptive use permit. Also, it may be very difficult to do a cost/benefit analysis on water conservation. (TR 4020)

Intervenors' Briefs

OPC argues in its brief that the Company failed to justify its proposed $524,428 of conservation expenses included in the projected test year, and that the Company's support for its proposed conservation expenses was inadequate and deficient. Ms. Dismukes highlighted numerous problems with the utility's proposed conservation expenses, including spending: 1) over $60,000 on retrofit kits that are often eventually removed by customers; 2) almost $21,000 for irrigation shutoff devices which have not proven to be effective; 3) considerable amounts of money on a marketing consultant; 4) $20,000 on residential water audits; 5) money on workshops despite poor turnouts at previous workshops; and 6) money on customer surveys. (TR 2723-2729; BR 116-117)

OPC argues that one of the most disturbing aspects of the Company's proposed conservation plan and expenditures was that the utility's primary conservation witness was unable to answer simple questions on the subject, including how the Company chose the six communities targeted for SSU's enhanced conservation program, whether image enhancement costs should be recovered from ratepayers, and whether rate structure is an important component of an overall conservation program.

OPC further argues that late-filed EXH 246 demonstrates that the data used by Ms. Kowalsky to support her conclusion that Marco Island customers had conserved were in error. Late-filed EXH 246 demonstrates that 164 large volume customers were reclassified from the residential class to the irrigation class. The 1991 consumption per customer figure of 23,462 used by Ms. Kowalsky included approximately 164 customers classified as residential customers which are large volume users. OPC contends that by reclassifying these customers to the irrigation class and taking them out of the residential class in the years 1993-1995, the consumption per customer figure in 1995 is not comparable and is understated relative to the 1991 figure. Furthermore, in

developing its conclusion that customers conserved in 1995 relative to 1991 or 1992, the Company did not consider the effects of rainfall. Ms. Dismukes testified that 1995 was the wettest of the five-year period. Consequently, OPC believes the 1995 consumption reductions are likely the result of rainfall, not conservation.

OPC contends that SSU did not study the cost effectiveness of its conservation program, despite the fact that Brown and Caldwell, a consultant relied upon by SSU to justify its rate design proposal, recommends that utilities prepare cost/benefit analyses of their conservation program. The Commission must conclude that SSU does not understand its own conservation program. With respect to the water management district witnesses, while they all supported SSU's conservation programs, they did not have a detailed understanding of the programs, nor did they test them for cost effectiveness. In short, OPC asserts that the generalizations of the WMD witnesses cannot be relied upon by the Commission to support the reasonableness of SSU's proposed conservation expenditures.

OPC points out that SSU has the burden of proving the reasonableness of these expenses -- a burden which OPC does not believe SSU met. Conservation costs must be cost-effective and prudent to be allowed in ratemaking. Based on Ms. Dismukes' testimony, SSU can accomplish the same amount of conservation by merely adopting the rate design she proposes. SSU's customers should not be asked to pay for something that can be achieved for nothing. Therefore, OPC argues that the Commission should adopt the recommendations of Ms. Dismukes and disallow $348,473 of the Company's proposed conservation expenses.

Marco argues in its brief that SSU made a poor choice in selecting Marco Island as a targeted conservation community due to the high incomes and poor price elasticities that Marco Island residents exhibit. Marco contends that the foundation of SSU's alleged proof of success of the Marco Island program was that it had resulted in a 37% decline in average residential consumption from approximately 24,000 gallons per month in 1992 to approximately 14,000 gallons per month in 1995. Marco believes SSU used this apparent reduction in average monthly residential consumption to tout the conservation program's effectiveness to the DEP and the WMDs.

Marco argues that because SSU created a new "irrigation" customer classification during 1993, hundreds of millions of gallons of water have been effectively transferred from the residential class to the irrigation class during the years 1993

through 1995. Marco contends that this new customer classification was the result of SSU's intentional manipulation of data in order to make SSU's conservation efforts appear successful.

SSU's Brief

In SSU's brief, it argues that state water policy dictates that "conservation of water shall be required unless not economically or environmentally feasible." (BR 102) A utility must undertake all reasonably available conservation measures in order to meet the requirements for obtaining a consumptive use permit. The WMD witnesses substantiated that the costs for the programs requested by SSU are within the range of costs expended by other utilities serving similar population sizes. In addition, the WMD witnesses testified that SSU's proposed conservation program techniques, including plumbing retrofit programs, rebates for low flow toilets and irrigation shutoff devices, have been proven effective in many other applications in Florida.

According to SSU, the WMD witnesses further substantiated SSU witness Kowalsky's testimony that all costs for public education, including activities that could possibly be categorized as "public relations", are essential to implementing a successful conservation program and should be recovered by SSU. Surveys to measure the results of program elements are also important and should be recovered. The WMDs believe that conservation is the most cost effective means of meeting Florida's water supply needs. SSU argues that its proposed conservation program comports with such belief and complies with the WMDs' opinion that conservation is the best supply tool and is in the best interest of SSU's customers. For these reasons, the Commission should approve SSU's conservation program costs.

Staff Discussion

As evidenced in the above discussion, the record on the conservation expense issue is extensive. Numerous witnesses testified over a wide range of topics from state water policy to irrigation shutoff devices. Staff will first discuss whether the utility's proposed conservation program is appropriate. Based on our recommendation regarding the propriety of the utility's conservation program, we will then make recommendations regarding the line item expenses that comprise the proposed conservation program. These recommendations will be presented on Attachment E immediately following this issue.

In response to legislative direction, the water management districts have imposed conditions on all consumptive use permit holders, including utilities, requiring greater water use efficiencies. (TR 2173) SSU witness Farrell testified that according to the Memorandum of Understanding between the FPSC and Florida's five WMDs, it is a common objective of both the FPSC and the WMDs to "foster conservation and the reduction of withdrawal demand of ground and surface water through, among other measures, employment of conservation promoting rate structures, through maximization of reuse of reclaimed water, and through consumer education programs." (TR 3731-3732)

As discussed above, WMD analysis shows that educating the public and providing it with the tools to implement conservation programs is far less costly than developing alternative water sources, building more water treatment plants, etc. Conservation is the most cost-effective and expeditious way of meeting water supply needs. (TR 3758-3759)

No one is immune from the need to practice water conservation. (TR 3732) SSU witness Farrell estimates that 70% to 80% of the combined jurisdictions of the SFWMD, the SJRWMD and the SWFWMD are now designated as WRCAs. (TR 3755) SSU has 61 plants located in the SJRWMD's WRCA, 8 plants located in SWFWMD's WRCA, and 6 plants located in SFWMD's WRCA. (EXH 154) All of the WMD witnesses testified that, based upon their review of SSU's proposed conservation plan, it is consistent with WMD goals. In addition, these witnesses testified that the program elements are in the best interests of the customers. (TR 3670, 3675-3676, 3740, 4007-4008, 4015-4016)

Based on our analysis of the record, staff finds the testimony of the WMD personnel to be persuasive. Therefore, we recommend that SSU's proposed conservation program enhancements for the specific communities are appropriate and should be approved. Although we believe SSU's proposed conservation program is appropriate, we do not concur with SSU as to the level of expense to be recovered.

Despite testimony from SSU witness Kowalsky to the contrary, SSU has included the cost of a float in its projected Marco Island expenses. (EXH 155 (DR 181-B, p. 1), (DR 181-A, p. 14)) Therefore, consistent with Ms. Kowalsky's testimony in this regard, we recommend removal of $10,000 associated with the cost of the float. (TR 4202) Staff recommends several additional adjustments to the proposed expenses for Marco Island. First, we recommend removal of $10,001 associated with the toilet rebate cost share

funding with the SFWMD. (TR 2731,4168) Since SSU has been awarded this money from the SFWMD, it would be inappropriate to recover this expense from the ratepayers as well. Second, as discussed in Ms. Dismukes' testimony, special events are expensive and time consuming for limited exposure. (TR 2726) Therefore, we recommend removal of $2,001 associated with special events for the Marco Island program.

Our last recommended adjustment to the Marco Island program costs is with respect to labor and fringe benefits. SSU is proposing that two additional full-time positions be added to carry out SSU's conservation program -- a Conservation Administrator and a Conservation Coordinator. SSU has allocated $20,047 in labor and fringe benefits associated with these two new positions. Some of the duties of the proposed Conservation Administrator include but are not limited to: 1) developing future conservation programs; 2) implementing and evaluating present and future conservation programs; 3) managing internal and external dissemination of conservation literature; and 4) developing public education programs. However, these duties are also contained within the primary responsibilities of, and are being performed by, SSU employee Ida Roberts. (TR 2199-2200; EXH 153 (CHK-3), pp. 67-68) We believe the proposed Conservation Administrator represents a duplication of duties, and therefore we recommend disallowance of the labor and fringe benefits associated with the Conservation Administrator's position. This results in removal of $10,024 (or 50%), from labor and fringe benefits.

There was much discussion regarding the reclassification of certain Marco Island customers to a newly formed irrigation class. As discussed in their respective briefs, both OPC and Marco contend that by reclassifying those customers to the irrigation class, the residential consumption per customer figures during the years 1991-1995 are not comparable.

Staff agrees with the intervenors regarding the lack of comparability of the residential consumption data. Therefore, we analyzed the average consumption per bill (excluding raw water and fire protection) for the entire Marco Island service area for the 1992 - 1995 period. Based on the data contained in EXH 209, our analysis reveals that customers' average consumption per bill was 32,766 gallons per month (gpm) in 1992, 31,564 gpm in 1993, 30,824 gpm in 1994 and 26,674 in 1995, or a 19% reduction in average consumption during that period. Regardless of SSU's intentions with respect to the creation of a new customer class and its effects on the calculations of average residential consumption,

staff is satisfied that the facility-wide consumption per bill has indeed declined.

With regard to the expenses associated with the six targeted communities, Staff recommends several major adjustments. We recommend removing $9,600 associated with the literature search. Ms. Kowalsky admitted that updating the literature search in subsequent years may be less expensive than the initial search. (TR 2199). We agree, as we believe the initial literature search to be a nonrecurring expense. We have therefore amortized this expense over a five-year period. We recommend removal of $19,500 associated with outside services. Consistent with the descriptions of these services, Staff believes these duties are included in the description of SSU's proposed Conservation Coordinator position. (EXH 155 (DR 181-B, p. 1); EXH 153 (CHK-3) pp. 70-71) We recommend that SSU be allowed to recover the cost of the proposed Conservation Coordinator position, but we believe the outside services expense is duplicative and should be removed.

We also recommend removal of $25,000 associated with the toilet rebate cost share funding with the SFWMD. Although SSU has not yet entered into a contract with the SFWMD for this funding, SSU has received approval for the funding. (TR 2731, 4168; EXH 175, Sch 7) Should SSU for some reason not enter into a contract with the SFWMD for this item, SSU may petition the Commission for a subsequent adjustment in its rates.

Consistent with our recommendation regarding special events for the Marco Island program, we recommend disallowing expenses associated with special events for the targeted communities in the amount of $11,000. (TR 2726) As discussed in the Marco Island program above, the duties of SSU's proposed Conservation Administrator are also contained within the primary responsibilities of, and are being performed by, SSU employee Ida Roberts. Therefore, consistent with our recommendation in the Marco Island program, we recommend disallowance of the labor and fringe benefits associated with the Conservation Administrator's position. This results in removal of $22,611 (or 50%), from labor and fringe benefits. (TR 2199-2200; EXH 153 (CHK-3) p. 70-71)

Finally, Staff made several reductions to expenses associated with M&S office printing, M&S office supplies and miscellaneous expenses. We believe these expenses are partly a function of the number of customers served by the program. (EXH 155 (DR 181-B, pp. 1-2)) EXH 122 contains information including the historical number of bills per service area, by meter size and customer class, during 1994. This information was used to compare the relative number of

customers in the targeted communities versus the number of customers in Marco Island. The M&S expenses and miscellaneous expenses were then reduced based on the ratio of customers served by the targeted communities compared to the number of Marco Island customers. These adjustments resulted in reductions totalling $8,735.

Based on the foregoing, Staff recommends that the Commission allow $77,984 associated with the Marco Island program and $151,704 associated with the six targeted communities program. Staff recognizes that conservation expense is a new and evolving issue; and, as such, we believe it is both necessary and appropriate to monitor the utility's efforts with respect to these programs. Therefore, SSU should be required to file with the Commission copies of all reports, surveys, etc., that are provided to the WMDs with respect to any aspect of the utility's conservation program.

The specific recommendations and adjustments are shown on Attachment E immediately following this issue.

Statewide Conservation Program (MONIZ, ZHANG)

The MFRs for the 1996 projected test year included $166,272 in conservation expenses associated with statewide communication.

OPC witness Dismukes recommended that the Commission disallow a portion of the cost associated with sponsorship of a 1996 conservation education program. (TR 2731) These costs increased from $18,000 in 1995 to $38,351 in 1996. (EXH 175) Ms. Dismukes contends that SSU has not justified the increase. Further, the utility did not provide any information on the nature or benefits of the sponsorship. (TR 2731) Based on the testimony provided by Ms. Dismukes and the fact that SSU did not provide any testimony to support the need for the increase, staff believes the cost related to the conservation education program should be decreased by $20,351.

The utility included $30,300 in labor related costs for its statewide communication program. Witness Dismukes suggests that fifty percent of these costs be removed. (EXH 175) SSU did not provide any support for these costs, nor did it provide testimony as to why they should not be reduced. Based on the above, staff recommends that labor related charges should be reduced by $15,150.

SSU requested $14,783 for Statewide Communication advertising. (EXH 175) This amount includes $10,195 for newspaper

advertisements and $4,588 for logoed items and plaques used to promote the image of SSU in the communities it serves and to recognize individuals and/or organizations for conservation or community relations. (EXH 155)

OPC witness Dismukes asserts that SSU spent considerable amount of money on advertising and other public relations efforts that were not solely designed to educate customers and enhance conservation. Ms. Dismukes believes that the portion of the advertising cost associated with SSU's "public relations" or image-building efforts should not be borne by rate-payers. (TR 2727) Ms. Dismukes has recommended disallowance of all the PR counsel and research and one-half of the advertising expenses because they are more image enhancement than conservation related based on the historical information.

Witness Kowalsky argued that conservation needs public participation and support, and that advertising is an integral part of making this happen. Ms. Kowalsky further stated that a positive image for the company resulting incidentally from advertising would make the conservation efforts more successful. (TR 4152) Witness Farrell testified that advertising expenses which incidentally resulted in a positive image for the company would not diminish the importance of the conservation message and should be recovered by SSU. (TR 3742-3743) Witness Adams also testified that it is extremely necessary to gain the trust of the public that will take action on water conservation. (TR 3680) Mr. Adams further testified that it is important as a first step for the customers of the utility to know and have a good feeling about the utility. (TR 3682)

At hearing, OPC witness Dismukes testified that she recognized the need to advertise for conservation purposes, but not for image enhancement. (TR 2935) Staff agrees with OPC that advertising expense only for image enhancement purposes should not be borne by ratepayers because it only benefits the company's stockholders, but staff also recognizes that the company's conservation efforts need to gain support and trust from its customers in order to be successful. Based on a review of the company's budget and the foregoing discussion, staff does not believe that advertising expense for statewide communication can be separated between cost for informing customers and gaining public support for conservation and cost for image enhancement.

Based on the above, staff concludes that it is appropriate to allow the recovery of advertising expense of $14,783. Upon cross examination, witness Kowalsky admitted that the customer newsletter

entitled Waterworks is a regular newsletter which covers a variety of things including conservation tips. (TR 2192) Staff believes that it is more reasonable to allocate one fourth rather than one half of the cost associated with the customer newsletter to the conservation program. Accordingly, $4,000 should be removed from the total budgeted amount. The utility also requested recovery of $600 in Miscellaneous Expense - Other related to employees' voluntary community support for SSU's service area. Staff believes that the utility failed to demonstrate how these expenses relate to water conservation and therefore should be removed.

As discussed above, Ms. Dismukes believes that the costs associated with public relations should not be borne by the ratepayers. She maintains that the Commission has consistently disallowed public relation costs in the past. (TR 2726-2727) Ms. Dismukes proposes removing $10,297 in public relation related costs. (EXH 175) Utility witness Kowalsky testifies that conservation programs cannot be successful without public participation and support. (TR 4152) Nevertheless, staff believes these costs should be removed since the utility has not supported this amount. Therefore, we recommend removing the $10,297 included in the MFRs for PR counsel and research.

Our specific recommendations and adjustments are shown on Attachment E immediately following this issue.

SOUTHERN STATES UTILITIES, INC.
DOCKET NO. 950495-WS
ANALYSIS OF 1996 CONSERVATION EXPENSES

ATTACHMENT E

	MARCO ISLAND PROGRAM			SIX TARGETED COMMUNITIES PROGRAM			STATEWIDE CONSERVATION PROGRAM			TOTAL RECOMM	TOTAL RECOMM
ACCOUNT DESCRIPTION	SSU REQUESTED	STAFF RECOMM	DIFF	SSU REQUESTED	STAFF RECOMM	DIFF	SSU REQUESTED	STAFF RECOMM	DIFF	CONSERVATION EXP DISALLOW	CONSERVATION EXP ALLOW
M&S - Office Printing	$8,000	$8,000	$0	$11,991	$6,216	($5,775)	$34,816	$28,666	($6,150)	($11,925)	$42,882
M&S - Office Supplies	2,000	2,000	0	2,880	$1,554	(1,326)	2,396	2,396	0	(1,326)	5,950
Contract Services - Other											
Statewide Communications											
clippings							102	102	0		102
PR News							102	0	(102)	(102)	
FL Business Net							1,020	1,020	0		1,020
surveys							5,098	5,098	0		5,098
PR counsel & research							10,195	0	(10,195)	(10,195)	
Marco Island Program											
public relations	12,000	12,000	0								12,000
water audits	20,000	20,000	0								20,000
surveys	10,000	10,000	0								10,000
Six Targeted Communities											
literature search				12,000	2,400	(9,600)				(9,600)	2,400
outside services				19,500	0	(19,500)				(19,500)	
surveys of control group				10,050	10,050	0					10,050
Rental Equipment	0	0		640	640	0	1,020	1,020	0		1,660
Transportation	0	0		0	0		612	612	0		612
Advertising	17,000	7,000	(10,000)	7,600	7,600	0	14,783	14,183	(600)	(10,600)	28,783
Misc Expense - Telephone	252	252	0	1,260	1,260	0	1,529	1,529	0		3,041
Misc Expense - Postage	3,500	3,500	0	3,849	2,720	(1,130)	3,568	3,568	0	(1,130)	9,788
Misc Expense - Dues & Subscrip	0	0		0	0		816	816	0		816
Misc Expense - Travel	1,728	1,728	0	1,008	504	(504)	408	408	0	(504)	2,640
Misc Expense - Food	980	980	0	2,320	2,320	0	1,835	1,835	0		5,135
Misc Expense - Employee Training	0	0		0	0		204	204	0		204
Misc Expense - Office Cleaning	0	0		0	0		153	153	0		153
Misc Expense - Employee Recognition	0	0		0	0		6,729	6,729	0		6,729
Misc Expense - Temporary Help	0	0		0	0		3,059	3,059	0		3,059
Misc Expense - Other											
Statewide Communications											
regulatory meetings							1,020	1,020	0		1,020
environmental organizations							8,156	8,156	0		8,156
conserve educ/Conserv'96							38,351	18,000	(20,351)	(20,351)	18,000
Marco Island Program											
public education	0	0									
contract services	0	0									
toilet rebates	10,001	0	(10,001)							(10,001)	
gift certificates	2,500	2,500	0								2,500
special events	2,001	0	(2,001)							(2,001)	
Six Targeted Communities											
retrofit kits				60,180	60,180	0					60,180
toilet rebates				40,300	15,300	(25,000)				(25,000)	15,300
moisture rebates				18,350	18,350	0					18,350
special events/sponsorships				11,000	0	(11,000)				(11,000)	
Labor & Fringe Benefits	20,047	10,024	(10,024)	45,221	22,611	(22,611)	30,300	15,150	(15,150)	(47,784)	47,784
TOTALS	$110,009	$77,984	($32,026)	$248,149	$151,704	($96,445)	$166,272	$113,724	($52,548)	($181,019)	$343,412

ISSUE 93: What is the appropriate amount of current rate case expense associated with Docket No. 950495-WS?

RECOMMENDATION: Total current rate case expense of $1,328,816 should be allowed. This results in an increase of $333,664 above the original estimate in the MFRs and a decrease of $299,249 to the revised rate case expense per Exhibit 255. Moreover, the Commission should decline to entertain the utility's request for reconsideration of the Chairman's ruling on Exhibits 257 and 258. (MERCHANT, ZHANG, CAPELESS)

POSITION OF PARTIES

SSU: Per the MFRs, and as increased due to the extension of this proceeding, additional customer notices, additional hearings, etc. through completion of this proceeding.

MARCO ET AL: Adopt Public Counsel's position.

NASSAU ASSOCIATIONS: Test year expenses should be reduced.

OPC: Test year expenses should be reduced.

STAFF ANALYSIS: In its MFRs, SSU requested an original estimate of rate case expense for this case of $995,152. (EXH 67, Schedule B-10) Utility witness Ludsen stated that this amount compares favorably to the $1,302,191 in rate case expense approved by the Commission in Docket No. 920199-WS, especially since the number of service areas went from 127 to the current number of 141. He explained that the cost per service area went from $10,253 in Docket No. 920199-WS to $7,058 in this proceeding. In order to reduce expenses, SSU used in-house experts instead of consultants or other experts wherever possible. He concluded that, however, SSU determined that the interest of the Commission, the Company and the customers would be best served by securing the services of outside experts in costs of capital, rate design and rate engineering issues, which SSU believed to be the most controversial in this proceeding. (TR 1427)

In addition to the rate case expense for this current docket, SSU included expenses associated with four prior rate cases: 911188-WS (Lehigh), 920199-WS (SSU), 920655-WS (Marco Island) and a Charlotte County rate proceeding. The requested amount of unamortized rate case expenses for prior rate cases was $854,174. SSU also included $432,089 for cost incurred for the uniform rate investigation docket. In total, the amount of rate case expense

requested to be recovered in this docket was $2,281,424, to be amortized over four years.

In late-filed Exhibit No. 255, SSU updated its actual rate case expense figures as of March 31, 1996, with a revised estimate to complete. That exhibit shows total rate case expense (actual expenses to date and estimates to complete) to be $3,187,252, consisting of $1,628,065 estimated for current rate case, $1,029,174 for unamortized rate case expenses for prior rate cases and $530,013 for the uniform investigation docket. Exhibit No. 255 also contains supporting information for SSU's consultants, witnesses and counsel to complete the case. The components of total rate case expenses are summarized as following:

	PER MFRS	EXH 255
Current rate case (950495-WS)	$995,152	$1,628,065
Prior rate cases		
Charlotte (N/A)	2,653	2,653
Marco (920655-WS)	106,820	106,820
SSU (920199-WS)	677,601	852,601
Lehigh (911188-WS)	67,100	67,100
Uniform Rate (930880-WS)	432,098	530,013
Total	$2,281,424	$3,187,252

In addition to Exhibit 255, SSU filed late-filed Exhibit 255-A (EXH 257) on May 28, and late-filed Exhibit No. 255-B (EXH 258) on May 31. Exhibit 257 contained the latest estimates and invoices through the end of April, 1996, and Exhibit 258 contained a revision for legal fees. At the continuation of the hearing on May 31, 1996, the Chairman ruled that Exhibits 257 and 258 would not be entered into the record. (TR 29-30, May 31) She did however allow portions of Exhibit 257, consisting of pages of invoices for legal fees, identified and entered into the record as Exhibit 259. (TR 87-88, May 31)

In its brief, SSU argues that the Commission should reconsider and reverse the Chairman's ruling on Exhibits 257 and 258. (BR 104) According to SSU, standard Commission practice would permit the filing of those exhibits and allow the parties ten days to file objections thereto and/or to address the exhibits in post-hearing briefs. (BR 105) SSU concedes that Exhibits 257 and 258 were filed after the due date for late-filed exhibits. However, SSU argues that the exhibits should be admitted into evidence and that

no party is prejudiced thereby because they had a right to either address the exhibits at hearing or in post-hearing objections and/or briefs.

Staff believes that it is inappropriate for SSU to move for reconsideration of this matter within its post-hearing brief. A legal brief is not a pleading, but an opportunity for parties to present legal argument pertaining to the issues in the case. See Rule 25-22.056(2)(b), Florida Administrative Code (providing that any statement contained in a brief which is not clearly designated as a proposed finding of fact shall be considered to be legal argument). Therefore, staff recommends that the Commission should decline to entertain the utility's request for reconsideration of the Chairman's ruling on Exhibits 257 and 258.

In her direct testimony, OPC witness K. Dismukes recommended several adjustments to the utility's requested current rate case expense. First, she proposed increasing rate case expense by $30,481 to reflect the overtime included in the 1995 budget. This adjustment was stipulated to by all parties. Second, she proposed removing rate case expense for those witnesses whom did not file testimony in this proceeding but whose fees were included in the original estimate. This adjustment reduced rate case expense by $50,000.

Ms. Dismukes also removed the costs estimated for Dr. Morin's cost of capital consulting fees. Since the Commission has a leverage formula to determine cost of equity, this expense or any additional costs incurred by SSU should not be allowed. She stated that SSU's shareholders should bear the cost of cost of capital consulting fees if it desires to dispute the leverage graph. (TR 2768)

Mr. Ludsen agreed with Ms. Dismukes that Mr. Gartzke and Mr. Cresse did not file testimony in this proceeding and any associated costs should not be included. However, he added that additional witnesses who were not originally estimated have filed rebuttal testimony and should be added and recovered as part of rate case expense. (TR 5219)

Mr. Ludsen disagreed with Ms. Dismukes about Dr. Morin's fees. Dr. Morin has shown in the past that the Commission's leverage graph is flawed and Dr. Morin demonstrated that it is not appropriate for SSU. Mr. Ludsen was advised that some of Dr. Morin's direct testimony in this case was used by the Commission in the current leverage graph order issued on August 10, 1995. Further, Mr. Ludsen believes that Section 367.081(4)(f), Florida

Statutes, states that a utility is not bound by the leverage graph. Lastly, he stated that OPC filed testimony contesting Dr. Morin's testimony. SSU cannot legitimately be denied recovery of expenses incurred to rebut OPC's witnesses. (TR 5219-5221)

Staff notes that Section 367.081(4)(f), Florida Statutes, and Rule 25-30.433(11), Florida Administrative Code, state that a utility may use the leverage formula in lieu of presenting evidence for the cost of equity. Staff believes that the non-mandatory language of the statute does not bind a utility to the leverage formula and that it allows cost of equity testimony independent of the leverage formula. Staff also notes that the Commission's leverage formula, at the time of the SSU hearing, was presented in Order No. PSC-95-0982-FOF-WS, which became a final order on August 31, 1995, and was recommended by staff witness Maurey. (TR 3277) The leverage formula adopts several, but not all, modifications recommended by Dr. Morin at a workshop. These modifications also appear in Dr. Morin's testimony for this case. (TR 359-360, 5219-5220) Further, Dr. Morin offered rebuttal testimony to OPC witness Rothschild (TR 4428), and he also discussed the impact of the proposed weather normalization clause and its affect on the cost of capital, which he refers to as the Revenue Adjustment Mechanism (RAM). (TR 361-362)

For the above reasons, staff believes that some amount of rate case expense associated with Dr. Morin is appropriate. However, staff is concerned with Dr. Morin's flat fee arrangement. Mr. Ludsen testified that originally SSU had an arrangement for a flat fee of $21,500. (EXH 67) When the case required more extensive work on Dr. Morin's part for interrogatories and rebuttal testimony, he required his normal flat standard fee of $40,000. Mr. Ludsen stated that SSU did not require Dr. Morin to show the hours spent or what he accomplished, but they could get it. (TR 1471-1472) The record, however, does not reflect this support. Exhibit 255 shows the original estimate in the MFRs of $21,500, the actual amount incurred as of March 31, 1996, of $21,717 and the revised estimate.

Dr. Morin's direct and rebuttal testimony was stipulated into the record, therefore, he did not have to attend the hearing. Further, Mr. Ludsen agreed that the estimated charges for any witness whose testimony was stipulated into the record should be reduced accordingly. (TR 5361) Since staff has no other basis to determine how much Dr. Morin required for preparing for and attending the hearing, we have removed $10,000 from his flat fee.

Staff notes that comparing Exhibit 255 to the original estimate reveals that many of the other estimates have already been reduced for testimony stipulations.

Mr. Ludsen agreed with staff counsel that the travel costs associated with various water management district employees who testified by way of video conference should be removed. (TR 68-69, May 31) These amounts totalled $707, which staff recommends should be removed.

Regarding open houses, Mr. Ludsen admits that they were not required by the Commission as addressed in Issue 94 in more detail. In the MFRs, SSU originally estimated $13,000 for open houses. (EXH 67) Subsequently, in Exhibit 255, the actual amount as of March 31, 1996, and revised estimate were both $1,404. On cross examination, Mr. Ludsen agreed that SSU spent $13,000 for postage to mail invitations to an open house. Consistent with staff's recommendation in Issue 94, the total amount of $14,404 for open houses not required by the Commission should be removed.

Mr. Ludsen could not recall what beeper services, video training, dues or subscriptions had to do with the rate case. The rate case video could have been used for employee training to respond to customer concerns and questions. Further, he could not support why food for rate training was required. Mr. Ludsen also agreed that Mr. Tracy Smith's costs for meeting with legislators should be removed. (TR 1459-1464) He was also asked about a PR newswire and a seven page fax sent to 47 newspapers for press releases. Mr. Ludsen admits these notifications are not required by the Commission, but states that it is for the same reason the PSC notices are sent out, which is to inform customers, and the Company wants to make sure that the right story gets out. (TR 1466)

Questions on books purchased specifically for the rate case were also raised. Mr. Ludsen answered that if the books were necessary to prepare testimony, then they would be charged to rate case expense. According to Mr. Ludsen, a book such as the *Water Conservation Handbook* could have some purpose outside of a rate case, but he guessed that could be argued on most items. (TR 1468)

Exhibit 255 reflected a revised estimate of $25,000 for miscellaneous expenses. The estimate in the MFRs was $10,000 and the actual charges as of March 31, 1996, were $4,997. Staff believes that Mr. Ludsen was unable to justify why many of the miscellaneous expenses discussed above were incurred, how they specifically related to the rate case or why the customers should

have to pay for these amounts. Further, SSU did not provide a reasonable estimate to complete for its miscellaneous expenses. Staff does not believe that the statement in an exhibit that this is the revised estimate is satisfactory support. The record lacks sufficient evidence in this regard. As such, we recommend that only the amount estimated originally in the MFRs of $10,000 is reasonable and rate case expense should be reduced by $15,000.

Staff believes that the same argument holds true for telephone expenses, dues and subscriptions, and advertising expenses. The estimate to complete amounts were not supported by any means in Exhibit 255 other than by way of a statement of what the estimate was. The utility did not support why it is necessary for advertising expenses, outside of noticing, to be allowed for rate case expense.

At the continuation of the hearing, Mr. Ludsen was questioned on SSU's requested recovery of legal fees. He admitted that he was not a lawyer, paralegal, former law student or employee of a law firm, that he was not familiar with the procedures used by courts to determine a reasonable level of legal fees, and that he had never testified in a court about reasonable attorneys' fees. Mr. Ludsen had not reviewed the files of the law firms who have billed SSU. (TR 33-34, May 31)

In its brief, OPC contends that "no amount of attorney fees should be approved in addition to the amount for the Rutledge Encenia [sic] firm." (BR 123) In support of this position, OPC summarily states that all of the evidence concerning legal fees was impermissible hearsay. OPC unsuccessfully raised this objection at the hearing. (TR 92-93, May 31)

Staff disagrees that all of the evidence concerning legal fees was impermissible hearsay. Exhibits 255 and 259 contain actual bills and estimates for various legal services. Moreover, staff believes that Mr. Ludsen has testified to the reasonableness of certain of the legal fees which SSU proposes to include in rate case expense, as discussed below.

On cross examination, Mr. Ludsen stated that the law firm of Lewis, Longman and Walker, P.A., was an intermediary between SSU and DEP. This law firm has experience in working with the DEP, and SSU believed it was important that DEP witnesses testify in this rate case. Mr. Ludsen stated that DEP has worked with this firm in the past, and that DEP knows that the firm is very objective. SSU did not wish to appear as though it were trying to influence the DEP, and this firm could explain the differences between the DEP

and PSC rules with respect to used and useful issues. (TR 58-59, May 31)

The invoices also reflect that this firm held a conference with Virginia Wetherall, the Secretary of DEP, regarding the used and useful issue. When questioned why the customers should pay for one of SSU's law firms to talk to the Secretary of DEP about used and useful, Mr. Ludsen responded that it is important that the DEP and the PSC each understand the respective treatment of the other regarding certain issues. SSU believes that it is caught in the middle on the used and useful issue, and its purpose for sponsoring the DEP witnesses was to coordinate the two agencies' thought patterns with respect to this issue. (TR 58-59, May 31)

Exhibit 255 shows a revised estimate of these fees as $15,000 with actual charges as of March 31, 1996, of $1,027. Staff questions the need for supplemental attorneys to provide unbiased communication between SSU and DEP. To the extent of an additional $15,000 in rate case, staff is not convinced that these amounts were prudent. Further, the utility failed to provide a breakdown of the work to be performed in its estimate to complete. As such, staff believes that the record only supports the amount actually incurred as of March 31, 1996. Accordingly, rate case expense should be reduced by $13,973.

Mr. Ludsen was also questioned about legal fees of $23,006 charged by the firm of Radey, Hinkle, Thomas & McArthur. The revised estimate was $25,000. (EXH 255) He responded that these charges related to the appeal of the Commission's initial denial of interim rates. SSU filed an appeal of an oral decision before the written order was issued and the First DCA dismissed this appeal, rather quickly. (TR 1457) Staff believes that the utility prematurely filed this appeal and as such, these costs were not prudent to incur. Accordingly, the customers should not have to bear this cost and rate case expense should be reduced by $25,000.

Exhibit 255 reflects an estimate of $100,000 for the Greenburg, Traurig firm for future appeals of this case. Mr. Ludsen stated that this estimate was provided by SSU's general counsel in anticipation of the fact that there will be an appeal based on historical experience. Even though the order has not yet been issued, SSU wants to be assured that it can recover those costs currently, amortized over years. He stated that it was no different than estimating any other budgeted item. (TR 6-7, May 31) Mr. Ludsen also testified that he was not aware of any case where a commission has included the cost of subsequent appeals in current rate case expense. (TR 70, May 31)

In its brief, OPC states that no amount should be granted for an appeal of this case because such a request is premature. (BR 123) We agree. Section 367.081(7), Florida Statutes, requires that the Commission determine the reasonableness of rate case expenses and disallow all rate case expenses determined to be unreasonable. Additionally, see Order No. PSC-94-0738-FOF-WU, issued June 15, 1994, in Docket No. 900386-WU, In Re: Application for a Rate Increase in Marion County by Sunshine Utilities of Central Florida, Inc., wherein the Commission concluded that reasonable appellate rate case expense can only mean expense related to issues on which the appellant utility prevails on appeal. We will not know whether the utility will appeal the order(s) arising from this proceeding, or which, if any, issues the utility will prevail on at the appellate level, until a decision is rendered on appeal. Accordingly, staff recommends that the estimated $100,000 for future appeals of this case should be removed from rate case expense.

Mr. Cresse, with the firm of Messer, Caparello and Madsen, provided advisory services to determine whether there would be a need for additional testimony. (TR 70-71, May 31) Exhibit 255 reflects a revised estimate of $5,000, with actual charges of $1,575. There was no support for the estimate to complete. Since Mr. Cresse did not actually provide testimony, Mr. Ludsen agreed that those fees should be removed. (TR 5219) Accordingly, staff recommends that only the actual amount incurred should be allowed and a reduction of $3,425 should be made.

Mr. Ludsen also admitted that if SSU received recovery of legal fees from intervenors, it would constitute double counting of rate case expense to also include these costs. He stated that it was SSU's right to defend its due process rights and the costs are justifiable and should be recovered one way or the other. (TR 71-72, May 31)

Regarding SSU witness Gagnon's fees, Mr. Ludsen agreed that Mr. Gagnon's direct testimony consisted of five pages in addition to his testimony on his personal background. Although Mr. Gagnon may not have spent a great deal of time on his testimony, he had a significant amount of involvement in preparing the MFRs and working with the auditors on tax issues. Mr. Gagnon's salary is not allocated to SSU, but is directly charged to SSU based on work performed each year. Exhibit 255 reflects a $30,000 estimate of Mr. Gagnon's rate case expense directly charged to SSU. Although the exhibit reflects the estimate on the summary sheet, no actual charges as of March 31, 1996, were shown, nor were supporting

invoices included. Mr. Ludsen did not know where they were actually charged due to an accounting mix-up. (TR 74-77, May 31)

Exhibit 255 also shows $30,000 for utility witness Sandbulte, who testified as the former CEO and Chairman of the Board of MP&L. (TR 185) Similar to Mr. Gagnon, the exhibit included only a $30,000 estimate on the summary sheet, with no actual charges or supporting invoices. Although it is reasonable to assume that Mr. Sandbulte's salary is allocated down through management fees, the record is silent on whether his salary is allocated to SSU. Given that MP&L is SSU's ultimate parent, SSU surely should have been capable of obtaining and including the supporting invoices in support of its requested rate case expense. Accordingly, staff believes that SSU has failed to meet its burden regarding both Mr. Sandbulte's and Mr. Gagnon's estimated fees. Therefore, staff recommends that a total reduction of $60,000 should be made to remove each of their fees.

Consulting fees for utility witness Broverman were also included in Exhibit 255. His rebuttal testimony was stricken by the Chairman who stated that it was inappropriate rebuttal and inappropriate to allow SSU to select one category to use actual expenses as opposed to budget expenses. (TR 789) OPC witness Dismukes also testified that all of Mr. Broverman's consulting fees should be removed from rate case expense. (TR 2937) Accordingly, a reduction of $12,500 should be made to remove these fees.

In its MFRs, the utility estimated travel expenses to be $56,583. (EXH 67) The same amount was reflected as its final estimate to complete, with the actual incurred as of March 31, 1996, reported as $23,013. SSU, however, provided no support for its estimate to complete. Given the large number of SSU employees who were witnesses and attended the hearing, it is reasonable to assume that the amount incurred as of March 31, 1996, is insufficient. However, without supporting documentation for the estimate to complete, staff cannot make a determination as to the reasonableness of the total request. Accordingly, we believe that it is reasonable to allow travel expenses in the amount of $45,000. This results in a decrease to SSU's requested travel expense of $11,583.

The last area that staff believes should be addressed involves the legal fees of Rutledge, Ecenia, Underwood, Purnell & Hoffman, P.A. In its MFRs and revised estimate, the utility reflected an estimate of $200,000 in legal fees for this firm. In Exhibit 255, SSU reflected the actual amount incurred as of March 31, 1996, to be $117,997. SSU, however, failed to submit an estimate to

complete for this firm. While it is also evident that legal fees increased beyond those actually incurred as March, staff has no basis to ascertain the reasonableness of the remaining estimate to complete.

It is fully the utility's burden to justify its requested costs, with no exceptions made for rate case expense. Florida Power Corp. v. Cresse, 413 So. 2d 1187, 1191 (Fla. 1982). It has long been the Commission's policy to require detailed estimates to complete. In reviewing these estimates, staff has the opportunity to determine what type of items the utility is requesting recovery of and the prudence or imprudence of any items. In Exhibit 258, which was not entered into the record, SSU attempted to update its estimate for Rutledge, Ecenia's legal fees. Had the utility timely filed this information with Exhibit 255, the record would have included a more current actual amount and an updated estimate.

The Commission enjoys a broad discretion with respect to allowance of rate case expense. Florida Crown Util. Servs., Inc. v. Utility Regulatory Bd. of Jacksonville, 274 So. 2d 597, 598 (Fla. 1st DCA 1973). Nevertheless, it would constitute an abuse of discretion for the Commission to automatically award rate case expense without reference to the prudence of the costs incurred in the rate case proceedings. Meadowbrook Util. Sys., Inc. v. FPSC, 518 So. 2d 326, 327 (Fla. 1st DCA 1987), rehearing denied, 529 So. 2d 694 (Fla. 1988). In reviewing the record, staff believes that the record does show that a substantial amount of work was performed by this firm as evidenced by attendance at the formal proceedings, exhibits filed, and brief preparation. Based on this record evidence and on past experience in determining allowable rate case expense, we believe it is reasonable and appropriate to allow the utility $175,000 in rate case expense for this firm. This results in a decrease to SSU's requested rate case expense of $25,000.

Adding all of staff's recommended adjustments together, a total reduction of $299,249 to the revised rate case expense per Exhibit 255 should be made. This results in a total for this case of $1,328,816. Based on the evidence of record, staff believes that this amount is reasonable, particularly given the complexity of this case and the size of this utility. This total also represents an increase over the current rate case expense of $333,664.

As mentioned at the beginning of this issue, SSU also took the balance of prior approved yet unamortized expenses as of the end of the test year and added those amounts to current rate case expense.

Regarding the Charlotte County rate case, SSU provided no supporting evidence as to why this amount should be allowed, by what order the Commission approved it, or when the amortization period began. Since the amount, $2,653, is unsupported and immaterial, staff has removed this amount.

With respect to Dockets Nos. 911188-WS, 920199-WS and 920655-WS, staff has used the total amount of rate case expense approved by the Commission in those orders (Order No. PSC-93-0301-FOF-WS, issued on February 25, 1993, for Lehigh; Order No. PSC-93-0423-FOF-WS, issued on March 22, 1993, for SSU; and Order No. PSC-93-1070-FOF-WS, issued on July 23, 1993, for Marco Island). The utility also used the total amounts per the respective orders to determine its unamortized balance, amortizing over four years, starting when the final rates went into effect for each case. (EXH 67)

According to each of those respective orders and Section 367.0815, Florida Statutes, the resulting rates for each docket will be reduced at the end of four years from implementation of the final rates. If staff were to add the unamortized balance of prior rate case expense to the current balance and re-amortize it over the next four years, the utility will be penalized when the four-year rate reductions take place in 1997. Staff questioned Mr. Ludsen on this very issue, but he seemed to believe that by reamortizing the prior amounts, that the rate reduction would not occur. He believed that since SSU filed a new rate case prior to the four-year expiration that the rate reduction would be extended out until four years after the current final rates are implemented. He stated that in essence, rate reduction results by way of resetting the rates. (TR 5302-5303)

Staff disagrees with Mr. Ludsen. The statute and the prior orders are very clear that a four-year rate reduction will occur. The statute does not provide for any exceptions, regardless of the utility's financial condition or rate case status. If the Commission does not include the total amount of annual amortization of rate case expense for each prior case, then the utility's revenue requirement will be understated when the four-year rate reduction occurs. Accordingly, rate case expense of $67,100 for Lehigh, $852,601 for Docket No. 920199-WS and $106,820 for Marco Island should be approved. As discussed in Issue 94, these amounts should be specifically allocated to each specific plant or group of plants. This would include Spring Hill for Docket No. 920199-WS.

Staff has addressed the remaining components of the utility's requested rate case expense in Issues Nos. 94 and 96.

ISSUE 94: Should the expense associated with Docket No. 930880-WS (Uniform Rate Investigation Docket) be considered Regulatory Commission Expense-Other, and if so, what is the appropriate treatment and amount?

RECOMMENDATION: Yes. The utility should be allowed to recover a total of $416,502, amortized over 5 years. This is a reduction of $113,511 from the utility's revised estimate of $530,013. Further, the costs should only be allocated to the facilities involved in Docket No. 930880-WS, including Spring Hill, and not to the current facilities that were not included in the docket. (MERCHANT, ZHANG)

POSITION OF PARTIES

SSU: The expenses should be recovered as rate case expense allocated to all FPSC jurisdictional customers in this case. The amortization period should begin on the effective date of final rates in this case.

MARCO ET AL: Adopt Staff's Position.

NASSAU ASSOCIATIONS: Yes, these amounts do not relate to a rate case proceeding and should be removed from current rate case expense. Only prudently incurred costs associated with this docket should be allowed and amortized over 5 years to those facilities included in Docket No. 930880-WS.

OPC: Yes, these amounts do not relate to a rate case proceeding and should be removed from current rate case expense. Only prudently incurred costs associated with this docket should be allowed and amortized over 5 years to those facilities included in Docket No. 930880-WS.

STAFF ANALYSIS: In its MFRs (EXH 67, Schedule B-10), SSU requested recovery of $432,089 in costs incurred for the Uniform Rate Investigation, Docket No. 930880-WS. These costs were added to the total of its requested current and previously unrecovered prior rate case expense, along with previously approved but unamortized balance of prior rate case expense. The sum of these amounts was allocated by SSU in this case to only the customers in this docket, and amortized over four years. This issue addresses whether these costs were, in fact, rate case expense or Regulatory Commission expense, what group of customers should bear the cost of the Uniform Rate Investigation, and what total amount should be allowed.

In Exhibit 255, SSU updated its requested costs for recovery for the uniform rate investigation. This revised request totalled $530,013, which was an increase over the amount included in the MFRs of $97,924.

OPC witness K. Dismukes testified that SSU has pursued the issue of uniform rates to the fullest extent possible. Although SSU did not initially propose uniform rates in Docket No. 920199-WS, its last rate case, SSU became an advocate and spared no expense in defending uniform rates. Ms. Dismukes stated that SSU went so far as to petition for extraordinary review of the First DCA decision by the Florida Supreme Court. In doing such, SSU acquired the services of former Florida Supreme Court Justice Arthur England, who charged $500 per hour. She states that this is well in excess of the fees charged by counsel normally retained by SSU. (TR 2769-2770)

Ms. Dismukes questioned the reasonableness of the considerable expense of advocating one rate structure over another, when the rate structure issue is revenue neutral. She does not believe that all of these costs should be borne by the ratepayers. In her opinion, SSU has an obligation to bring a rate design to the Commission which is not unduly discriminatory. But SSU exceeded that obligation. The customers have been put to the expense of arguing not only against the Commission's decision, but also the expense of arguing against SSU's defense of the Commission ordered rate design. Ms. Dismukes testified that if SSU is allowed to recover these costs, the customers would also have to finance SSU's fight. (TR 2771-2772)

Ms. Dismukes discusses several of the expenses included in the utility's requested Uniform Rate Investigation. Among these were fees for telemarketing and other consultants; customer education services from Image Marketing Associates; legal services; notices, transportation and security; customer education mailings; open houses; and miscellaneous other charges. She contends that several of these expenses should not be recovered from the customers. Expenses for a telemarketing consultant, a public relations consultant, customer education and open houses were incurred by SSU for the sole purpose of gaining customer support for uniform rates. Ms. Dismukes purports that these costs are analogous to lobbying or public relations of which the Commission does not allow recovery from ratepayers. She states that since SSU did not provide a breakdown of the expense associated with transportation, notices and security, it is impossible to determine what portion of those costs may be reasonable. (TR 2772-2773)

Ms. Dismukes concludes that the advocacy of uniform rates in the investigation docket was unnecessary, or benefited SSU's stockholders, not the ratepayers. As such, she recommended disallowing 80% of the amount incurred or a disallowance of $345,671. (TR 2774)

On cross examination by staff, Ms. Dismukes agreed that the costs incurred for the uniform rate investigation were not rate case expenses. She also agreed that these amounts should be considered Regulatory Commission Expense and amortized over 5 years, and should only be spread to the customers included in the uniform rate investigation docket, not the facilities included in this rate case. (TR 2939) When questioned by SSU's counsel, Ms. Dismukes accepted subject to check that wastewater residential rates as well as the Hernando County bulk rate changed in the uniform rate investigation. (TR 2851-2853)

Utility witness Ludsen testified that Ms. Dismukes disallowed 80% of the costs related to the uniform rate investigation, but did not specify how she has arrived at this percentage. Her proposed allowance of $86,398 did not even cover SSU's cost for FPSC notices required to meet the requirements of the Commission. Mr. Ludsen believes that SSU had a right to take a position on the issues in that case. He stated SSU believes that uniform rates are in the long-term best interest of SSU, its customers and the environment. (TR 5222-5223)

Mr. Ludsen argued that in its investigation, the Commission heard evidence from those supporting and opposed to uniform rates and decided in favor of uniform rates for SSU. To disallow these costs would send a signal to SSU to not participate in any generic proceedings is the future, which would not benefit the customers or the Commission. Since the Commission had evidence from both sides of the issue on uniform rates, the Commission had a complete record upon which to base its decision. Mr. Ludsen asserted that all costs incurred to date, $451,385, should be recoverable through rate case expense. This includes the costs incurred to educate customers on the potential impact to them of uniform and non-uniform rates and SSU's efforts to encourage customers to attend and participate in the hearings whether for or against uniform rates. (TR 5224)

Under cross examination by OPC, Mr. Ludsen was asked about numerous items included in SSU's requested Uniform Rate Investigation costs. Exhibit 128, which was admitted into the record, details many of these areas covered by OPC. The first area related to costs incurred for rate structure programming for

discovery requests. Mr. Ludsen responded that those costs were required to develop the rate structure requested in the rate investigation, which presumably provided some benefit in the current rate case. (TR 1433)

Regarding telemarketing services, Mr. Ludsen stated that SSU retained those to call various service areas and inform customers of the uniform rate issue and customer service hearings to be held. Although not required by the PSC, SSU felt that it was very important for the customers to be informed of the hearings and the exposure the customers might have regarding the rate design alternatives to be considered. (TR 1434) Mr. Ludsen agreed that these were costs that SSU elected to incur.

Mr. Ludsen disagreed with OPC counsel that a public relations retainer is generally not a proper charge for rate case expense. Although, he did not know specifics about the charge, Mr. Ludsen stated that the uniform rate investigation benefitted because of broader customer input. He did not think that SSU was trying to enhance its image, but instead inform customers through brochures about the issues in the case. (TR 1435-1436)

When asked about legislative charges from the Messer Vickers law firm, Mr. Ludsen could not explain to what those related. He agreed, in general, that legislative expenses should not be charged to the customers. Specifically, Mr. Ludsen agreed that charges from Landers and Parsons for preparing testimony for a Senate hearing should be removed.(TR 1449) He also could not explain charges for an AWWA book, a videotape, or cellular phone bills. Mr. Ludsen's response to why open houses with customers, in addition to the Commission hearings, should be charged to customers was that it was a benefit to the case. If it benefitted the case, then it benefitted the customers. He did admit that those open houses were not required by the Commission. (TR 1436-1439)

OPC counsel also questioned why SSU offered bus transportation for customers to attend hearings. While admitting that these costs were not required, Mr. Ludsen stated that it was beneficial for people to participate in the hearings. He could not state which group of customers were specifically offered transportation. Mr. Ludsen also agreed that newspaper ads advocating uniform rates, which were not hearing notices, and uniform rate brochures, post cards and bill inserts were not required by the Commission. (TR 1439-1442, 1448)

OPC continued questioning Mr. Ludsen as to why cellular phone bills should be charged to customers. His response was that it was

all part of informing customers about issues in the case, dealing with the press and whoever may be calling wishing information about the hearings. It is a part of normal business, according to Mr. Ludsen. Explaining why a banquet was included, he responded that it could have been a lunch after a hearing or whatever, and that just because it says banquet does not mean that it was necessarily what is commonly thought of as a banquet. (TR-1446-1448)

Upon cross examination by staff counsel, Mr. Ludsen stated that the Spring Hill facilities were included in Dockets Nos. 920199-WS and 930880-WS (the uniform rate case and rate investigation, respectively). He also agreed that several facilities in this rate case were not included in either of those two dockets. When questioned as to why customers from those facilities should share the costs incurred for those proceedings, Mr. Ludsen stated that it was one of the basic tenets of allocation. The new service areas are now included under FPSC jurisdiction, as Spring Hill is not. He continued that when new customers come on they assume the costs of that jurisdiction or that one facility. When facilities leave the FPSC jurisdiction they are no longer charged those costs. (TR 5304-5305)

In its brief, SSU stated that as of April 30, 1996, SSU had incurred expenses of $459,064 in connection with the Docket No. 930880-WS uniform rate investigation, including legal fees and costs associated with the pending appeal before the First DCA. (EXH 255) SSU's original filed estimate of $432,089 for costs associated with this docket was increased by $65,000 to cover anticipated additional legal expenses associated with appeals and remand proceedings before the Commission. (TR 47-48, May 31) It asserted that the Commission and other participating parties observed the procedural requirements of a rate case proceeding including customer notices and customer service hearings. The Commission was fully informed on all relevant issues and had a full and complete record upon which to base its decision. Accordingly, all costs incurred to date, including SSU's costs incurred in educating customers on the impact of various rate structures, should be recovered as rate case expense and allocated to all of SSU's FPSC jurisdictional service areas. (TR 5222-24, 5304-05) In the alternative, SSU agreed that these costs may be amortized over 5 years with the unamortized balance in working capital and the amortization period beginning on the effective date of final rates.

OPC, in its brief, argued that it is important for the Commission to recognize that the various expenses addressed were merely examples of SSU's extravagant spending on the state-wide rate investigation. SSU barred no expense in attempting to

persuade its customers and the Commission that state-wide rates were the best thing since sliced bread. While not objecting to SSU advising the Commission of its preference for statewide rates, OPC strenuously objects to SSU's suggestion that such lavish expenses should be borne by customers. SSU should bear these expenses, not customers. OPC concludes its argument by stating that the Commission should permit SSU to recover $86,398 associated with the state-wide rate investigation, which is approximately the amount spent on the jurisdictional investigation, further highlighting the unreasonableness of the request in the state-wide rate investigation.

Staff believes that there are three main points to be decided in this issue. First is how much should be allowed to be recovered from the customers in this proceeding. Secondly, are the costs incurred rate case expense, which is amortized over 4 years, or regulatory Commission expense to be amortized over 5 years. The last point is to what group of customers should these costs be allocated.

Staff agrees with OPC that SSU went above the usual bounds in supporting uniform rates. Those costs which went above and beyond what the Commission requires for noticing should be removed. Normally, these types of expenditures would not even be incurred in a proceeding. If SSU sees a need to inform its customers, the press or whomever may be calling wishing information about the hearings and issues in the case beyond what the Commission's rules require, then those expenditures should be borne by SSU, not the customers. Accordingly, staff recommends that all charges related to telemarketing, public relations, uniform rate bill inserts, mailings and door hangers, cellular phone bills and bus transportation be removed. Since Mr. Ludsen was unable to justify why a banquet was necessary and reasonable, staff believes that this amount should be removed. Also, any legislative or lobbying charges should be removed as agreed to by Mr. Ludsen.

Regarding the computer programming charges, staff believes that since whatever amount is allowed will be amortized, then that is a proper mechanism for recovery. The evidence supported that the different rate structures were in fact used for the investigation proceeding. Further, the costs will not be an annually recurring expense and as such are properly amortized.

Staff agrees with OPC that SSU's legal fees for the appeal of the uniform rate investigation order were excessive. However, as discussed in greater detail in Issue No. 93, we do not agree with OPC's argument that SSU did not support its legal fees as a result

of hearsay testimony. Although SSU has every right to hire the best attorney as it sees necessary, it does not automatically follow that the customers should have to bear the full costs of such luxury. While recognizing that the cost is being incurred for the appeal, staff has adjusted the legal fees for the Greenburg Traurig firm on a ratio of billing rates: $500 to $160. We believe that this will reflect a reasonable level of expense to the customers. The excess should be borne by the shareholders, whom we believe benefitted most from the increased hourly rate and/or level of legal expertise.

Based on all of the above staff believes that the utility should be allowed to recover a total of $416,502. This is a reduction of $113,511 from the utility's revised estimate of $530,013.

Staff agrees with Ms. Dismukes that this investigation was not a rate case and should not be considered rate case expense. The investigation was a revenue neutral case. SSU's contention that all parties observed the procedural requirements of a rate case proceeding is false. The investigation was not filed under Section 367.081, Florida Statutes, which is the section pertaining to file and suspend rate cases. It is no more a rate case than an index, pass-through, limited proceeding or tariff filing, all of which may involve a rate change and require customer notices. As such, the cost should be considered regulatory commission expense-other and amortized over 5 years.

Regarding the allocation methodology, staff agrees with Ms. Dismukes. The costs should be properly allocated to the facilities which participated in the docket, not to all the current facilities that were not even involved in the issues. Mr. Ludsen's argument has many flaws regarding basis tenements of allocation. FPSC jurisdiction should not have anything to do with allocations of rate case expense. Only whether a facility participated in a rate proceeding should be the driving tenet of allocation. To relieve the Spring Hill customers of paying their fair share of rate case expense, especially when they were one of the main objectors to uniform rates, is patently unfair to the rest of the body of rate payers. Even more so to the facilities which never were faced with the issue of uniform rates until this rate case. If SSU wishes to receive recovery of any of Spring Hill's portion of the increased costs, then SSU should file for a rate increase with Hernando County.

ISSUE 95: Should the expense associated with Docket No. 930945-WS (Jurisdiction Docket) be considered Regulatory Commission Expense-Other, and if so, what is the appropriate treatment and amount?

RECOMMENDATION: Yes. The total estimated cost of $95,530 should be amortized over 5 years. Test year expenses should be reduced by $29,404, and the 13-month average balance of working capital should be increase by $79,395. (MERCHANT, ZHANG)

POSITION OF PARTIES

SSU: Yes. The costs should be amortized over five years to all SSU plants. The amortization period should begin on the effective date of final rates.

MARCO ET AL: Adopt Public Counsel's Position.

NASSAU ASSOCIATIONS: Adopt Public Counsel's Position.

OPC: Only that part of the identified expenses which were prudently incurred should be recovered. As to the methodology for recovery, where recovery is approved, agree with staff.

STAFF ANALYSIS: According to utility witness Ludsen, SSU included $48,696 in 1996 test year legal fees for costs related to the Jurisdiction Proceeding (Docket No. 930495-WS). Mr. Ludsen stated that the most recent estimate of the total cost associated with this proceeding was $95,530. Although he was unsure whether the costs were non-recurring in a general sense, Mr. Ludsen did agree that a proceeding of that magnitude would not recur on an annual basis. He stated that the Company would not object to amortizing the total amount over 5 years as long as the unamortized balance is included in working capital. Using the estimated total cost of $95,530, the annual expense would be $19,106. (TR 5298-5301) Mr. Ludsen also agreed that these costs should be allocated to all SSU customers, not just the customers included in this docket.

In its brief, OPC argues that no attorney fees in excess of the Rutledge Ecenia firm should be allowed and addresses the hearsay argument for disallowance of unsupported legal fees. Staff's analysis of this argument is discussed in detail in Issue 93. Aside from its brief, OPC does not present any evidence regarding this issue. No other parties address this issue in greater detail than stating a position.

Based on the above, staff believes that the test year costs incurred for the jurisdiction docket are non-recurring. While

other proceedings or workshops may occur, the evidence does not support that such proceedings will recur annually. Further, the record reflects that the costs for the jurisdiction docket were higher than the cost for any workshops that might occur. As such, staff believes that it is reasonable to amortize the total estimated cost of $95,530 over 5 years as testified by Mr. Ludsen. Since $48,696 was included in test year expenses, a reduction of test year expenses of $29,404 results. Accordingly, an adjustment should be made to increase working capital by the 13-month average unamortized balance by $79,395.

ISSUE 96: What is the appropriate treatment for additional rate case expense incurred subsequent to the final order in Docket No. 920199-WS (Prior Rate Case)?

RECOMMENDATION: The utility's requested additional costs are excessive, largely unsupported and should be reduced. Nevertheless, staff believes that $100,000 should be allowed for those costs incurred beyond the amount allowed in the final order. This amount recognizes that some costs are prudent based on the fact that the reconsideration and appeal of the Commission's final order occurred. This results in a decrease to the revised estimate of $359,231. The adjustment necessary to the MFRs is a decrease of $184,261. The additional costs allowed should be amortized over four years as rate case expense to all facilities included in Docket No. 920199-WS. (MERCHANT, CAPELESS)

POSITION OF PARTIES

SSU: The unrecovered rate case expense consists of two parts. One part consists of previously Commission authorized rate case expense in the final order in Docket No. 920199-WS. The remainder consists of costs incurred to process reconsideration requests, defend appeals, address issues on remand and represent SSU in subsequent Commission proceedings. The Company did not initiate the appeals, achieved an affirmance of revenue requirements and supported the Commission's defense of its rate structure decision through the Florida Supreme Court level. There is no basis for disallowance of recovery of these costs. As the appeal costs for Docket No. 291099-WS which are included in this case are reasonable, and waiting for the conclusion of the remand to approve the costs would be administratively inefficient, the costs should be approved. The amortization period should begin on the effective date of final rates for this case.

MARCO ET AL: Adopt Public Counsel's Position

NASSAU ASSOCIATIONS: Adopt Public Counsel's Position

OPC: Much of the costs incurred subsequent to the amounts approved in Docket No. 920199-WS were associated with legal expenses associated with the Company's advocacy of uniform rates. The Company has not justified or proved the reasonableness of these expenses or the expenses of multiple law firms.

STAFF ANALYSIS: In its MFRs, SSU requested recovery of $284,231 in additional rate case costs incurred subsequent to the issuance of the final order in Docket No. 920199-WS. (EXH 67) However, in

Exhibit 255, the utility requested an additional amount of $175,000 for estimated additional appeal costs. This results in a total amount above and beyond those costs approved in Order No. PSC-93-0423-FOF-WS (final order in Docket No. 920199-WS) of $459,231.

Utility witness Ludsen testified that some of these costs relate to reconsideration of the final order, the appeal and the refund issue. Also included was about $100,000 in other costs which were a true up between actual and budgeted costs included in the final order. (TR 35-39, May 31) Mr. Ludsen at first did not know why SSU incurred $28,000 for an appeal bond. (TR 39, May 31) However, on redirect he stated that the bond was required when SSU was granted the motion to vacate the automatic stay of the final order. (TR 88-89, May 31) SSU was also requesting additional miscellaneous expenses of $4,714 and $34,000 estimated for other projected expense. (TR 38-39, May 31)

Mr. Ludsen was asked to identify which law firms SSU hired and to explain what each did for the utility. He listed four firms: Messer Vickers ($21,088) and Rutledge Ecenia ($81,686), which are Mr. Hoffman's former and current firms; Cullen and Dykman ($76,158); and Greenberg Traurig ($89,187). He added that there was also a charge for a firm named Mognif, Seibels and Williams for $15,000, but he did not know to what that charge related. Mr. Ludsen testified that he did not believe it was a law firm since the firm name was incorporated. (TR 37-39, May 31)

By including Messer Vickers and Rutledge Ecenia in one category, Mr. Ludsen admitted that SSU had retained three additional law firms for appeal purposes. His reason for this was that each firm had different areas of expertise. He stated that Mr. Arthur England, Esq., of the Greenberg Traurig firm, a former justice of the Florida Supreme Court, is one of the best appellate lawyers in the state. His rate is $500 an hour. When asked why the customers should bear the cost of a former Florida Supreme Court justice to argue for the company, Mr. Ludsen responded that the charge was reasonable and not out of line due to the significance of the issue for the company. He stated that SSU paid for the expertise and experience that was needed quickly. (TR 41-43, 45-47, May 31)

Mr. Ludsen stated that Cullen and Dykman participated in the reconsideration of Order No. PSC-95-1292-FOF-WS, by which the Commission ordered a $10 million refund. That firm was very knowledgeable in the area of rate design and the refund issue, and was able to very quickly participate in the short time frame for

reconsideration. Cullen and Dykman was also Mr. Armstrong's former employer. (TR 41-43, 45, May 31)

Mr. Ludsen first stated that the Rutledge and Greenberg firms did not tell SSU that they did not have sufficient resources to handle the reconsideration of Order No. PSC-95-1292-FOF-WS (the refund order). The company hired Cullen and Dykman because that firm had specific expertise in that area. The hourly charge for Cullen and Dykman was $295.

In its brief, SSU argues that Mr. Ludsen offered ample evidentiary support and justification for the legal fees and costs incurred by SSU for the Greenberg Traurig and Cullen and Dykman law firms in connection with this docket. SSU believes that SSU's positions articulated in its motion for reconsideration of Order No. PSC-95-1292-FOF-WS have been vindicated and confirmed by the Florida Supreme Court's decision in GTE Florida Inc. v. Clark, 668 So. 2d 971 (Fla. 1996) and by the staff recommendation dated May 30, 1996, filed in Docket No. 920199-WS, recommending that the Commission not order a refund.

In its brief, OPC argues that if the Commission has any doubts that SSU is a high cost, high overhead company, it is evident by SSU's squandering of rate case expense. According to OPC, SSU provided no credible justification whatsoever for its outrageous request of $459,000 for the appeal of Docket No. 920199-WS. It hired multiple firms, including Mr. Armstrong's prior employer in Brooklyn, New York, which charged up to $290 per hour, as well as the Greenberg Traurig firm which charged up to $500 per hour, in addition to the Rutledge firm. If SSU wants to throw unlimited funds at this appeal, then OPC believes that it must do so at its shareholder's expense.

As noted in Issue 93, OPC summarily states that all of the evidence concerning legal fees was impermissible hearsay, and the company produced no witness qualified to express an opinion about the reasonableness of attorney fees. OPC unsuccessfully raised this objection at the hearing. (TR 92-93, May 31) Hearsay evidence may be used for the purpose of supplementing or explaining other evidence, but is insufficient in itself to support a finding unless it would be admissible over objection in civil actions. Section 120.58(1)(a), Florida Statutes. OPC concludes that therefore the Commission cannot grant the request for attorney fees for Mr. Armstrong's prior employer or the Greenberg Traurig firm. Further, OPC contends that "no amount of attorney fees should be approved in addition to the amount for the Rutledge Encenia [sic] firm." (BR 123)

Staff disagrees that all of the evidence concerning legal fees was impermissible hearsay. We believe that Mr. Ludsen has testified to the reasonableness of some level of legal fees which SSU proposes to include in rate case expense. Also, Exhibit 259 does contain actual bills for various legal services. However, Exhibit 255 only contains SSU's revised estimate of additional costs for Docket No. 920199-WS. It does not include the documentation in support of those costs, many of which were actual amounts, nor does it include specific detail of the estimates to complete.

As discussed in Issue 93, SSU filed late-filed Exhibit 255-A (EXH 257) on May 28, and late-filed Exhibit No. 255-B (EXH 258) on May 31. Exhibit 257 contained the latest estimates and invoices through the end of April, 1996, and Exhibit 258 contained a revision for legal fees. At the continuation of the hearing on May 31, 1996, the Chairman ruled that Exhibits 257 and 258 would not be entered into the record. (TR 29-30, May 31) The utility should have identified these exhibits and should have either produced them or requested that they be late filed during the final hearing rather than during the continuation thereof. (TR 32, May 31) Thus, SSU failed to submit supporting documentation on a timely basis of the additional costs incurred in Docket No. 920199-WS.

Because much of this data was incurred prior to the hearing in this case, the utility had ample time to include actual invoices for the majority of these expenses in the record. SSU should have filed a breakdown of the estimate to complete for the Commission to consider. The only supporting documentation in the record is in Exhibit 259, which consists of several pages of invoices for legal fees. The specific legal invoices included for Docket No. 920199-WS were for Cullen and Dykman and Greenberg Traurig. (TR 87-88, May 31)

Upon staff's review of the record, we believe that several areas need to be addressed regarding the above described expenses of which SSU has requested recovery in this proceeding. First, it is the utility's burden to justify its requested costs. Florida Power Corp. v. Cresse, 413 So. 2d 1187, 1191 (Fla. 1982). We believe the record contains sufficient evidence to justify some, but not all, of the requested legal fees.

Regarding the appeal bond, staff believes that some type of bond would have been required whether the utility left the interim rates in effect or implemented its uniform rates. Therefore, this amount should be allowed. However, the utility failed to support its additional costs for Docket No. 920199-WS.

Staff believes that the $15,000 for the Mognif, Seibels and Williams firm should be disallowed. The record does not reflect whether these amounts were estimated or actually incurred. Regardless, SSU's witness had no idea what these charges were. (TR 37-38, May 31) There is no evidence in the record to justify this amount. Also, staff does not believe that the actual true up from the estimates allowed in the final order should be allowed, especially since the record does not reflect why such an adjustment is justified. Further, consistent with staff's recommendation in Issue 93, staff believes that the estimate for future appeals of $175,000 should be denied as this request is premature.

As addressed in Issue 94, staff believes that SSU has every right to hire the best attorney as it sees necessary, but it does not automatically follow that the customers should have to bear the full costs. Although staff is troubled by the amount of record support for the cost of the appeal, we recognize that appeal cost is indeed being incurred. Therefore, staff believes that some amount should be allowed. The Commission enjoys a broad discretion with respect to allowance of rate case expense. Florida Crown Util. Servs., Inc. v. Utility Regulatory Bd. of Jacksonville, 274 So. 2d 597, 598 (Fla. 1st DCA 1973). Nevertheless, it would constitute an abuse of discretion for the Commission to automatically award rate case expense without reference to the prudence of the costs incurred in the rate case proceedings. Meadowbrook Util. Sys., Inc. v. FPSC, 518 So. 2d 326, 327 (Fla. 1st DCA 1987), rehearing denied, 529 So. 2d 694 (Fla. 1988). We believe that $100,000 for total costs should be allowed for those costs incurred beyond the amount allowed in the final order. This amount recognizes that some costs are prudent, including the $28,000 cost for the appeal bond, based on the fact that the reconsideration and appeal of the Commission's final order occurred. This results in a decrease to the revised estimate of $359,231. The adjustment necessary to the MFRs is a decrease of $184,261.

Lastly, in its brief, SSU agreed that all prudently incurred expenses incurred subsequent to the issuance of the final order in Docket No. 920199-WS should be amortized over four years as rate case expense to all facilities included in Docket No. 920199-WS. Consistent with staff's recommendation in Issue 94, we agree that this is the appropriate amortization methodology to use.

ISSUE 97: Should an adjustment be made to administrative and general and customer expenses for SSU's inefficiency?

RECOMMENDATION: No. (MONIZ)

POSITION OF PARTIES

SSU: No.

MARCO ET AL: Adopts OPC's position.

NASSAU ASSOCIATIONS: Yes. Test year expenses should be reduced for diseconomies of scale by $243,773

OPC: Yes. Test year expenses should be reduced for diseconomies of scale by $243,773.

STAFF ANALYSIS: OPC witness Dismukes testified that SSU has an aggressive acquisition program and is in the process of attempting to acquire several more facilities. She argued that it was clear from SSU's strategic plan that SSU is not planning on buying small run-down facilities. In fact, according to Ms. Dismukes, its strategic and divestiture plan suggests the opposite. Ms. Dismukes compared the costs for Buenaventura Lakes (BVL) customers and Lehigh's customers before and after SSU's acquisition. According to her analysis, the costs increased for these customers after the sale, which clearly suggests there were no economies of scale. (TR 2753-2757) (EXH 175)

Ms. Dismukes testified that the company has continuously claimed that its acquisition program is beneficial to customers and allows it to spread its fixed costs over a larger body of customers thereby reducing the costs per unit to the customers. She tested this theory by comparing the Company's administrative and general expenses for 1991 to the expenses for 1994, 1995 and 1996. She maintains this is the opposite of what one would expect if there were economies of scale. According to Ms. Dismukes, her analysis verifies that the cost per customer of administrative and general expenses increased from 1991 to 1996 which suggests that there are diseconomies of scale associated with SSU's larger size and the acquisition of new facilities. She proposed an adjustment to reduce SSU's adjusted test year expenses to account for the diseconomies of scale. Her adjustment reduces test year expenses by $243,773. (TR 2755-2759)

Mr. Ludsen agrees that the costs for both Lehigh's and BVL's customers did increase. However, he argues that it is not uncommon

for developer owned utilities to be subsidized by the developer to keep rates low in order to help sell homes. (TR 5213-5214) Mr. Ludsen compared the costs for SSU's customers before and after the purchase of BVL. This comparison demonstrated that SSU's A&G and customer service costs prior to the BVL acquisition were $85 per customer and after the acquisition the costs decreased to $80 per customer. He maintained that although BVL customers experienced an increase in costs, the overall body of SSU customers benefited by the acquisition because it provided a larger customer base over which common costs could be spread. (EXH 247) Mr. Ludsen argued that whenever a utility is acquired, the cost/benefit to the acquired utility can be positive or negative depending on the acquired utility's cost structure as compared to SSU's cost structure. He insists that ultimately it is the stimulation of growth that provides the economies of scale to help hold down costs. However, according to witness Ludsen, this does not mean that an acquisition will result in a rate reduction. (TR 5214-5215)

Utility witness Ludsen, also presented a comparison of SSU's customer service and A&G costs to other water companies using a National Association of Water Companies (NAWC) survey. He testified that on a cost per customer basis SSU's 1994 costs were $73 and the costs for similar sized NAWC companies were $94. Mr. Ludsen argued that Ms. Dismukes may consider SSU costs high compared to the developer owned BVL and Lehigh, but SSU's common costs compare very favorably with other water companies surveyed. He also contends that low costs does not necessarily equate to good quality and reliable service. (EXH 247) (TR 5216-5217).

Staff is not persuaded by Ms. Dismukes, claim that diseconomies of scale exist with SSU's acquisition program. A review of the evidence supports the fact that the per customer costs for SSU's customers actually decreased after the purchase of BVL. Hence, staff does not believe there were diseconomies of scale associated with the BVL acquisition. Additionally, the utility has provided evidence that it falls below other water companies in respect to per customer costs. The evidence also supports the fact that acquisitions do not always decrease customer costs. Hence, staff believes the record fails to support the allegation that diseconomies of scale exists. Therefore, staff is not recommending an adjustment.

ISSUE 98: Should an adjustment be made to corporate insurance expense?

RECOMMENDATION: No. An adjustment should not be made to corporate insurance expense. (BINFORD)

POSITION OF PARTIES:

SSU: No, except that workers compensation expense should be increased to reflect 1995 actual expenses as an offset if any reduction to SSU expenses is to be made.

MARCO ET AL: Corporate insurance expense should be reduced by $96,458.

NASSAU ASSOCIATIONS: Corporate insurance expense should be reduced by $96,458.

OPC: Corporate insurance expense should be reduced by $96,458. (Larkin/DeRonne schedule 22)

STAFF ANALYSIS: OPC witnesses Larkin and DeRonne testified that in response to Citizens Interrogatory No. 252, Appendix 252-A, SSU provided the actual premiums for each of its insurance types for 1992 through 1995 and the budgeted 1995 amounts by type. Based on SSU's response, on a total SSU basis, the actual 1995 premiums for insurance were $140,846 less than the $757,940 budgeted amount. Witnesses Larkin and DeRonne recommended an adjustment to corporate insurance expense, which reduced SSU's proposed expense by $96,458. (TR 2657-2659) The calculation of this reduction is presented in EXH 174 on Schedule 22. Their recommended corporate insurance expense allowed for the actual 1995 insurance premiums grossed-up by 1.95% to account for attrition, based on SSU's proposed attrition factor. According to witnesses Larkin and DeRonne, the resulting estimated 1996 insurance premiums, totaling $629,127, are then allocated to FPSC regulated insurance expense based on percentage derived from SSU's recommended amounts. The allocation would account for both the removal of the non-FPSC regulated amounts and the allocation of a portion of the costs to overhead as opposed to expense. (TR 2659)

Witnesses Larkin and DeRonne also testified that budgeted amounts, in particular the workers' compensation, appeared to be significantly higher than the actual premiums. SSU's budgeted workers' compensation cost was significantly higher than both the 1994 and 1995 actual premiums. Witnesses Larkin and DeRonne stated that on a review of the response to Citizens Interrogatory No. 252,

it appeared as though the workers' compensation insurance cost to SSU had been consistently declining since at least 1992. The 1992 cost was $388,599 while the actual 1994 cost was $186,063. The actual premium paid in 1995 was $136,023. Witnesses Larkin and DeRonne concluded that this was significantly less than the $250,000 projected by SSU for budgeting purposes. (TR 2658)

In rebuttal, SSU witness Kimball testified that the actual 1995 insurance premiums indicated by Mr. Larkin did not include the impact of the Buenaventura Lakes acquisition. Thus, when Mr. Larkin applies the attrition factor of 1.95% to the 1995 actual to arrive at the "1996 insurance premium per OPC", he has understated the 1996 premium by $63,096. Ms. Kimball stated that this represents the insurance costs Buenaventura Lakes brought into the rate case in 1996. (TR 5045) Ms. Kimball also testified that Mr. Larkin tried to compare insurance expense to insurance premiums, which are two very different things. She testified that in Interrogatory 252, OPC asked for actual 1995 insurance premiums, not expense. In MFR Volume II, Book 1, page 175 (EXH 67), the total company insurance expense for 1995 was $593,878. However, Interrogatory Appendix 252-A indicated that the total company insurance budget for 1995 was $757,940. One of the reasons she stated for the difference was that insurance costs were, in part, capitalized as part of the overhead factor to the utility's capital projects. As a result, if an attempt is made to compare the MFR expense (accrual basis) to the budget (cash basis), it will never match, even if there was no variance in actual from what was budgeted. (TR 5045-5046)

In response to Mr. Larkin's concern about workers' compensation, Ms. Kimball testified that the utility filed a revised response to OPC Interrogatory 252 (EXH 242) which included Appendix 252R-A indicating the actual workers' compensation premium disbursements in the years 1992 through 1995 and the 1995 budget. The amount indicated as the 1995 actual premium for workers' compensation in Appendix 252-A was necessarily incomplete. As the utility indicated in its initial response, the premiums for workers' compensation were subject to year-end audits which could result in additional premiums being charged or credits being issued. Ms. Kimball states that the $136,023 indicated on the appendix did not include paid losses or the cash impact of premiums related to prior periods. The new appendix indicated the utility paid out $474,166 in 1995 related to workers' compensation; $338,413 more than was indicated in Appendix 252-A as the utility's 1995 actual for workers' compensation. The actual amount paid out would bring the utility's actual 1995 premiums in total for insurance to $955,237 compared to a budget of $757,940. Ms.

Kimball testified that on a gross expense basis, the 1995 books recorded $371,150 of workers compensation expense compared to a 1995 budget of $250,000. She concluded by stating that SSU requests that the increase in 1995 workers' compensation expense above the expense projected in the MFRs be used as an offset to any reduction the Commission may find to SSU's expenses without exceeding the revenue requirement projected in the MFRs. (TR 5046-5047)

Staff agrees with Ms. Kimball that witnesses Larkin and DeRonne's analysis had two major flaws. By excluding the Buenaventura Lakes acquisition and the capitalized insurance amounts, witnesses Larkin and DeRonne understate the amount of insurance expense. To exclude the Buenaventura Lakes amounts would understate the impact of the known and measurable addition which occurred in late 1995. Likewise, we believe that Ms. Kimball has sufficiently explained the apparent discrepancies that occurred regarding the workers' compensation premiums and expenses through Exhibit 242. The evidence reflects that the actual 1995 workers' compensation expense was higher than the budget. SSU's requested alternate adjustment is also flawed. To have some sort of guarantee built in to increase expenses in case any other decreases are made is unjustified. Therefore, staff recommends that no adjustment should be made to corporate insurance expense reflected in the MFRs.

ISSUE 99: Should a true-up budget adjustment be made to test year expenses?

RECOMMENDATION: Yes. Test year expenses should be reduced by $496,035. (MONIZ)

POSITION OF THE PARTIES

SSU: No. Actual 1995 expenses were only $65,685 less than the projected 1995 total expenses in the MFRs.

MARCO ET AL: Adopts OPC's position.

NASSAU ASSOCIATIONS: Yes. Test year expenses should be reduced by $496,035.

OPC: Yes. Test year expenses should be reduced by $496,035.

STAFF ANALYSIS: OPC witness Dismukes testified that as a part of its goal setting process for 1995, SSU established a goal to reduce certain budgeted expenditures below the level of the approved budget by 5%. These costs were specifically identified as administrative and general and operating miscellaneous costs. She argued that since SSU will or has presumably strived to meet this goal, that the overall level of budgeted expenses in these categories should be reduced by 5%. This equates to a reduction of $191,002 for the 1996 test year. (TR 2765) Because no evidence was presented to contradict Ms. Dismukes, staff recommends an adjustment to reduce test year expenses by $191,002, allocated to all water and wastewater customers in this rate case.

Ms. Dismukes also proposed an adjustment to true-up SSU's 1995 budget to actual. For the purpose of this adjustment she used the September 1995 year-to-date budget variance analysis prepared by SSU. Ms. Dismukes examined each difference between SSU's 1995 budget and actual expenditures as of September 1995. She adjusted the expense accounts accordingly, for those accounts over or under budget where it appeared that the overage or underage would continue into the remainder of 1995. She introduced an exhibit presenting her proposed plant specific adjustments as well as the allocation factor necessary to adjust the FPSC filed plants. Her adjustment reduces test year expenses by $305,033. (TR 2765-2766) (EXH 176)

Utility witness Bencini testified that since the hearings in this case were delayed for three months, SSU was able to conduct a comparison of actual 1995 expenses to projected 1995 expenses

reflected in the MFRs. He argued that the actual 1995 expenses of $25,531,190 (excluding Buenaventura Lakes) were only $65,685 less that the projected total expense of $25,596,875. (TR 5114-5115) Mr. Bencini provided an exhibit comparing budgeted 1995 O&M expenses to actual 1995 O&M expenses based on total FPSC filed. (EXH 244)

SSU states in its brief that when granting OPC's motion to strike SSU witness Broverman's rebuttal testimony, the Chairman stated "that it is inappropriate to allow SSU to select one category to use actual expenses as opposed to budget expenses in the use of a projected test year." SSU argues that based on the Chairman's ruling, the adjustments proposed by Ms. Dismukes must be denied, because contrary to the ruling, the adjustments decrease selected projected expenses which exceeded actual amounts.

Staff agrees with Ms. Dismukes' argument that SSU overstated its 1995 budget. We are not persuaded by the utility's argument that adjustments that decrease projected expenses which exceed actual amounts should not be made, according to Chairman Clark's ruling. First of all, the Chairman's ruling is not evidence in the record in which an argument can be based upon. Regardless, we believe the adjustment proposed by Ms. Dismukes, does not decrease or increase selected expenses, it merely adjusts the method used by the utility to calculate its 1996 test year.

Further, it appears, even though the utility is opposing the adjustment in this issue, it has proposed conflicting adjustments in other issues. In the issue involving the Collier land purchase for the Marco Island water plant, Mr. Bencini testified that the costs increased since the filing of the MFRs. Accordingly, any adjustments made to reduce the amount in the filing should be offset by the increase in costs. (TR 5094) Ms. Kimball testified that actual 1995 workers' compensation expenses were higher than the budgeted amount reflected in the MFRs. Therefore, any reduction made to expenses should be offset by the increase in workers' compensation insurance. (TR 5047) She further contends that known downward adjustments should be offset against known upward adjustments. (TR 5044) Staff believes, by the testimony of its witnesses, the utility has rebutted its own argument that budgeted expenses can not be adjusted to actual. Regardless, staff believes the true-up adjustment reflects an adjustment to the methodology used by the utility not a budget to actual adjustment.

Both Ms. Dismukes and Mr. Bencini specifically identified the overage and underage for each particularly account type. (EXH 175, EXH 244) However, Mr. Bencini did not provide testimony

demonstrating why Ms. Dismukes numbers were wrong. Further, since he does not agree an adjustment should be made, he did not provide the mechanism necessary to make the adjustment. He only provided the total FPSC-filed amount, not a breakdown by plant. However, Ms. Dismukes' exhibit did provide the information necessary to make her proposed adjustments. (EXH 175) Since Ms. Dismukes was the only witness to provide the information necessary to make this adjustment, staff has calculated its adjustment using the exhibit she provided.

In conclusion, staff believes that the utility's basis of projection for its O&M expenses was excessive. Accordingly, we recommend that test year expenses should be reduced by $496,035. The breakdown of staff's specific adjustments are detailed below.

The following adjustments increase/(decrease) expenses and are then allocated to SSU's total customers.

Sludge Removal	$(146,175)
Chemical Expenses	(58,279)
Contract Services	(2,253)
Miscellaneous	(43,953)
Total	$(196,154)

The following adjustments increase/(decrease) chemical expenses and are plant specific.

Marco Island-Water	$ (29,336)
Deltona Lakes-Water	(87,670)
University Shores-Wastewater	(12,664)
Chuluota-Wastewater	(7,066)
Amelia Island-Wastewater	8,817
Beacon Hills-Water&Wastewater	9,520
Woodmere-Wastewater	9,520
Total	$(108,879)

ISSUE 100: Should the miscellaneous adjustments for bad debt, excessive employee recognition and the Price Waterhouse audit proposed by witness Dismukes be made?

RECOMMENDATION: An adjustment of $14,341 should be made to reduce the excessive employee recognition expenses. However, no adjustment should be made for the bad debt expense or the Price Waterhouse audit. (BINFORD)

POSITION OF PARTIES:

SSU: No.

MARCO ET AL: Yes. Test year expenses should be reduced by $61,296 for reductions to bad debt expense and excessive employee recognition expenses. Marco, et al agrees that the adjustment for Price Waterhouse should not be made.

NASSAU ASSOCIATIONS: Yes. Test year expenses should be reduced by $137,759, in accordance with adjustments reflected on K. Dismukes, Schedule 35.

OPC: Yes. Test year expenses should be reduced by $61,296 for reductions to bad debt expense and excessive employee recognition expenses. The Citizens agree that the adjustment for Price Waterhouse should not be made.

STAFF ANALYSIS: OPC witness K. Dismukes proposed several miscellaneous expense adjustments which were presented on Schedule 35. (EXH 175) The adjustments for salary expense error, rate case overtime, and Enterprise Purchased Water expense were stipulated as stipulations 10, 11, and 12, respectively. The other adjustments which concern bad debt, excessive employee recognition, and the Price Waterhouse audit are discussed in this issue.

Bad Debt Expense

The first adjustment analyzed related to bad debt expense. Ms. Dismukes testified that SSU's March 1995 budget variance report indicated that bad debt expense was reduced by $46,955 to reflect a lower reserve requirement. Accordingly, she reduced bad debt expense by $46,955. (TR 2777)

SSU witness Bencini testified that he did not agree with Ms. Dismukes' argument for this adjustment. As reflected in SSU's response to OPC's Interrogatory No. 56, Mr. Bencini testified that the average annual bad debt expense since 1989 was $170,721

(updated for actual 1995 results). An additional $23,141 average annual bad debt requirement should be added due to the acquisition of Buenaventura Lakes which equals a total of $193,862. He noted that the $217,899 included in the MFRs for 1995 represents a .39% bad debt expense as a percentage of revenues which he claims is a very low expense level. Mr. Bencini testified that SSU expected the bad debt expense to increase based upon the Commission's recent decision to overturn uniform rates. He also noted that SSU did not use the historic percentage to calculate projected bad debt expense in 1996. Using the .39% factor discussed above times requested final 1996 revenues totaling $65,302,524 (for FPSC Jurisdiction plants only), Mr. Bencini stated that the bad debt requirement would total approximately $254,000. This projected balance relating only to customers included in this proceeding already exceeded the total Company requested 1996 MFR balance totaling $246,165. Therefore, Mr. Bencini believed the projected bad debt expense in the 1996 MFRs to be a reasonable and conservative estimate. (TR 5118-5120)

Staff agrees with Mr. Bencini that an 0.39% bad debt expense is not unreasonable. Also, 0.39% times the requested revenue is greater than the 1996 requested jurisdictional bad debt expense. Staff also agrees that a change in SSU's rate structure will most likely cause an increase in bad debt expense. As Mr. Bencini testified in determining the bad debt adjustment, Buenaventura Lakes should be considered. Based on the above reasoning, staff does not recommend an adjustment to bad debt expense.

Excessive Employee Recognition Expense

The next adjustment proposed by Ms. Dismukes related to excessive employee recognition expenses. These expenses include such items as luncheons for employees and other small tokens of appreciation. Ms. Dismukes testified that SSU's budget indicated the additional employee recognition expenses would be incurred during 1995 due to the demands of the rate case. Since SSU will not be processing a rate case in every year following the test year in this proceeding, she saw no reason to allow the abnormally high level of expense as if it were recurring. Ms. Dismukes testified that in response to Citizens Interrogatory No. 222, SSU incurred costs associated with employee recognition expenses of $13,989, $13,613, and $19,099, in 1992, 1993, and 1994, respectively. These amounts compare to a 1995 budgeted figure of $33,785. She recommended that the Commission reduce this expense to the level incurred during 1994, adjusted for inflation and customer growth. Therefore, she proposed that test year expenses should be reduced by $14,341. (TR 2776-2777)

Mr. Bencini testified that Ms. Dismukes's statement that the increase was solely due to extra demands on employees due to the rate case was not true. He believed that historically, SSU had been very lax at providing employee recognition, mainly due to the workload over the past several years. He believed that it was evidenced by their high employee turnover rate since 1991. He noted that their 1996 O&M budget included $52,112 of employee recognition expenses. He also noted that this amount was $17,668 lower than the amount included in the 1996 MFRs totaling $34,444 ($33,785 x 1.0195). The Company has not requested an increase to support the higher balance in the 1996 budget than that provided in the 1996 MFRs. He believed this supported the proposed increase in these types of expense to help improve employee moral and decrease employee turnover. (TR 5117-5118)

Staff agrees with Ms. Dismukes that the increase in employee recognition expense is due partly to the extra demands of the rate case which is non-recurring. Ms. Dismukes based her adjustment on the budgeted 1995 figure of $33,785 reduced to the incurred 1994 employee expense of $19,099 adjusted for inflation and customer growth. Mr. Bencini's argument for allowing this increased cost was to help increase moral and decrease employee turnover. While we do not dispute SSU's paying these amounts, they appear excessive and non-recurring at the level requested. Further, employee turnover is the main reason supporting the Hewitt study adjustment, as discussed in Issue 82. Staff believes that to allow both adjustments is unnecessary and unjustified. Based on these reasons, staff recommends an adjustment of $14,341 to reduce employee recognition expense to a normalized recurring level.

Price Waterhouse Audit Expense

The third adjustment proposed by Ms. Dismukes reduced test year expense by $76,463 for a 1994 Price Waterhouse audit included in the 1995 budget. Ms. Dismukes testified that SSU also included in its 1995 budget an audit for the year 1995. SSU's budget appeared to include the cost of two audits, yet only one should be included. Therefore, she reduced test-year expense by $76,463 to recognize this double counting. (TR 2777)

Mr. Bencini stated that OPC's attempt to reduce allowable and prudent expenses as proposed by Ms. Dismukes was based on, at least, a misunderstanding of the facts. Mr. Bencini testified that the 1995 budget for Contractual Services - Accounting totals $284,110 and included two components relating to the annual Price Waterhouse audits. The reason that there was a 1994 and 1995 portion of the audit fees included is that these have historically

been accounted for on a cash basis. In other words, the annual expense was based upon the portion of the audit fee actually billed by Price Waterhouse during that calendar year. He stated that the audit actually takes place in two phases. The audit process included interim field work, which usually takes place in the October/November time frame (prior to year-end), and year-end field work which typically takes place in February (after year-end). The audit fees were detailed out in their audit engagement letter with Price Waterhouse prior to their beginning fieldwork. (TR 5120-5121)

Mr. Bencini testified that the audit budget included $75,000 for the final year-end portion of the 1994 audit, which was performed in February 1995. In addition, the 1995 budget included $60,000 for the interim audit portion of the fiscal 1995 audit which was performed in November 1995. He noted that the 1996 operating budget also included $75,000 for the 1995 audit and $65,000 for the 1996 audit, consistent with the prior year. The audit fees have dramatically decreased since 1990. Mr. Bencini states that the total annual audit fees paid to Price Waterhouse since 1990 were as follows: 1990 - $200,350; 1991 - $252,050; 1992 - $193,590; 1993 - $146,730; 1994 - $133,830; 1995 - $134,000; budget 1996 - $140,000. Based upon these audit fee totals and SSU's budget process for these fees, he does not believe that any reduction of test year expense is justified. (TR 5121-5122)

In its briefs, OPC and Marco, et al agree that the adjustment for the Price Waterhouse audit should not be made. Based upon the additional evidence concerning SSU's auditing process provided by Mr. Bencini, staff believes that a pre-year end audit and a year-end audit are reasonable. Therefore, staff does not recommend an adjustment for Price Waterhouse audit fees.

ISSUE 101: DROPPED.

ISSUE 102: Should a 1996 attrition factor of 2.49% be applied to 1995 expenses as opposed to the 1.95% used in the MFRs?

RECOMMENDATION: No, a 1996 attrition factor of 2.49% should not be applied to 1995 expenses. (MONIZ)

POSITION OF PARTIES

SSU: Yes. The 1996 attrition factor of 2.49% should be applied to the 1995 projected expenses in the MFRs.

MARCO ET AL: Adopts OPC's position.

NASSAU: No

OPC: No.

STAFF ANALYSIS: Utility witness Bencini testified that to prepare the MFRs for the 1996 test year, SSU used its actual 1995 O&M budget and applied the FPSC's attrition factor of 1.95% to reflect an increase in expenses due to inflation. According to Mr. Bencini, certain known and measurable differences were included as adjustments in lieu of the 1.95% attrition factor for 1996. (TR 1321)

Utility witness Kimball testified that several witnesses used the utility's 1996 attrition factor of 1.95% in calculating adjustments. She further stated that when the Commission is considering a downward expense adjustment, it should also keep in mind that the actual price index for 1996 established by the FPSC in Docket No. 960005-WS, Order NO. PSC-96-0177-FOF-WS, issued February 9, 1996, is 2.49%, not the 1.95% used in the current filing. She argues that this known and quantifiable percentage should be applied to the 1995 FPSC filed expenses and the resulting increased expense of $45,107 should be considered as an offset to any decreases to SSU's revenue requirements. (TR 5048) In addition, Ms. Kimball argues that she sees no distinction between the proposed adjustment to recognize the impact of a subsequent PSC order regarding attrition and the Commission's standard practice to adjust cost of equity to the level indicated in leverage graph order. (TR 5048-5049)

Staff disagrees with Ms. Kimball that an adjustment should be made to increase expenses to reflect the rate established in 1996 price index order. First of all, the rate used by the utility is

not an index, but a method used to project its 1996 expenses. Hence, her argument that since the index changed, the attrition used by SSU should change, is unfounded. Additionally, we believe that it would be inappropriate for the Commission to concede to SSU's alternative adjustment just because the projection methodology utilized by the utility is lower than the index rate established by this Commission. SSU had every opportunity to use the methodology it believed to be appropriate at the time it filed its rate case. SSU presented no other evidence to show that the 2.49% was more reasonable than the 1.95%

In addition, staff is not persuaded by Ms. Kimball's argument that no difference exist between the adjustment to recognize the impact of the PSC order regarding the price index percentage and the adjustment to change the cost of equity to the level indicated in leverage graph order. In cases that Ms. Kimball is referring to all parties have stipulated that the leverage graph used will be the one in effect at the time the Commission votes on final rates. There is a big distinction between a stipulation and cases such as the current docket where the parties have disputed the leverage, as SSU has.

The Commission's procedure for establishing a yearly price index, and a utility's implementation of that price index is set forth in Section 367.081(4)(a), Florida Statutes. It is a separate and distinct process involving a specific calculation of major operating expenses and other factors. Further, pursuant to the above Statute, a utility can file for a price index one year after the official filing of a rate proceeding. Consequently, since the official date of filing for this rate case was August 2, 1995, the utility can file for a 1996 price index after August 2, 1996. Based on this factor alone, SSU's argument to increase its O&M expenses should be denied.

In conclusion, staff does not believe that SSU's 1996 expenses should be increased to reflect the 1996 price index factor.

ISSUE 103: Should actual 1995 FASB 106 expenses be considered in the 1995 test year?

RECOMMENDATION: No. Since there is no evidence in the record to support the actual 1995 SFAS 106 expenses, staff recommends that these expenses should not be considered in the test year. Therefore, no adjustment is necessary. (CLARK)

POSITION OF THE PARTIES

SSU: Yes.

MARCO ET AL: Agree with OPC.

NASSAU ASSOCIATIONS: No.

OPC: No. The Commission granted the Citizens' motion to strike the rebuttal testimony of Brian Broverman. Since his testimony was necessary to support the claimed 1995 FASB 106 expense, the expense should not be considered in the test year.

STAFF ANALYSIS: In the MFRs, the utility has requested recovery of test year operating expenses totaling $850,122, which represents postretirement benefits resulting from the implementation of SFAS 106. (TR 1982-1984) SFAS 106 refers to the accounting standard that describes the practice of recognizing postretirement benefits other than pensions (OPEBs). (TR 1982) Since SSU does not currently fund its OPEB obligation, consistent with Rule 25-14.012(3), FAC, the utility has appropriately reduced rate base by the amount of the unfunded liability. (EXH 67, Vol. III, Books 1 & 2)

Utility witness Lock testified that the OPEB expense amount included in the MFRs for 1995 was based on SSU's 1994 actuarial valuation report, and the 1996 test year amount was based on the 1995 expense increased by an 8% medical inflation rate. (TR 1983-1984) Ms. Lock indicated that SSU intended to update the expense amounts for 1995 and 1996 when the company received its 1995 actuarial valuation report. (TR 1984-1985)

No testimony was presented to dispute the amount of OPEB expenses included in the utility's MFR filing. However, SSU attempted to file rebuttal testimony through Brian S. Broverman, supporting the company's actual 1995 and updated 1996 OPEB costs.

Subsequently, OPC filed a motion to strike the testimony of Mr. Broverman, regarding the updated OPEB costs. At the hearing,

Chairman Clark upheld the motion to strike the testimony of Mr. Broverman. The basis of this decision was that the testimony was inappropriate rebuttal, in that Ms. Lock's statement that the updated numbers would be forthcoming implied that the testimony was in fact supplemental. Additionally, Chairman Clark stated that in using a projected test year, it is inappropriate for SSU to select a single expense category to update to actual as opposed to budgeted expenses. (TR 789)

In its brief, SSU acknowledged that this issue has been de facto stricken, given Chairman Clark's ruling on the motion to strike. SSU further argues that Chairman Clark's ruling should be applied to the final revenue determination, in that the Commission should not reduce the revenue requirement for one actual expense item that is shown to be below the MFR projection. However, staff notes that SSU's argument does not relate to this particular issue.

Based on the above, since there is no evidence in the record to support the actual 1995 SFAS 106 expenses, staff recommends that these expenses should not be considered in the test year. Therefore, no adjustment is necessary.

ISSUE 104: DROPPED.

ISSUE 105: Are adjustments appropriate to reflect gains or losses on the sale of SSU plants as above the line income?

RECOMMENDATION: Yes. An adjustment is necessary to reflect gains on the River Park facilities and Spring Hill land sales. The total gain of $235,675 should be amortized over five years for an annual deduction in operating expenses of $47,135. None of the gains on sale of the Saint Augustine Shores or Venice Gardens Utilities facilities should be recorded above the line. (KAPROTH)

POSITION OF PARTIES

SSU: No adjustments are appropriate.

MARCO ET AL: Adopts OPC's position.

NASSAU ASSOCIATIONS: Adopts OPC's position.

OPC: Yes. Utility gains on sales should be included above the line for ratemaking purposes. The Commission should increase test year income by $3,363,412.

STAFF ANALYSIS: In direct testimony, OPC witness Dismukes testified that SSU sold the following properties: Venice Garden Utilities (VGU), St. Augustine Shores service area (SAS), River Park service area, .11 acres in Seminole County for a $115 loss, two parcels of land in Spring Hill (5.139 and 6.759 acres), and an anticipated sale of land of 6.11 acres in Spring Hill. The net gain after tax related to all of these sales was $23,601,883. These sales occurred during the period 1991 through 1995. Ms. Dismukes proposed that the net gains from these sales should be amortized above the line, which would result in an increase to test year income of $3,363,412 for five years. (EXH 175, Schedule 8)

Ms. Dismukes testified that the gain on the sale of VGU should be amortized above the line for the following reasons. First, in the jurisdiction docket, SSU was found to be a single system and the FPSC has jurisdiction over SSU's exiting facilities and land. Second, the gains on the sale of properties devoted to public service in previous dockets were recognized above the line. (TR 2733-2734) Also, the ratepayers had to absorb a $5,643 loss on the sale of the Skyline Hills water facility. (TR 2736) Third, the ratepayers were required to pay a return on used and useful

property and therefore, the ratepayers should be allowed to benefit from the gain. (TR 2734-2738)

Fourth, Ms. Dismukes stated the FPSC systems are absorbing administrative and general expenses and general plant costs that otherwise would have been paid by the VGU ratepayers. (TR 2735) During cross examination, Ms. Dismukes agreed that with the purchase of the Buenaventura Lakes facility, SSU has essentially replaced the customers lost in the sale of the VGU. (TR 2844) As a result, the remaining SSU customers were not required to pay extra administrative and general expenses and plant costs. (TR 2844, 3952-3953)

In addition, Ms. Dismukes stated that VGU has not been treated on a stand-alone basis for ratemaking purposes. Ms. Dismukes explained that VGU ratepayers had $14,000 in legal expenses, for permitting or EPA and/or DER violations, that were paid by all SSU ratepayers in Docket No. 920199-WS and Docket No. 920655-WS. Ms. Dismukes emphasized that either SSU is one system or it is not. She further emphasized that when the ratepayers share in the expenses, they should share in the gains on the sale of the utility properties. (TR 2738-2739)

Ms. Dismukes disagreed with the Commission's decision in Docket No. 920199-WS not to allocate the gain on sale of SAS to the remaining ratepayers. This was for the same reasons she thought the gain on the VGU sale should be allocated to the ratepayers. (TR 2735-2736) In addition, she stated that SSU has a strategic plan to sell several facilities so that gains and losses on sales will be a recurring item. Her recommendation was to share the gains between the stockholders and the ratepayers. Ms. Dismukes attributed 3% to the shareholder and 97% to the ratepayers. This resulted in a total gain to the stockholders of $1,778,552. The total gain attributed the customers should be $21,823,331, for an annual expense of $4,364,666. The FPSC jurisdictional expense amount would be $3,363,412. (TR 2736-2740; EXH 175, Schedule 8)

If the Commission decided not to allocate the gains to the ratepayers, Ms. Dismukes proposed an alternative recommendation to remove the dollar amounts for the gains from the equity dollars in SSU's capital structure. Ms. Dismukes believes that allocating the gains to the stockholders would be the same as deriving the gains from non-utility functions. Therefore, she recommended the removal of $8,940,411 from the SSU's equity dollars, which is net of $12 million paid in dividends. Ms. Dismukes testified that this adjustment would reduce SSU's requested overall cost of capital structure from 10.32% to 10.20%. An associated reduction to SSU's

requested net operating income of $189,463 would result with a reduction to its revenue requirement of $322,077. (TR 2740-2741)

During cross examination, Ms. Dismukes agreed that the gain on the sale of assets that were not included in rate base should not be amortized above the line. (TR 2840) She admitted that the two parcels of land sold in Spring Hill (5.139 and 6.759 acres) were non-utility property. Therefore, these gains would not be amortized above the line. (EXH 175, EXH 178; TR 2843-2844)

Ms. Dismukes also admitted that her alternative recommendation to reduce equity dollars for the VGU gain is the same type of adjustment that she recommended for the SAS gain. She further admitted that her recommendation was not adopted in Docket No. 920199-WS. (TR 2844-2845)

OPC witness Larkin testified that the actual MP&L equity investment was $35,295,000 or 45.25% of MP&L's capital structure. (TR 2613-2614; EXH 67, Schedule C-8) When the gains of $38,750,000 on the sale of the Florida utilities are considered, the net gains exceed the MP&L equity investment by 3,455,000. (TR 2613-2614, Exhibit 174, Schedule 27) He explained that the equity dollars are a lot higher than MP&L's actual equity investment. Mr. Larkin further explained that MP&L's equity dollars and the equity investment which has been financed by debt are both magnified by the gains. The parent company's common stock investment in SSU may have been financed with debt. Therefore, the common equity really was not equity. (TR 4878-4879) Consequently, the rate of return is higher than if the return on equity was calculated on MP&L's actual equity investment. (TR 2614-2615)

In rebuttal testimony, Mr. Sandbulte explained that SSU sold VGU to Sarasota County under the threat of condemnation. Sarasota county took steps to thwart the economic viability of SSU's Venice Gardens service area by denying the implementation of the increased revenues approved by the County hearing examiners. Consequently, SSU was forced to implement the rates recommended by the hearing examiner without Board approval. Subsequently, SSU obtained confirmation that the County was acting in a manner to facilitate the purchase of investor-owned utilities in Sarasota County. Based on the information above, SSU decided to sell the Venice Gardens facilities. (TR 3939-3941)

Mr. Sandbulte stated that the gain from the sale of VGU should not be shared with the ratepayers for the following reasons. First, SSU's remaining ratepayers contributed nothing to SSU's recovery of its investment in the VGU facilities and did not bear

the risk of loss. Second, the sale of VGU involved not only the sale of SSU's assets but also the loss of customers. With the lost of its customers, SSU was required to condemn part of its on-going enterprise. (TR 3942-3943 and 3949-3950)

Third, at the time of the sale VGU was regulated by Sarasota County not the FPSC. (TR 3943 and 3948) Fourth, VGU has been treated on a stand-alone basis by determining the appropriate revenue requirement based on VGU's rate base and operating statements. (TR 3943) Mr. Sandbulte stated that he did not agree in Docket No. 920199-WS that an adjustment should have been made to reduce SSU's administration and general (A&G) costs for the amount which would have been allocated to SSU's customers in the SAS service area. Consequently, he does not agree to a similar adjustment to reduce A&G expenses for the amounts that would have been allocated to SSU customers in the VGU service area. Mr. Sandbulte added that SSU's total company rate base was not reduced after the sale of VGU because of the purchases of the Buenaventura Lakes, Lakeside, Spring Gardens and Valencia Terrace facilities. (TR 3959-3962)

Fifth, if a gain would reduce the revenue requirement, then a loss should increase a revenue requirement. (TR 3943) Mr. Sandbulte stated that he knows of no legal or equitable principle that would authorize the Commission to reimburse the company for its loss on its investment (TR 3945-3948) Sixth, the allocation of the gain to the stockholders would not enable the stockholders to make up for the erosion of their investments in SSU. Also, the reinvestment of the retained earnings and the attraction of new capital would be made more difficult. (TR 3944)

In his seventh point, Mr. Sandbulte stated that the Commission's policy concerning gains and losses on disposition of the facilities serving an entire service area should be consistent with the recently confirmed acquisition adjustment policy. (TR 3944) For example, in Order No. 25729, issued February 17, 1992, the Commission found that the customer rates should not be adjusted after a sale to reflect gains or losses absent extraordinary circumstances. (TR 3944-3945, and 3948)

Eighth, when the entire service area is sold the owner receives the entire benefit/detriment from the gain or loss. The proceeds from the sale of the VGU, and other facilities should be treated no differently. (TR 3945) The above rationale is the same for not allocating the gain on the sale of the condemned SAS water facilities. Mr. Sandbulte reiterated that the Commission

previously acknowledged these facts and rejected OPC's arguments that the gain should be shared with the ratepayers. (TR 3944-3945)

Mr. Sandbulte further testified that by the end of 1994, MPL had invested approximately $78 million of equity dollars in SSU. (TR 130.) Mr. Sandbulte disagreed with Mr. Larkin's alternative proposal to remove the dollars associated with the gains from the sale of utility property from SSU's capital structure. Mr. Sandbulte explained that only when the equity ratio is too high should the equity dollars be disallowed as excessive. Mr. Sandbulte asserted again that this capital rightfully belongs to SSU and its shareholders. Mr. Sandbulte declared that Mr. Larkin had no justification for this alternative proposal other than the revenue requirement was too high. (TR 3957-3958)

Mr. Sandbulte argued that SSU's position that the gains on the sale of utility assets should not be allocated to the ratepayers is supported by other regulatory authorities and courts of other states, and cited five out-of-state cases. (TR 3954-3957) In regard to the Florida cases cited by Ms. Dismukes, Mr. Sandbulte believed that those cases should not take precedent because none of the cases involved utility plant which never had even been included in rate base or otherwise recovered by the utility in rates. (TR 3954-3957)

Utility witness Gower testified that it is irrelevant whether the equity dollars arose as (1) proceeds from sales of stock, (2) reinvested profits from utility operations, (3) reinvested profits from non-utility operations, or (4) extraordinary gains on sale of operating or non-operating assets. (TR 4878) The most important fact is that the common shareholders chose to leave the capital invested in the business, and at that point the capital becomes common equity and no longer should be identified by the source of the funds. In addition, the most important economic characteristic of common equity is that the common stockholders are last in line to receive a return on their money after preferred stockholders and debt holders. Consequently, the only appropriate adjustment is how much of the capital structure is preferred stock, debt and common equity, which is determined by the reconciliation of capital structure and rate base, according to Mr. Gower. (TR 4877-4880)

Mr. Gower testified that the investor is entitled to an opportunity to earn a fair return on utility property in service to the customers. Even though the ratepayers may, through rates, pay a fair return on this property, Mr. Gower argues that this does not entitle them to any portion of the gain on the sale on the property. He states that the customers have only paid for water

and wastewater service and have not provided the capital to finance the property or purchased an equitable interest in the property. Consequently, Mr. Gower contended that the amortization of the gains above the line would use the capital provided by stockholders to lower the cost of service to the current ratepayers, and would be improper. (TR 4873-4878)

Since OPC took a contrary position throughout the remand proceedings in Docket No. 920199-WS, Utility witness Ludsen testified that Ms. Dismukes' attempt to use the Commission's "one system" finding was outrageous. For this inherent inconsistency alone, Mr. Ludsen argued that OPC's contention on the gain on sale issue should be rejected outright. Further, Mr. Ludsen testified that the "one system" finding was made after every sale occurred as identified by OPC. Lastly, Ludsen testified that OPC seeks retroactive application of a Commission finding without presenting any evidence in support of its proposition. (TR 5225-5226)

Staff believes that the facts relating to the sale of VGU are similar to the facts regarding the sale of SAS. In Order No. PSC-93-0423-FOF-WS, issued on March 22, 1993, on pages 56-59, the Commission found that the gain on the sale of the SAS facilities should not be allocated to the ratepayers. On pages 58-59, the Commission specifically concluded as follows:

> We agree with Mr. Sandbulte that customers that did not reside in the SAS service area did not contribute to any return on investment in the SAS system. Further, when this system was acquired by St. Johns County, SSU's investment in the SAS system and its future contributions to profit were forever lost. Thus, the gain on sale serves to compensate the utility's shareholders for the loss of future earnings. Arguably, if the sale of the system had been accompanied by a loss, any suggestion that the loss be absorbed by the remaining customers would be met with great opposition. However, the rationale for sharing a loss is basically the same as the rationale for sharing a gain.

This part of Order No. PSC-93-0423-FOF-WS was affirmed by the court in Citrus County, Florida v. Southern States Utilities, Inc., 656 So. 2d 1307 (Fla. 1st DCA 1995)

The similar facts between the SAS and VGU sales are: (1) the sales were involuntarily made by condemnation or under threat of condemnation; (2) SSU lost the ability to serve the customers in both service areas; (3) both service areas were regulated by non-

FPSC counties; and (4) the VGU & SAS facilities served customers who were never included in a uniform rate structure.

Although, OPC argued that the ratepayers have benefited from the gains on the sale of property devoted to public service in previous dockets and absorbed a loss on the sale of the Skyline facility, staff does not believe the circumstances are the same. Had either the SAS and VGU facilities been regulated by the FPSC at the time of the sale or previously included in a uniform rate structure, the arguments would be different. Staff believes that the circumstances surrounding the VGU sale are consistent with those in the SAS sale, and similar treatment should be afforded based on the Commission's previous decision in Docket No. 920199-WS. The record lacks competent substantial evidence to support the contrary. Therefore, staff does not recommend the allocation of either the VGU or SAS gains to the ratepayers.

OPC's alternative proposal to reduce the equity dollars in SSU capital structure to reflect the associated dollars from the gains is not reasonable. When a gain is made on the sale of utility property, the stockholders have the right to make the decision whether the gain should be reinvested in the utility. If the choice is made to reinvest in the utility, the equity dollars lose their distinction on what was their source. There are no rules to determine how the utilities should acquire the funds to invest so that the utility can provide the ratepayers with economical quality water and wastewater service. The only way that staff could recommend a reduction in equity dollars is if the equity ratio is too high. Consequently, staff does not recommend an adjustment to reduce the equity dollars in SSU's capital structure for the gains on the sale of utility property.

During cross examination, Mr. Gower stated ratepayers should only pay a rate of return on property that is in service. Mr. Gower's testimony is contrary to Rule 25-30.433(9), Florida Administrative Code, which allows a utility to recover the cost of forced abandonments or prudent retirements from the customers.

Similarly, when a utility sells property that was formerly used and useful or included in uniform rates, the ratepayers should receive the benefit of the gain on the sale of such utility property. This is the case with the $33,726 gain on the sale of the River Park facilities, as it was included in the uniform rates originally approved in Docket No. 920199-WS. With regard to the 6.11 acres sold in the Spring Hill service area, the record was unclear as to whether the property was used and useful. Had it not been used and useful, the utility should have provided such

evidence. The gain realized on that property was $201,950. (EXH 175, Schedule 8) Therefore, staff believes that the gain for the River Park facilities of $33,726 and the Spring Hill land of $201,950, or a total of $235,675 should be amortized above the line over five years. This results in a yearly deduction to expenses of $41,135.

ISSUE 106: If gains on sale are to be amortized and shared by ratepayers, should the amount of the gain first be offset by an amount sufficient to increase the level of utility earnings during the historic period to a level equivalent to the applicable rate of return authorized by the Commission for each year during the historic period?

RECOMMENDATION: No, this would be retroactive ratemaking. (KAPROTH)

POSITION OF PARTIES

SSU: The denial of any gain on sale from shareholders would not be proper or lawful. At minimum, any amount to be shared with ratepayers must be reduced by an amount necessary to increase the level of utility earnings during the historic period to a level equivalent to the authorized rate of return for each year during the historic period.

MARCO ET AL: Adopt OPC's position.

NASSAU ASSOCIATIONS: Adopt OPC's position.

OPC: No. This would amount to retroactive ratemaking and deny customers the benefit of the gains on sale.

STAFF ANALYSIS: In its brief, SSU argued that the denial of any gain on sale from the shareholders would not be proper or lawful. At a minimum, SSU argues any amount to be shared with ratepayers must first be reduced by the amount necessary to increase the level of utility earnings during the historic period to a level equivalent to the authorized rate of return for each year during the historic period. Utility witness Sandbulte testified that MP&L's return on simple average equity investment in SSU has been -3.0% in 1992, +1.3% in 1993, +16.3% in 1994, with a projected loss on investment in 1995 of 3.1%. (TR 3936) Mr. Sandbulte further testified that the shareholders lost approximately $3 million from 1992 to 1995. (TR 3974)

Staff believes that OPC witness DeRonne testified that it would be inappropriate to allow SSU to now come in and request retroactive treatment for facts it over-looked in the past. (TR 2641) Regardless of the treatment afforded on Issue 105 dealing with gains on sale, current recovery of past losses results in retroactive ratemaking. In Order No. PSC-95-1376-FOF-WS, issued on November 6, 1995 (at page 16) the Commission stated:

> ... asking for a one-time adjustment to rate base to recover past losses, is asking us to authorize retroactive ratemaking. See City of Miami v. Florida Public Service Commission, 208 So. 2nd 249, 259 (Fla. 1968), Gulf Power Co. v. Cresse, 410 So. 2d 492, (Fla. 1982), and Citizens of the State of Florida v Florida v. Public Service Commission, 448 So. 2d 1024 (Fla. 1984), for the principle that retroactive ratemaking occurs when new rates are applied to prior consumption. In this case we, believe that by making an adjustment to rate base for past losses, increased rates would apply to prior consumption, thus retroactively raising rates.

Pursuant to the holding in Gulf Power Company v. Wilson, 597 So. 2d 270 (Fla 1992), the Commission must only set rates so as to give the utility the opportunity to earn a fair rate of return on its investment. The approved rates do not guarantee a fair rate of return.

Based on the above, staff does not recommend an adjustment to bring the utility's earnings for any historic periods to a level that would be equivalent to its authorized rate of return. Any such adjustment would appear to violate the prohibition against retroactive ratemaking.

ISSUE 107: Is an adjustment appropriate to reduce regulatory assessment fees related to Marco Shores purchased water from Marco Island (Audit Exception No. 4)?

RECOMMENDATION: Yes. Marco Island's regulatory assessment fees should be reduced by $3,118. (KAPROTH)

POSITION OF PARTIES

SSU: Yes, but only if the revenue associated with the transfer of water from Marco Shores is eliminated from Marco Island's test year.

MARCO ET AL: Adopt Staff's position.

NASSAU ASSOCIATIONS: Yes. Water regulatory assessment fees for Marco Island should be reduced by $3,118.

OPC: Adopt's Staff's position.

STAFF ANALYSIS: Staff witness Small testified that Marco Island should be required to remove $3,118 in 1996 regulatory assessment fees related to Marco Island's sale of water to Marco Shores. (TR 3231) Mr. Small cited Rule 25-30.120(3), Florida Administrative Code, which states, "Any utility that purchases water or wastewater treatment from another utility regulated by the FPSC is allowed a credit on the regulatory assessment fees paid to the FPSC. (EXH 192)

Mr. Small explained that the purchased water adjustment between Marco Island and Marco Shores was only included in this filing to account for the water produced by Marco Island. Mr. Small further explained that no revenues or expenses for this transaction appeared on the utility's books outside of this filing. (EXH 192) For ratemaking purposes only, Marco Shores records the purchase water as an expense and Marco Island records the purchased water sold as revenue. When Marco Island's revenue requirement was calculated, all revenues were grossed-up for regulatory assessment fees.

The utility's brief states that the regulatory assessment fees should be reduced only if the associated Marco Shores revenues are removed. No testimony was given on this issue by the utility.

Staff believes that the rule addressed above is clear as to a credit for purchased water by another FPSC regulated utility. Since this is a ratemaking adjustment, staff doubts that SSU

actually has paid this expense. Further, even if it did, it is the utility's burden to apply for this credit, not the Commission's burden to check to see if one is warranted when a utility files its regulatory assessment fee report. Since Marco Shores indisputably purchases water from Marco Island, this credit would apply if the revenues and expenses were recorded on the utility's books. Since the revenues and expenses are ratemaking adjustments, it would follow that the credit is also required for ratemaking purposes. Regardless, the record does not support reducing Marco Shores' revenues for this adjustment. Based on the above, staff recommends that Marco Island's regulatory assessment fees be reduced by $3,118.

ISSUE 108: Are adjustments necessary to property taxes for used and useful plant adjustments?

RECOMMENDATION: Yes. Property taxes should be adjusted as a result of any changes recommended to used and useful plant. No other adjustments are necessary. (KAPROTH)

POSITION OF PARTIES

SSU: No, SSU's property tax presentation in the MFRs is consistent with prior practice previously approved by the Commission.

MARCO ET AL: Agree with OPC.

NASSAU ASSOCIATIONS: Agree with OPC.

OPC: An adjustment should be made to property tax expense to reflect appropriate non-used and useful percentages. Property tax expense should be reduced by $731,678. (Larkin/DeRonne schedules 23 & 24)

STAFF ANALYSIS: In direct testimony, utility witness Bencini stated that the utility received discounts on it property taxes in seven counties. These discounts range from 40% to 90% and are treated as a reduction of the taxable value of the related non-used and useful assets in that county. Mr. Bencini explained in the past it has been the Commission's practice to disallow a portion of property taxes from current rates and to allow the utility to recover these charges through Allowance for Funds Prudently Invested (AFPI) tariffs. Mr. Bencini further explained to properly reflect the full amount of property tax, SSU must first gross-up the Tangible Property tax as if the counties had taxed all of the assets within their respective taxing authorities. Then SSU would not be double penalized by disallowing property taxes on assets that have not been taxed. This gross-up adjustment has been made by the Company in previous rate proceedings in Docket Nos. 920199-WS and 920655-WS. (TR 1332, 1365)

Utility witness Kimball testified that the add-back adjustment made in 1996 totaled $270,764 and $204,625 for water and wastewater, respectively. After considering the gross-up, the non-used and useful adjustments reduce 1996 property tax expense by $336,198 and $410,783 for water and wastewater, respectively. (TR 1365-1366)

OPC witness Larkin and DeRonne recalculated the non-used and useful property tax expense based on OPC witness Biddy's recommended non-used & useful percentages. Similar to SSU's calculations, Mr. Larkin applied Mr. Biddy's non-used and useful percentages to each service area's projected property tax expense. This resulted in an additional $731,678 reduction to property tax expense. (TR 2660-2661, EXH 174)

Mr. Larkin testified that for seven service areas, however, SSU's proposed used and useful property tax expense was higher than the taxes that SSU projected it would have to pay. SSU added back the property tax expense for the service areas that included a discount in taxes for non-used and useful assets. In theory, Mr. Larkin testified that SSU's adjustment is appropriate. Even so, the utility should not be permitted to increase property tax expense to an amount greater than SSU will project that it will pay to respective counties in 1996. (TR 2661-2662)

The seven service areas are: Deltona Lakes - water and wastewater; Marco Shores - water; Marion Oaks - water and wastewater; Pine Ridge Utilities - water; and Sunny Hills - water. Regardless, Mr. Larkin explained that no further adjustment was necessary for these seven service areas because after the application of Mr. Biddy's non-used and useful percentages, test year property tax expense would be less than the amount that SSU projected that it would have to pay. (TR 2661-2662, EXH 174)

In rebuttal testimony, utility witness Bencini reiterated that Mr. Larkin agreed with the theory of the gross-up of property taxes for discounts given at the county level. Mr. Bencini testified that Mr. Larkin's Schedule 23 merely presented the mathematical aspect of Mr. Biddy's proposed changes in non-used and useful percentages. (TR 5106-5107, EXH 174) Mr. Bencini disagreed with Mr. Larkin's contention that seven plants would have property tax expense that would exceed the actual property taxes that SSU would be required to pay. Mr. Bencini explained that the total 1996 property tax expense was allocated to plant level using a composite millage rate representing twenty-five counties. Mr. Bencini further explained that this rate is only used to project the total company 1995 and 1996 property taxes based upon the interpolation of 1994 historical information and SSU's 1995 capital budget additions to plant in service. It is not necessarily a representation of the projected dollars to be paid in each service area in 1996.

In addition, the property tax reductions offered by certain counties for non-used and useful assets reflects the book balances

of these assets at the time. Subsequent to this rate case, SSU will have to update all of the its taxable assets based upon the new non-used and useful asset dollars ordered in this case. Therefore, Mr. Bencini believes that the property taxes that will be paid will be considerably higher due to our overall decrease in book non-used and useful assets. (TR 5108)

Mr. Bencini pointed that the property tax calculation was performed based upon a request for uniform rates. In addition, Mr. Bencini further pointed out that the remaining plants have projected property taxes higher than the amounts per these calculations. Mr. Bencini stated that under a uniform rate structure, the issue of allocations to the plant level is mitigated. (TR 5108-5109)

Lastly, Mr. Bencini testified that SSU did not specifically identify 1995 asset additions by plant and county. Rather, SSU performed an overall gross-up based upon asset additions time the average millage rate to obtain the projected 1996 test year tax expense and used a prorata allocation to plant level. Consequently, this method inherently includes a consolidation of plants that cannot be ignored by simply stating that SSU will pay less at a particular plant than the amount reflected as used and useful.

All parties have essentially agreed that if the non-used and useful adjustment brings property tax expense below the test year gross amount prior to the add-backs projected in the MFRs, that no further adjustment is necessary. After applying staff's non-used and useful adjustments, we find this issue to be moot. Staff has reviewed the used and useful calculations in total and for the seven service areas in question. The net non-used and useful expense for those areas was $608,004 and the amount projected to be paid in 1996 by SSU was $725,387. (EXH 174, Schedule 24). Therefore, staff does not believe that any further adjustments are necessary. However, property taxes should be adjusted as a result of any changes recommended to used and useful plant discussed in previous issues.

ISSUE 109: STIPULATION.

ISSUE 110: What is the proper amount of parent debt adjustment and the method of allocation to the individual plants?

RECOMMENDATION: The parent debt adjustment (PDA), supported by the jurisdictional rate base is $(.00313*RB). The PDA should be allocated to the individual plants on the basis of rate base. (C. ROMIG)

POSITION OF PARTIES:

SSU: The appropriate parent debt adjustment for the test year is $264,652 for water and $222,787 for wastewater as shown on Line 5 of Schedule C-1, on page 1 of Volume IV of the MFRs, subject to resolution of other issues which may affect the rate base or capital structure of the Company.

MARCO ET AL: Adopt Public Counsel's position.

NASSAU ASSOCIATIONS: The adjustment should be increased by $18,027.

OPC: The parent debt adjustment proposed by SSU is acceptable.

STAFF ANALYSIS: Rule 25-14.004, FAC, requires the income tax expense of a regulated company to be adjusted to reflect the income tax expense of the parent debt that may be invested in the equity of the subsidiary where a parent-subsidiary relationship exists and the parties to the relationship join in the filing of a consolidated income tax return. Further, if the regulated utility is a subsidiary of tiered parents, the debt of all parents invested in the equity of the subsidiary utility reduces the income tax expense of the utility.

SSU is a subsidiary of tiered parents. MP&L owns 100% of Topeka Group, Inc. which in turn owns 100% of SSU. SSU, Topeka and MP&L join in the filing of a consolidated income tax return. SSU's proposed PDA reflects the tiered parents and is calculated according to the requirement of Rule 25-14.004, FAC.

SSU proposes a Utility Adjusted PDA of $554,509 and an FPSC Filing Plants PDA of $487,439, allocated $264,652 for water and $222,787 for wastewater on Schedule C-1, MFR Volume IV, Book 1, page 1. (EXH 67) In its brief, SSU takes the position that the PDA should be adjusted for other rate base or capital structure changes. Nassau Associations proposes that the PDA be increased by

$18,027, but provides no support for its proposed adjustment. Marco et al and the OPC's positions are that the PDA proposed by SSU is acceptable.

Although Nassau Associations proposes that the PDA adjustment be increased by $18,027, with no support, staff believes that Nassau Associations is using a number that was calculated by OPC Witnesses Larkin and DeRonne following a misstatement by Witness Gangnon at Witness Gangnon's November 6, 1995 deposition. (TR 2664-2665) Witness Gangnon mistakenly indicated that unamortized ITCs were included in error in MP&L's capital structure that was used to calculate SSU's PDA. As noted by Witness Gangnon in his rebuttal testimony, although Witness Gangnon corrected the misstatement through the deposition transcript errata sheet, the correction was not noted by Witnesses Larkin and DeRonne prior to the filing of their joint testimony. (TR 2114-2117) Staff agrees that there was a misstatement, that the misstatement was corrected, and that Nassau Association's proposed adjustment of $18,027 is not appropriate.

The PDA proposed by the company is calculated in accordance with the requirements of Rule 25-14.004, FAC. Therefore, the only adjustment necessary to SSU's PDA is for staff's recommended capital structure and rate base adjustments. In conclusion, staff's adjustments to capital structure and rate base increase/decrease the FPSC Filing Plants PDA of $487,439 by $63,133, to $424,306.

None of the parties, including SSU, stated a position in its brief on how the PDA should be allocated. In its filing, SSU allocated the PDA on the basis of gross plant. Staff believes this method to be reasonable because it fairly allocates the benefit of the PDA to each plant's customers. Therefore, staff recommends its use in this proceeding.

The parent debt adjustment is included in the income tax expense of each plant's net operating income schedule.

ISSUE 111: What is the above-the-line amount of ITC amortization and what is the appropriate method for allocating the above-the-line ITC amortization to the individual plants?

RECOMMENDATION: Based on the Commission's approval of staff's recommendations in Issues 68 and 69, above-the-line ITC amortization for the FPSC plants is $69,178, allocated to the plants on the basis of gross plant. Any change to Issue 68 or 69 will necessitate a "fall-out" recalculation of the above-the-line ITC amortization. (C. ROMIG)

POSITION OF PARTIES:

SSU: The total above-the-line amortization should be $69,178, with $37,560 allocated to water and $31,618 allocated to wastewater as shown in Volume II, Book 2, page 97.

MARCO ET AL: No position.

NASSAU ASSOCIATIONS: No position.

OPC: No position.

STAFF ANALYSIS: SSU's MFR Volume IV, Book 1, page 1 (EXH 67) proposes ITC amortization of $78,697, total company, and $69,178, FPSC Plants. Its position in its brief is consistent with its MFRs. No other party took a position on the amount of ITC amortization.

Based on staff's recommendations in Issues 68 and 69, the above-the-line ITC amortization that should reduce income tax expense is $78,697, total company, reduced by $9,519 for non-filing plants, to $69,178 for the FPSC Plants, which is the same as SSU's MFRs and SSU's position in its brief. However, if the Commission does not accept staff's adjustment to increase ITCs in capital structure in Issue 68 or if the Commission determines that a blended ITC rate is appropriate in Issue 69, then corresponding "fall-out" adjustments must be made to the above-the-line ITC amortization.

For example, if staff's calculated blended Option 1/Option 2 ITC rate of 2.7% is used in place of the recommended "pure" Option 2 rate, then above-the-line ITC amortization should be adjusted accordingly. SSU's Witness Gangnon acknowledges that this type of adjustment would be necessary. (TR 2133) Staff calculates the corresponding adjustment that would reduce the above-the-line ITC amortization (i.e. increase income tax expense) to be $63,828,

total company, (EXH 149) and $56,108 (($69,178/$78,697)*$63,828) for the FPSC plants.

None of the parties, including SSU, stated a position in its brief on how the ITC amortization should be allocated to the individual plants. In its filing, SSU allocated the amortization on the basis of gross plant. Staff believes that this method fairly and reasonably allocates this adjustment. Therefore, staff recommends its use in this proceeding.

In summary, based on the Commission's approval of staff's recommendations in Issues 68 and 69, above-the-line ITC amortization for the FPSC plants is $69,178, allocated to the plants on the basis of gross plant.

The ITC amortization is included in the income tax expense of each plant's net operating income schedule.

ISSUE 112: Is an ITC interest synchronization adjustment appropriate, and if so, what is the proper amount and the proper method of allocation to the individual plants?

RECOMMENDATION: Yes, an ITC interest synchronization adjustment is appropriate, since the ITCs are included in the capital structure at a net positive cost rate. Based on staff's other recommendations, the ITC interest synchronization adjustment for the total company is $41,778. This amount should be allocated to the individual plants on the basis of gross plant. (C. ROMIG)

POSITION OF PARTIES:

SSU: Yes, in the amount of $103,854 as shown in Volume IV, page 5, line 6 of the MFRs subject to resolution of any item which impacts the capital structure.

MARCO ET AL: No position.

NASSAU ASSOCIATIONS: No position.

OPC: No position.

STAFF ANALYSIS: Per MFR Volume IV, Book 1, page 5, line 6 (EXH 67), SSU proposes total utility "imputed" ITC interest of $103,854 in its tax expense, which translates to an ITC interest synchronization adjustment of $40,062 ($103,854*.38575) In its brief, SSU mistakenly identifies its imputed ITC interest as the ITC interest synchronization adjustment, the latter being the tax effect of the imputed ITC interest. Further, SSU expanded its position such that the $103,854 should be adjusted to include capital structure changes that impact the ITC interest synchronization calculation. None of the other parties took a position on the appropriate amount.

Discounting the difference in terminology, and consistent with SSU's expanded position in its brief, staff's recalculation of total company "imputed" ITC interest is $108,302, and the resulting total company ITC synchronization adjustment is $41,778. The foregoing amounts take into consideration other staff adjustments and are merely a fallout of these adjustments.

None of the parties, including SSU, stated a position in its brief on how the ITC interest synchronization adjustment should be allocated to the individual plants. In its filing, SSU allocated the adjustment on the basis of gross plant. Staff believes this method fairly allocates the benefits of the ITC interest

synchronization to each plant's customers. Therefore, staff recommends the use of gross plant in this proceeding.

In summary, based on the Commission's approval of staff's recommendations in other issues, the total company "imputed" ITC interest is $108,302 and the total company ITC synchronization adjustment is $41,778. The adjustment should be allocated on the basis of gross plant.

The ITC interest synchronization adjustment is included as a reduction to the income tax expense of each plant's net operating income schedule.

ISSUE 113: What is the appropriate provision for test year income tax expense, in total?

RECOMMENDATION: The appropriate provision for test year income tax expense is $2,843,354. (C. ROMIG)

POSITION OF PARTIES:

SSU: The appropriate amount of income tax expense is dependent upon the recalculation of other issues and should include state income tax expense, with no adjustment made for NOL carryforwards.

MARCO ET AL: No position.

NASSAU ASSOCIATIONS: No position.

OPC: No position.

STAFF ANALYSIS: In its MFRs (EXH 67) Volume III, Book 1 of 6, page 49, SSU shows its income tax expense for water to be $(1,830,106) at present adjusted income and increased by $4,343,791 to $2,513,685 for its requested revenue increase. In MFR Volume III, Book 2 of 6, page 49, SSU shows its income tax expense for wastewater to be $(1,364,180) at present adjusted income and increased by $2,337,904 to $973,724 for its requested revenue increase. The adjustments increasing income tax expense were calculated on "requested revenue increase minus requested taxes other than income taxes increase multiplied by .38575." Further, SSU takes the position that income tax expense is dependent upon the recalculation of the other issues and should include state income tax expense, with no adjustment made for NOL carryforwards. No other party took a position on this issue.

Staff recommends that the provision for test year income tax expense for the FPSC Plants is $2,843,354. This amount has been calculated in the same manner as proposed by SSU, based on the level of revenues and expenses recommended by staff as well as other staff adjustments that have corresponding income tax implications. Staff's recommended provision includes state income tax expense, with no adjustment made for NOL carryforwards. The provisions for income taxes are shown on the individual net operating income schedules of the plants.

ISSUE 114: What are the test year operating income amounts before any revenue increase in total and by plant?

RECOMMENDATION: The recommended appropriate levels of operating income are shown in the individual operating income schedules by facilities. (BINFORD)

POSITION OF PARTIES:

SSU: Test year operating income amounts before any revenue increase is $3,384,754 and $2,629,025 for water and wastewater, respectively. These amounts can be found in Volume III, Books I and II, on Schedule B-1 (W) and B-2 (S), page 49 for both water and wastewater. Test year operating income amounts for the plants not coming into the rate case with uniform rates can be found by referring to Schedules B-1 (W) and B-2 (S) in Volume III, Books 1 and 2. Operating income for the plants coming into the case with uniform rates can be found by referring to Schedules B-1 (W) and B-2 (S) in Volume XII, Books 1-9.

MARCO ET AL: No position.

NASSAU ASSOCIATIONS: No position.

OPC: No position.

STAFF ANALYSIS: Based on the adjustments discussed in previous issues, staff recommends that the test year operating income before any provision for increased revenues should be $4,612,374 for water and $3,331,957 for wastewater. The test year operating income before any provision for increased revenues by plant is shown in the attached individual operating income schedules. The schedules for water and wastewater operating income are attached as Schedules Nos. 4-A and 4-B for each individual facility in alphabetical order. The schedules of adjustments to operating income are attached as Schedule No. 4-C.

ISSUE 115: Should SSU's revenue requirement be calculated on a plant specific basis?

RECOMMENDATION: Yes. SSU's revenue requirement should be calculated on a plant specific basis. If any revenue combinations need to be made, they should be addressed as a rate, not revenue requirement, issue. To alleviate the confusion of calculating revenue requirements in future filings, SSU should be required to provide MFRs and annual reports on a plant specific basis. (BINFORD)

POSITION OF PARTIES:

SSU: Yes. Revenue requirements should be calculated based upon individual plants and then accumulated to arrive at total FPSC jurisdictional revenue requirements.

MARCO ET AL: Yes.

NASSAU ASSOCIATIONS: SSU's revenue requirement should be calculated on an individual, plant specific basis.

OPC: Yes.

STAFF ANALYSIS: In its MFRs, the utility compiled its revenue requirement using several scenarios. For the water plants, the revenue requirement was presented in the following forms: FPSC Jurisdictional-All Plants, FPSC Jurisdictional Uniform except Burnt Store, FPSC-Non-Uniform Plants individually, and FPSC Reverse Osmosis for Burnt Store and Marco Island. For the wastewater plants, the revenue requirement was presented in the following forms: FPSC Jurisdictional-All Plants, FPSC Jurisdictional Uniform, and FPSC Jurisdictional Non-Uniform Plants individually.

In an exhibit to Mr. Ludsen's rebuttal testimony, he filed individual plant specific revenue requirements for the uniform plants. (EXH 247, FLL-6) During cross examination of his rebuttal testimony, Mr. Ludsen testified that in this case SSU had to calculate the revenue requirements on a plant specific basis. He stated that due to the way the used and useful numbers were calculated the utility almost had to calculate the revenue requirement on a plant specific basis. (TR 5305-5306) No other parties presented any evidence on this issue.

Based on the testimony in the record, staff recommends that SSU's revenue requirement should be calculated on a plant specific basis. Accordingly, staff calculated the revenue requirement for

each plant to generate a 9.74% rate of return on rate base. We did not limit revenues by plant to any requested or required revenues shown in the MFRs. The utility calculated its revenue requirement using uniform rates, not modified stand alone rates, for those facilities in Docket 920199-WS. Therefore, if staff were to limit revenues on a per plant basis, the utility would not receive an opportunity to earn a fair return on its investment. We did compare the total revenues requested to staff's combined revenue requirement. Since staff's total recommended revenue requirement is less than the utility's total requested revenue, no limit was necessary. To alleviate the confusion of calculating revenue requirements in future filings, staff believes that SSU should be required to provide MFRs and annual reports on a plant specific basis.

ISSUE 116: What are the revenue requirements in total and by plant?

RECOMMENDATION: The recommended revenue requirements for the test year ended December 31, 1996 are shown in the attached schedules immediately following this issue. (BINFORD)

POSITION OF PARTIES:

SSU: Additional revenue requirements in total are $11,791,242 and $6,346,260 for water and wastewater, respectively. These amounts can be found in Volume III, Books 1 and 2, on Schedule B-1 (W) and B-2 (S), page 49 for both water and wastewater. Revenue requirements for the plants not coming into the rate case with uniform rates can be found by referring to Schedules B-1 (W) and B-2 (S) in Volume III, Books 1 and 2. Revenue requirements for the plants coming into the case with uniform rates can be found by referring to Schedules B-1 (W) and B-2 (S) in Volume XII, Books 1-9. The total revenue requirement can also be found in Summary Volume II, Book 1, page 37, columns 8 and 9, line 13.

MARCO ET AL: SSU's overall revenue requirement should be reduced by $10,360,891 per year.

NASSAU ASSOCIATIONS: The final amounts are subject to the resolution of other issues.

OPC: SSU's overall revenue requirement should be reduced by $10,360,891 per year.

STAFF ANALYSIS: The revenues required as a result of staff's analysis are $33,503,101 for water and $25,549,104 for wastewater on a total PSC jurisdictional basis. The revenues reflect a 19.91% increase for water and a 16.07% increase for wastewater on a total PSC jurisdictional basis. The revenues required by plant are shown in attached tables. These revenues will allow the utility the opportunity to recover its operating expenses and a 9.74% return on its rate base.

OTHER OR MISCELLANEOUS ISSUE

ISSUE 141: What are the appropriate annual and monthly AFUDC rates?

RECOMMENDATION: The appropriate annual rate should be 10.03%, with a monthly discounted rate of 0.835516%. (MERCHANT, ZHANG)

POSITION OF PARTIES: All parties stipulated to this issue.

STAFF ANALYSIS: This issue was stipulated by the parties to be a fall-out of the overall cost of capital and Rule 25-30.116, Florida Administrative Code. Since the Commission has to approve the actual rates, staff has resurrected this issue to produce the rates for the Commission's vote. Rule 25-30.116(2)(b), requires, for AFUDC purposes only, that the cost rate all investment tax credits (ITCs) be shown as zero cost. Since the cost rate for ITCs in the overall cost of capital is the weighted average cost rate for investors sources, a change to the overall cost of capital is required for AFUDC. No other components of the overall cost of capital have been changed. This results in an annual AFUDC rate of 10.03%, and a monthly discounted rate of 0.835516%.

LEGAL ISSUE

ISSUE 145: Do Sections 367.0817 and 403.064, Florida Statutes, require that reuse facilities be considered 100% used and useful?

RECOMMENDATION: No. Those sections provide for the recovery of all prudent costs in rates for reuse facilities, but do not mandate that the facilities be considered 100% used and useful. (O'SULLIVAN, FUCHS, DAVIS)

POSITION OF THE PARTIES:

SSU: Yes.

MARCO ET AL: No. For reuse facilities to be considered 100% used and useful, the construction of the facilities must be prudent and the facilities must be specifically designed and used for public access effluent reuse purposes.

NASSAU ASSOCIATIONS: No. For reuse facilities to be considered 100% used and useful, the construction of the facilities must be prudent and the facilities must be specifically designed and used for effluent reuse purposes.

OPC: No. For reuse facilities to be considered 100% used and useful, the construction of the facilities must be prudent and the facilities must be specifically designed and used for public access effluent reuse purposes.

STAFF ANALYSIS: This issue is closely related to Issue 42, which addresses which wastewater plant components should be considered as reuse. Two statutory provisions specifically concern the ratemaking treatment of reuse facilities. Section 367.0817, Florida Statutes, addresses the Commission's jurisdiction over such facilities. Specifically, subsection (3) states that:

> All prudent costs of a reuse project shall be recovered in rates. The legislature finds that reuse benefits water, wastewater and reuse customers. The commission shall allow a utility to recover the costs of a reuse project from the utility's water, wastewater, or reuse customers or any combination thereof as deemed appropriate by the commission. (Emphasis added)

Other subsections of that statute address the Commission's review and approval of reuse project plans and implementation of rates.

Section 403.064, Florida Statutes, sets forth DEP's purview over reuse projects. Subsection (10) however, specifically directs that the Commission

> shall allow entities under its jurisdiction which conduct studies or implement reuse projects, including but not limited to, any study required by subsection (2) or facilities used for reliability purposes for a reclaimed water reuse system, to recover the full, prudently incurred cost of such studies and facilities through their rate structure. (Emphasis added)

SSU contends that the "clear intent of these laws is to encourage utilities to construct reuse facilities by ensuring that the full costs of such facilities will be recovered through rates." (SSU Brief, 145). SSU witnesses Hartman and Harvey both testified that they construed Sections 367.0817 and 403.064 as mandating 100% used and useful for reuse facilities. (TR 687-90, 3466) SSU points out that representatives of DEP and water management districts believe that 100% recovery is intended. SSU witness David York, Reuse Coordinator with the DEP's Bureau of Wastewater Facilities, stated that from his involvement in the drafting of the legislation, the DEP's intent was to allow reuse projects to be 100% used and useful (TR 3913). SSU contends that if the Commission does not consider reuse facilities to be 100% used and useful, such a decision would create a disincentive to implement reuse, and would run contrary to the memorandum of understanding (MOU) between the Commission and DEP, and the intent of the DEP's representatives. (TR 690).

Nassau Associations and Marco stated in their briefs that reuse facilities should only be considered 100% used and useful if the construction of the facilities is prudent, and the facilities specifically designed and used for effluent purposes. OPC offered a similar position, and referred to its argument made in Issue 42. OPC contended in Issue 42 that existing customers should not pay for future customers, and that although reuse is encouraged by state agencies, all reuse facilities should not automatically be considered 100% used and useful.

Staff has reviewed the record, the arguments made by the parties, and relevant case law. Staff recommends that SSU's

interpretation of the statutory language is incorrect, and that the Commission is not required to treat reuse facilities as 100% used and useful.

The first, and primary, consideration should be the statutory language itself. The Commission is charged with interpreting its own statutory provisions. This interpretation is accorded great weight and will not be overturned by a reviewing body unless clearly erroneous. Nassau Power Corp. v. Deason, 641 So.2d 396, 398 (Fla. 1984), and PW Ventures, Inc. v. Nichols 533 So.2d 281, 283 (Fla. 1988). Whether a used and useful calculation should rely strictly upon engineering matters, or should address other factors is a policy consideration for which the Commission has been accorded particular responsibility. Citizens v. Florida Public Service Commission, 488 So.2d 112, 114 (Fla. 1st DCA 1986). See also, generally, McDonald v. Department of Banking and Finance, 346 So.2d 569 (Fla. 1st DCA 1977).

Section 367.0817(3) states that "all prudent costs" shall be recovered in rates. The term "used and useful" is not mentioned in that statute or in Section 403.064. It is found instead in Section 367.081(2)(a), Florida Statutes, which addresses the procedure for ratemaking: "the Commission shall consider...maintenance, depreciation, tax and operation expenses incurred in the operation of all property used and useful in the public service" and "a fair return on the investment of the utility in property used and useful in the public service." Neither the term "used and useful" nor the methodology for arriving at an appropriate used and useful percentage in a ratemaking proceeding have been specifically codified by rule.

The concept of "plain meaning" in statutory construction dictates that when the words of a statute are plain and unambiguous and leave no room for interpretation, it is not appropriate to displace that interpretation for another meaning. Citizens v. Public Service Commission, 435 So.2d 784 (Fla. 1983), and Citizens v. Public Service Commission, 425 So.2d 534 (Fla. 1982). The statute at issue permits recovery through rates, and does not indicate any direction at all as to rate base or other ratemaking considerations. SSU's argument constructs an entirely different meaning -- 100% used and useful -- to the term "all prudent costs...recovered in rates." "All prudent costs" does not equate to all costs, regardless of used and useful or other ratemaking considerations. As noted above, there is an entirely different provision of the statute which sets forth rate setting. That section, 367.081, contemplates a multifaceted proceeding to arrive at rates.

When possible, provisions of a statute should be read so as not to create a conflict, Louisiana Public Service Commission v. FCC, 476 U.S. 355, 370; 106 S.Ct. 1890; 90 L.Ed2d 369, 383 (1986), and should avoid interpretations which place statutes in conflict with each other. City of Indian Harbor Beach v. City of Melbourne, 265 So.2d 422 (Fla. 4th DCA, 1972). SSU's proposed interpretation of Sections 367.0817 and 403.064, presents a conflict with the language of Section 367.081(2)(a), which permits a utility to recover expenses related to used and useful property. The prudency of a cost is a different consideration from the determination of which property is used and useful. To interpret "all prudent costs" as signifying the entire cost without considering other fundamental ratemaking considerations such as used and useful, CIAC, AFPI, or Plant Held for Future Use or other appropriate adjustments would remove the Commission's discretion and review of reuse projects besides prudency.

The determination that costs incurred were in fact prudent still does not necessarily equate to a finding that the facilities are 100% used and useful. Section 403.064 permits a utility to recover the prudent cost of reuse facilities through rate structure. In determining what the appropriate structure would be, the Commission must also consider AFPI and Plant Held for Future Use, which are methods of recovering prudent investment from future customers when those investments, while prudent, are not used and useful for current customers. Rule 25-30.434(1), Florida Administrative Code, defines AFPI as:

> a mechanism which allows a utility the opportunity to earn a fair rate of return on prudently constructed plant held for future use from the future customers to be served by that plant in the form a charge paid by those customers.

AFPI charges are calculated, in part, by addressing the dollar amount of the non-used and useful plant and the accumulated depreciation. While one witness acknowledged that AFPI is available to permit a utility to recover "carrying costs" (TR 793), SSU's witnesses on the subject of reuse primarily focused on used and useful as a mechanism for recovering the cost of reuse, (TR 793, 3479-80) and did not address other mechanisms such as CIAC, guaranteed revenues, AFPI charges, or other means.

As noted by the correspondence in Exhibit 198, the DEP did provide input into the Commission's rule making activities on used and useful methodologies, and did take part in the legislative

process. These documents, provided by SSU witness Harvey, indicate DEP's position, in commenting on proposed used and useful rules, that "the entire cost of a reuse project be used and useful." (EXH 198: RMH-2, page 2; RMH-4, page 1-2, 6) However, the DEP's input and intent in these processes, while instructive, is not controlling. See Section 367.011(2), Florida Statutes.

The Commission and DEP entered into a memorandum of understanding in order to jointly address certain policies and procedures related to conservation, reuse, and the provision of water and wastewater. The MOU sets forth objectives, mutual responsibilities, and project coordination. The document specifically reiterates the statutory language which requires the Commission to allow utilities to recover all prudent costs of reuse facilities through rates. (EXH 198: RMH-1, page 5) SSU contends that a contrary finding would run counter to the meaning of the MOU. The MOU creates a productive relationship between the PSC and DEP. As the MOU acknowledges, each agency is responsible for particular activities, and has agreed to adopt and implement necessary policies. It is within the Commission's purview to exercise its ratemaking function. That exercise does not conflict with the MOU.

Staff recommends that it is within the Commission's purview to interpret its statutes. Applying standards of statutory construction and reviewing the relevant statutes, Staff recommends that Sections 367.0817 and 403.064 do not require that reuse facilities be considered 100% used and useful.

SOUTHERN STATES UTILITIES, INC.
CAPITAL STRUCTURE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 1-A
DOCKET NO. 950495-WS

DESCRIPTION	TOTAL CAPITAL	SPECIFIC ADJUSTMENTS (EXPLAIN)	PRO RATA ADJUSTMENTS	CAPITAL RECONCILED TO RATE BASE	RATIO	COST RATE	WEIGHTED COST
PER UTILITY 1996							
1 LONG TERM DEBT	118,535,363	0	(62,906,327)	55,629,036	58.40%	9.06%	5.29%
2 SHORT-TERM DEBT	0	0	0	0	0.00%	0.00%	0.00%
3 PREFERRED STOCK	0	0	0	0	0.00%	0.00%	0.00%
4 COMMON EQUITY	82,821,786	0	(43,953,249)	38,868,537	40.81%	12.25%	5.00%
5 CUSTOMER DEPOSITS	1,753,184	0	(930,409)	822,775	0.86%	6.00%	0.05%
6 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
7 DEFERRED ITC'S-WTD COST	1,335,813	0	(708,912)	626,901	0.66%	9.68%	0.06%
8 ADJUSTMENT FOR GAS	(1,481,000)	0	785,962	(695,038)	-0.73%	12.25%	-0.09%
9 TOTAL CAPITAL	202,965,146	0	(107,712,935)	95,252,211	100.00%		10.32%
PER STAFF 1996							
10 LONG TERM DEBT	118,535,363	0	67,555,090	186,090,453	59.64%	9.06%	5.40%
11 SHORT-TERM DEBT	0	0	0	0	0.00%	0.00%	0.00%
12 PREFERRED STOCK	0	0	0	0	0.00%	0.00%	0.00%
13 COMMON EQUITY	82,821,786	(4,800,000)	44,465,792	122,487,578	39.25%	10.88%	4.27%
14 CUSTOMER DEPOSITS	1,753,184	0	999,166	2,752,350	0.88%	6.00%	0.05%
15 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
15 DEFERRED ITC'S-WTD COST	1,335,813	598,159	1,102,200	3,036,172	0.97%	9.77%	0.10%
16 ADJUSTMENT FOR GAS	(1,481,000)	0	(844,044)	(2,325,044)	-0.75%	10.88%	-0.08%
17 TOTAL CAPITAL	202,965,146	(4,201,841)	113,278,203	312,041,508	100.00%		9.74%

RANGE OF REASONABLENESS	LOW	HIGH
RETURN ON EQUITY	10.88%	12.88%
OVERALL RATE OF RETURN	6.65%	6.87%

4 3 2

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SOUTHERN STATES UTILITIES, INC.
AFUDC ANNUAL & MONTHLY DISCOUNTED RATE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 1-B
DOCKET NO. 950495-WS

	CAPITAL RECONCILED TO RATE BASE	RATIO	COST RATE	WEIGHTED COST
LONG TERM DEBT	186,090,453	59.64%	9.06%	5.40%
SHORT-TERM DEBT	0	0.00%	0.00%	0.00%
PREFERRED STOCK	0	0.00%	0.00%	0.00%
COMMON EQUITY	122,487,578	39.25%	11.88%	4.66%
CUSTOMER DEPOSITS	2,752,350	0.88%	6.00%	0.05%
DEFERRED INCOME TAXES	0	0.00%	0.00%	0.00%
DEFERRED ITC'S-WTD COST	3,036,172	0.97%	0.00%	0.00%
ADJUSTMENT FOR GAS	(2,325,044)	-0.75%	11.88%	-0.09%
TOTAL CAPITAL	312,041,508	100.00%		10.03%
MONTHLY DISCOUNT RATE		0.835516%		

Southern States Utilities, Inc.
Schedule of Revenue Requirements & Revenue Increases
Test Year Ended December 31, 1996

Schedule No. 2
Docket No. 950495-WS

#	PLANT NAME	Water				Wastewater			
		Adjusted Test Year Revenues	Staff Recomm. $ Increase	Staff Recomm. % Increase	Staff Recomm. Rev. Req.	Adjusted Test Year Revenues	Staff Recomm. Increase	Staff Recomm. % Increase	Staff Recomm. Rev. Req.
1	AMELIA ISLAND	286,268	171,087	59.76%	457,355	882,929	137,285	15.55%	1,020,214
2	APACHE SHORES	103,292	(58,417)	-56.56%	44,875	75,048	(32,201)	-42.91%	42,847
3	APPLE VALLEY	172,286	128,027	74.31%	300,313	55,123	16,260	29.50%	71,383
4	BAY LAKE ESTATES	27,632	11,302	40.90%	38,934	0	0	0.00%	0
5	BEACON HILLS	601,210	485,445	80.74%	1,086,655	1,185,139	196,820	16.61%	1,381,959
6	BEECHER'S POINT	36,562	41,185	112.64%	77,747	31,834	53,520	168.12%	85,354
7	BUENAVENTURA LAKES	1,235,911	400,677	32.42%	1,636,588	2,805,744	263,539	9.39%	3,069,283
8	BURNT STORE	625,802	140,281	22.42%	766,083	399,837	(141,568)	-35.41%	258,269
9	CARLTON VILLAGE	31,974	48,949	153.09%	80,923	0	0	0.00%	0
10	CHULUOTA	258,754	84,263	32.57%	343,017	93,759	233,470	249.01%	327,229
11	CITRUS PARK	65,264	19,432	29.77%	84,696	179,215	(2,264)	-1.26%	176,951
12	CITRUS SPRINGS	535,569	(100,557)	-18.78%	435,012	183,182	120,767	65.93%	303,949
13	CRYSTAL RIVER HIGHLANDS	36,552	(4,106)	-11.23%	32,446	0	0	0.00%	0
14	DAETWYLER SHORES	36,113	22,797	63.13%	58,910	0	0	0.00%	0
15	DEEP CREEK	1,588,229	257,434	16.21%	1,845,663	1,849,838	12,181	0.66%	1,862,019
16	DELTONA	4,523,008	610,427	13.50%	5,133,435	2,422,155	845,962	34.93%	3,268,117
17	DOL RAY MANOR	86,245	(40,838)	-47.35%	45,407	0	0	0.00%	0
18	DRUID HILLS	171,682	(59,157)	-34.46%	112,525	0	0	0.00%	0
19	EAST LAKE HARRIS ESTATES	235,904	(123,272)	-52.26%	112,632	0	0	0.00%	0
20	FERN PARK	148,199	(76,140)	-51.38%	72,059	0	0	0.00%	0
21	FERN TERRACE	24,426	21,939	89.82%	46,365	0	0	0.00%	0
22	FISHERMAN'S HAVEN	25,262	16,806	66.53%	42,068	51,702	55,839	108.00%	107,541
23	FLA CENTRAL COMMC PARK	0	0	0.00%	0	194,929	5,519	2.83%	200,448
24	FOUNTAINS	29,217	21,943	75.10%	51,160	0	0	0.00%	0
25	FOX RUN	63,589	33,283	52.34%	96,872	63,640	64,211	100.90%	127,851
26	FRIENDLY CENTER	7,137	1,715	24.02%	8,852	0	0	0.00%	0
27	GENEVA LAKE ESTATES	31,853	5,764	18.09%	37,617	0	0	0.00%	0
28	GOLDEN TERRACE	28,036	16,400	58.50%	44,436	0	0	0.00%	0
29	GOSPEL ISLAND ESTATES	5,013	3,025	60.34%	8,038	0	0	0.00%	0
30	GRAND TERRACE	35,883	(647)	-1.80%	35,236	0	0	0.00%	0
31	HARMONY HOMES	19,258	17,573	91.25%	36,831	0	0	0.00%	0
32	HERMITS COVE	46,626	25,776	55.28%	72,402	0	0	0.00%	0
33	HOBBY HILLS	54,147	(27,505)	-50.80%	26,642	0	0	0.00%	0
34	HOLIDAY HAVEN	87,262	(44,726)	-51.25%	42,536	259,642	(153,199)	-59.00%	106,443
35	HOLIDAY HEIGHTS	60,176	(30,047)	-49.93%	30,129	0	0	0.00%	0
36	IMPERIAL MOBILE TERRACE	40,710	20,836	51.18%	61,546	0	0	0.00%	0
37	INTERCESSION CITY	110,358	(10,450)	-9.47%	99,908	0	0	0.00%	0
38	INTERLACH LKS/PARK MANOR	61,240	14,241	23.25%	75,481	0	0	0.00%	0
39	JUNGLE DEN	26,348	2,867	10.88%	29,215	65,137	32,508	49.91%	97,645
40	KEYSTONE CLUB ESTATES	35,564	27,676	77.82%	63,240	0	0	0.00%	0
41	KEYSTONE HEIGHTS	262,804	78,250	29.77%	341,054	0	0	0.00%	0
42	KINGSWOOD	17,486	(343)	-1.96%	17,143	0	0	0.00%	0
43	LAKE AJAY ESTATES	89,263	4,632	5.19%	93,895	0	0	0.00%	0
44	LAKE BRANTLEY	18,289	28,727	157.07%	47,016	0	0	0.00%	0
45	LAKE CONWAY PARK	23,626	9,719	41.14%	33,345	0	0	0.00%	0
46	LAKE HARRIET ESTATES	49,935	34,055	68.20%	83,990	0	0	0.00%	0
47	LAKESIDE	14,154	44,188	312.19%	58,342	0	0	0.00%	0
48	LAKEVIEW VILLAS	6,506	2,238	34.40%	8,744	0	0	0.00%	0
49	LEHIGH	2,066,962	426,658	20.64%	2,493,620	2,603,568	218,245	8.38%	2,821,813
50	LEILANI HEIGHTS	77,043	43,035	55.86%	120,078	170,561	23,431	13.74%	193,992
51	LEISURE LAKES	49,117	29,266	59.58%	78,383	33,936	27,152	80.01%	61,088
52	MARCO ISLAND	8,089,220	1,528,455	18.89%	9,617,675	3,008,265	261,588	8.70%	3,269,853
53	MARCO SHORES	68,413	273,217	399.36%	341,630	101,032	35,053	34.70%	136,085
54	MARION OAKS	406,669	243,769	59.94%	650,438	437,071	314,781	72.02%	751,852
55	MEREDITH MANOR	142,307	68,901	48.42%	211,208	15,392	(405)	-2.63%	14,987
56	MORNINGVIEW	59,822	(31,901)	-53.33%	27,921	64,353	(32,454)	-50.43%	31,899
57	OAK FOREST	26,010	27,461	105.58%	53,471	0	0	0.00%	0
58	OAKWOOD	26,719	23,165	86.70%	49,884	0	0	0.00%	0
59	PALISADES COUNTRY CLUB	32,325	29,308	90.67%	61,633	0	0	0.00%	0
60	PALM PORT	13,643	26,312	192.86%	39,955	34,340	67,979	197.96%	102,319
61	PALM TERRACE	164,897	138,507	84.00%	303,404	301,672	47,334	15.69%	349,006

Southern States Utilities, Inc.
Schedule of Revenue Requirements & Revenue Increases
Test Year Ended December 31, 1996

Schedule No. 2
Docket No. 950495-WS

#	PLANT NAME	Water: Adjusted Test Year Revenues	Water: Staff Recomm. $ Increase	Water: Staff Recomm. % Increase	Water: Staff Recomm. Rev. Req	Wastewater: Adjusted Test Year Revenues	Wastewater: Staff Recomm. Increase	Wastewater: Staff Recomm. % Increase	Wastewater: Staff Recomm. Rev. Req
62	PALM VALLEY	43,081	227,554	528.20%	270,635	0	0	0.00%	0
63	PALMS MOBILE HOME PARK	6,060	35,239	581.50%	41,299	0	0	0.00%	0
64	PARK MANOR	0	0	0.00%	0	32,861	2,464	7.50%	35,325
65	PICCIOLA ISLAND	25,473	21,259	83.46%	46,732	0	0	0.00%	0
66	PINE RIDGE	403,291	(132,777)	-32.92%	270,514	0	0	0.00%	0
67	PINE RIDGE ESTATES	93,759	(16,734)	-17.85%	77,025	0	0	0.00%	0
68	PINEY WOODS	141,611	(64,126)	-45.28%	77,485	141,611	(141,611)	0.00%	0
69	POINT O'WOODS	316,971	(165,170)	-52.11%	151,801	179,447	(97,328)	-54.24%	82,119
70	POMONA PARK	42,049	16,446	39.11%	58,495	0	0	0.00%	0
71	POSTMASTER VILLAGE	54,635	24,507	44.86%	79,142	0	0	0.00%	0
72	QUAIL RIDGE	12,376	12,572	101.59%	24,948	0	0	0.00%	0
73	REMINGTON FOREST	21,440	17,412	81.21%	38,852	0	0	0.00%	0
74	RIVER GROVE	39,971	3,268	8.18%	43,239	0	0	0.00%	0
75	ROSEMONT/ROLLING GREEN	78,970	6,361	8.05%	85,331	0	0	0.00%	0
76	SALT SPRINGS	169,221	(69,684)	-41.18%	99,537	101,401	(2,646)	-2.61%	98,755
77	SAMIRA VILLAS	5,702	(175)	-3.06%	5,527	0	0	0.00%	0
78	SILVER LK EST./WEST SHRS	199,759	207,243	103.75%	407,002	0	0	0.00%	0
79	SILVER LAKE OAKS	14,057	5,031	35.79%	19,088	16,584	9,416	56.78%	26,000
80	SKYCREST	24,183	38,271	158.26%	62,454	0	0	0.00%	0
81	SOUTH FORTY	0	0	0.00%	0	43,472	65,871	151.53%	109,343
82	SPRING GARDENS	28,484	(6,795)	-23.85%	21,689	19,732	9,424	47.76%	29,156
83	STONE MOUNTAIN	25,000	(13,987)	-55.95%	11,013	0	0	0.00%	0
84	ST. JOHNS HIGHLANDS	28,137	807	2.87%	28,944	0	0	0.00%	0
85	SUGAR MILL	579,906	(321,379)	-55.42%	258,527	358,063	(97,638)	-27.27%	260,425
86	SUGARMILL WOODS	508,170	173,135	34.07%	681,305	593,078	(37,943)	-6.40%	555,135
87	SUNNY HILLS	164,459	50,000	30.40%	214,459	106,776	14,538	13.62%	121,314
88	SUNSHINE PARKWAY	81,630	7,820	9.58%	89,450	134,932	34,218	25.36%	169,150
89	TROPICAL ISLES	0	0	0.00%	0	46,438	73,097	157.41%	119,535
90	TROPICAL PARK	120,263	70,057	58.25%	190,320	0	0	0.00%	0
91	UNIVERSITY SHORES	849,800	89,000	10.47%	938,800	1,818,673	620,487	34.12%	2,439,160
92	VALENCIA TERRACE	46,879	45,138	96.29%	92,017	67,817	46,361	68.36%	114,178
93	VENETIAN VILLAGE	28,472	18,140	63.71%	46,612	60,532	(15,262)	-25.21%	45,270
94	WELAKA/SARATOGA HARBOR	45,154	8,307	18.40%	53,461	0	0	0.00%	0
95	WESTMONT	32,776	10,781	32.89%	43,557	0	0	0.00%	0
96	WINDSONG	38,778	5,975	15.41%	44,753	0	0	0.00%	0
97	WOODMERE	299,064	89,604	29.96%	388,668	633,000	288,231	45.53%	921,231
98	WOOTENS	7,942	6,788	85.47%	14,730	0	0	0.00%	0
99	ZEPHYR SHORES	57,823	61,188	105.82%	119,011	87,697	94,917	108.23%	182,614
	TOTAL DOCKET NO. 950495-WS	**27,939,117**	**5,563,984**	**19.91%**	**33,503,101**	**22,011,157**	**3,537,947**	**16.07%**	**25,549,104**

SSU/ AMELIA ISLAND
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1 UTILITY PLANT IN SERVICE	$	3,849,336	0	$ 3,849,336	(22,803)	3,826,533
2 LAND & LAND RIGHTS		74,503	0	74,503	0	74,503
3 NON-USED & USEFUL COMPONENTS		0	0	0	(488,282)	(488,282)
4 ACCUMULATED DEPRECIATION		(1,483,234)	0	(1,483,234)	369	(1,482,865)
5 CIAC		(2,373,572)	(8,169)	(2,381,741)	(401)	(2,382,142)
6 AMORTIZATION OF CIAC		571,693	0	571,693	0	571,693
7 ACQUISITION ADJUSTMENTS - NET		(43,945)	0	(43,945)	0	(43,945)
8 ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS		(10,995)	0	(10,995)	0	(10,995)
10 DEFERRED INCOME TAXES		246,550	0	246,550	291,012	537,562
11 WORKING CAPITAL ALLOWANCE		63,691	0	63,691	0	63,691
12 OTHER		0	0	0	0	0
RATE BASE	$	894,027	(8,169)	$ 885,858	(220,105)	665,753

SSU/ AMELIA ISLAND
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	7,579,505	0	$ 7,579,505	(73,906)	7,505,599
2	LAND		78,993	0	78,993	0	78,993
3	NON-USED & USEFUL COMPONENTS		(135,602)	0	(135,602)	(695,431)	(831,033)
4	ACCUMULATED DEPRECIATION		(2,571,184)	0	(2,571,184)	1,896	(2,569,288)
5	CIAC		(3,039,665)	(9,480)	(3,049,145)	(83,230)	(3,132,375)
6	AMORTIZATION OF CIAC		893,569	0	893,569	0	893,569
7	ACQUISITION ADJUSTMENTS - NET		(205,945)	0	(205,945)	0	(205,945)
8	ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(9,578)	0	(9,578)	0	(9,578)
10	DEFERRED INCOME TAXES		330,206	0	330,206	212,140	542,346
11	WORKING CAPITAL ALLOWANCE		55,486	0	55,486	0	55,486
12	OTHER		0	0	0	0	0
	RATE BASE	$	2,975,785	(9,480)	$ 2,966,305	(638,531)	2,327,774

SSU/ AMELIA ISLAND
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage/double bookings I-13	(23,332)	(74,367)
3 Realloc of River Park common plant S-1	529	461
Total	(22,803)	(73,906)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(488,282)	(695,431)
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	635	2,128
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(266)	(232)
Total	369	1,896
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	(401)	(83,230)
3 Marco ASR Cost Share I-51	0	0
Total	(401)	(83,230)
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	(4,788)	(33,579)
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	(4,788)	(33,579)
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	291,012	212,140
2 Credit Deferred Taxes on Depreciation	(3,717)	(7,292)
Total	287,295	204,848
WORKING CAPITAL		
To reflect the plant specific allocation	(21,882)	(19,063)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ AMELIA ISLAND
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	633,719	(122,318) $	511,401	(225,133)	286,268	171,087	457,355
	OPERATING EXPENSES:						59.76%	
2	OPERATION AND MAINTENANCE	296,947	7,715 $	304,662	3,986	308,648 $		308,648
3	DEPRECIATION	52,655	0	52,655	(20,504)	32,151		32,151
4	AMORTIZATION	(1,997)	0	(1,997)	0	(1,997)		(1,997)
5	TAXES OTHER THAN INCOME	52,720	(4,958)	47,762	(14,678)	33,084	7,699	40,783
6	INCOME TAXES	65,006	(48,081)	16,925	(67,031)	(50,106)	63,027	12,921
7	TOTAL OPERATING EXPENSES	465,331	(45,324) $	420,007	(98,227)	321,780	70,726	392,505
8	OPERATING INCOME	168,388	(76,994) $	91,394	(126,906)	(35,512)	100,361	64,850
9	RATE BASE	894,027	$	885,858		665,753		665,753
	RATE OF RETURN	18.83%		10.32%		-5.33%		9.74%

SSU/ AMELIA ISLAND
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	1,236,599	(68,770) $	1,167,829	(284,900)	882,929	137,285	1,020,214
	OPERATING EXPENSES						15.55%	
2	OPERATION AND MAINTENANCE	460,653	15,867 $	476,520	(13,220)	463,300 $		463,300
3	DEPRECIATION	214,497	0	214,497	(43,728)	170,769		170,769
4	AMORTIZATION	(9,127)	0	(9,127)	0	(9,127)		(9,127)
5	TAXES OTHER THAN INCOME	147,851	(4,907)	142,944	(27,885)	115,059	6,178	121,237
6	INCOME TAXES	88,987	(52,028)	36,959	(40,243)	(3,284)	50,575	47,291
7	TOTAL OPERATING EXPENSES	902,861	(41,068) $	861,793	(125,076)	736,717	56,752	793,470
8	OPERATING INCOME	333,738	(27,702) $	306,036	(159,824)	146,212	80,532	226,744
9	RATE BASE	2,975,785	$	2,966,305		2,327,774		2,327,774
	RATE OF RETURN	11.22%		10.32%		6.28%		9.74%

SSU/ AMELIA ISLAND
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(122,318)	(68,770)
2 Billing determinants I-75	(102,889)	(216,195)
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	74	65
Total	(225,133)	(284,900)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(463)	(403)
2 Correct attrition rate from 5.87% to 5.75% S-10	(150)	(130)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(2,088)	(2,613)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(3,150)	(2,744)
6 Hepatitis Amortization Adjustment I-86	(82)	(72)
7 Budgeted overtime to rate case expense S-11	(363)	(316)
8 Remove SSU proposed repression adjustment I-74	4,286	0
9 OAP Amortization I-86a	(418)	(364)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(91)	(79)
12 Conservation Expense I-92	(1,615)	(1,407)
13 Current rate case expense I-93	1,019	887
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(134)	(117)
15 Jurisdiction Docket Expense I-95	(262)	(229)
16 920199 rate case expense I-96	2,284	1,939
17 True-up budget adjustment I-99	5,984	(6,901)
18 Emply recognition normalization I-100	(128)	(111)
19 Gains/Losses I-105	(643)	(560)
Total	3,986	(13,220)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(970)	(2,858)
3 Reallocate Common Plant River Park S-1	217	189
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	(19,751)	(41,059)
6 Marco ASR Cost Share I-51	0	0
Total	(20,504)	(43,728)
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(10,131)	(12,821)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	(3,222)	(12,465)
4 Discounts received on property taxes S-14	(1,325)	(2,599)
Total	(14,678)	(27,885)
INCOME TAXES		
To adjust to test year income tax expense	(67,031)	(40,243)

SSU/ APACHE SHORES
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	159,112	0	$	159,112	(48)	159,064
2	LAND & LAND RIGHTS		1,576	0		1,576	0	1,576
3	NON-USED & USEFUL COMPONENTS		(19,303)	0		(19,303)	(2,897)	(22,200)
4	ACCUMULATED DEPRECIATION		(57,278)	0		(57,278)	(23)	(57,301)
5	CIAC		(36,950)	0		(36,950)	0	(36,950)
6	AMORTIZATION OF CIAC		15,542	0		15,542	(47)	15,495
7	ACQUISITION ADJUSTMENTS - NET		(330)	0		(330)	0	(330)
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,139)	0		(1,139)	0	(1,139)
10	DEFERRED INCOME TAXES		(2,712)	0		(2,712)	2,954	242
11	WORKING CAPITAL ALLOWANCE		6,599	0		6,599	(2,267)	4,332
12	OTHER		0	0		0	0	0
	RATE BASE	$	65,117	0	$	65,117	(2,328)	62,789

SSU/ APACHE SHORES
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	165,645	0	$	165,645	573	166,218
2	LAND		2,403	0		2,403	0	2,403
3	NON-USED & USEFUL COMPONENTS		(29,784)	0		(29,784)	(321)	(30,105)
4	ACCUMULATED DEPRECIATION		(62,646)	0		(62,646)	(120)	(62,766)
5	CIAC		(26,963)	0		(26,963)	0	(26,963)
6	AMORTIZATION OF CIAC		16,403	0		16,403	(114)	16,289
7	ACQUISITION ADJUSTMENTS - NET		(550)	0		(550)	0	(550)
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(847)	0		(847)	0	(847)
10	DEFERRED INCOME TAXES		(2,983)	0		(2,983)	344	(2,639)
11	WORKING CAPITAL ALLOWANCE		4,906	0		4,906	(1,685)	3,221
12	OTHER		0	0		0	0	0
	RATE BASE	$	65,584	0	$	65,584	(1,323)	64,261

SSU/ APACHE SHORES
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-13	(103)	532
3 Realloc of River Park common plant S-1	55	41
Total	(48)	573
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(2,897)	(321)
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	5	(100)
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(28)	(20)
Total	(23)	(120)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	(47)	(114)
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	(47)	(114)
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	3,109	505
2 Credit Deferred Taxes on Depreciation	(155)	(161)
Total	2,954	344
WORKING CAPITAL		
To reflect the plant specific allocation	(2,267)	(1,685)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ APACHE SHORES
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	13,907	33,496 $	47,403	55,889	103,292	(58,417)	44,875
	OPERATING EXPENSES:						-56.56%	
2	OPERATION AND MAINTENANCE	27,041	1,390 $	28,431	(1,245)	27,186 $		27,186
3	DEPRECIATION	5,807	0	5,807	(167)	5,640		5,640
4	AMORTIZATION	(40)	0	(40)	0	(40)		(40)
5	TAXES OTHER THAN INCOME	3,688	1,200	4,888	2,422	7,310	(2,629)	4,681
6	INCOME TAXES	(10,323)	11,922	1,599	21,213	22,812	(21,520)	1,292
7	TOTAL OPERATING EXPENSES	26,173	14,512 $	40,685	22,223	62,908	(24,149)	38,758
8	OPERATING INCOME	(12,266)	18,984 $	6,718	33,666	40,384	(34,268)	6,116
9	RATE BASE	65,117	$	65,117		62,789		62,789
	RATE OF RETURN	-18.84%		10.32%		64.32%		9.74%

SSU/ APACHE SHORES
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	24,534	19,703 $	44,237	30,811	75,048	(32,201)	42,847
	OPERATING EXPENSES						-42.91%	
2	OPERATION AND MAINTENANCE	24,587	1,223 $	25,810	(1,244)	24,566 $		24,566
3	DEPRECIATION	5,170	0	5,170	33	5,203		5,203
4	AMORTIZATION	(60)	0	(60)	0	(60)		(60)
5	TAXES OTHER THAN INCOME	5,759	(110)	5,649	1,359	7,008	(1,449)	5,559
6	INCOME TAXES	(5,843)	6,745	902	12,280	13,182	(11,862)	1,320
7	TOTAL OPERATING EXPENSES	29,613	7,858 $	37,471	12,428	49,899	(13,311)	36,588
8	OPERATING INCOME	(5,079)	11,845 $	6,766	18,383	25,149	(18,889)	6,260
9	RATE BASE	65,584	$	65,584		64,261		64,261
	RATE OF RETURN	-7.74%		10.32%		39.14%		9.74%

SSU/ APACHE SHORES
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	33,496	19,703
2	Billing determinants I-75	22,385	11,102
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	8	6
	Total	55,889	30,811
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(463)	(36)
2	Correct attrition rate from 5.87% to 5.75% S-10	(15)	(12)
3	Keystone Heights APT expenses I-58	0	0
4	Hewitt study I-82	(216)	(231)
5	Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(326)	(243)
6	Hepatitis Amortization Adjustment I-86	(9)	(6)
7	Budgeted overtime to rate case expense S-11	(38)	(28)
8	Remove SSU proposed repression adjustment I-74	113	0
9	OAP Amortization I-86a	(43)	(32)
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(9)	(7)
12	Conservation Expense I-92	(167)	(184)
13	Current rate case expense I-93	106	78
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(14)	(10)
15	Jurisdiction Docket Expense I-95	(27)	(30)
16	920199 rate case expense I-96	237	171
17	True-up budget adjustment I-99	(294)	(610)
18	Emply recognition normalization I-100	(13)	(15)
19	Gains/Losses I-105	(67)	(49)
	Total	(1,245)	(1,244)
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage adjustment I-13	(10)	26
3	Reallocate Common Plant River Park S-1	22	17
4	Imputation of CIAC-MR I-48	0	0
5	Net used and useful adjustment	(179)	(10)
6	Marco ASR Cost Share I-51	0	0
	Total	(167)	33
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	2,515	1,386
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	(38)	31
4	Discounts received on property taxes S-14	(55)	(58)
	Total	2,422	1,359
	INCOME TAXES		
	To adjust to test year income tax expense	21,213	12,280

SSU/ APPLE VALLEY
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1 UTILITY PLANT IN SERVICE	$	1,173,904	0	$ 1,173,904	(1,756)	1,172,148
2 LAND & LAND RIGHTS		2,700	0	2,700	0	2,700
3 NON-USED & USEFUL COMPONENTS		0	0	0	0	0
4 ACCUMULATED DEPRECIATION		(434,817)	0	(434,817)	(10)	(434,827)
5 CIAC		(340,511)	(495)	(341,006)	0	(341,006)
6 AMORTIZATION OF CIAC		148,741	0	148,741	0	148,741
7 ACQUISITION ADJUSTMENTS - NET		0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS		(7,113)	0	(7,113)	0	(7,113)
10 DEFERRED INCOME TAXES		(3,142)	0	(3,142)	69,092	65,950
11 WORKING CAPITAL ALLOWANCE		41,202	0	41,202	(14,155)	27,047
12 OTHER		0	0	0	0	0
RATE BASE	$	580,964	(495)	$ 580,469	53,171	633,640

SSU/ APPLE VALLEY
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	168,251	0	$	168,251	(53)	168,198
2	LAND		1,764	0		1,764	0	1,764
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(82,539)	0		(82,539)	(7)	(82,546)
5	CIAC		(65,163)	0		(65,163)	0	(65,163)
6	AMORTIZATION OF CIAC		40,061	0		40,061	0	40,061
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,252)	0		(1,252)	0	(1,252)
10	DEFERRED INCOME TAXES		(2,846)	0		(2,846)	20,708	17,862
11	WORKING CAPITAL ALLOWANCE		7,250	0		7,250	(2,491)	4,759
12	OTHER		0	0		0	0	0
	RATE BASE	$	65,526	0	$	65,526	18,157	83,683

SSU/ APPLE VALLEY
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-13	(2,098)	(113)
3 Realloc of River Park common plant S-1	342	60
Total	(1,756)	(53)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	162	23
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(172)	(30)
Total	(10)	(7)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	70,231	20,871
2 Credit Deferred Taxes on Depreciation	(1,139)	(163)
Total	69,092	20,708
WORKING CAPITAL		
To reflect the plant specific allocation	(14,155)	(2,491)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ APPLE VALLEY
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	230,363	74,866 $	305,229	(132,943)	172,286	128,027	300,313
	OPERATING EXPENSES:						74.31%	
2	OPERATION AND MAINTENANCE	148,072	6,531 $	154,603	(4,361)	150,242 $		150,242
3	DEPRECIATION	38,445	0	38,445	9	38,454		38,454
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	33,601	3,734	37,335	(6,388)	30,947	5,761	36,708
6	INCOME TAXES	(9,972)	24,930	14,958	(48,935)	(33,977)	47,164	13,187
7	TOTAL OPERATING EXPENSES	210,146	35,195 $	245,341	(59,675)	185,666	52,925	238,591
8	OPERATING INCOME	20,217	39,671 $	59,888	(73,268)	(13,380)	75,102	61,722
9	RATE BASE	580,964	$	580,469		633,640		633,640
	RATE OF RETURN	3.48%		10.32%		-2.11%		9.74%

SSU/ APPLE VALLEY
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	63,208	6,548 $	69,756	(14,633)	55,123	16,260	71,383
	OPERATING EXPENSES						29.50%	
2	OPERATION AND MAINTENANCE	51,182	1,300 $	52,482	(1,728)	50,754 $		50,754
3	DEPRECIATION	5,555	0	5,555	14	5,569		5,569
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	4,805	352	5,157	(716)	4,441	732	5,172
6	INCOME TAXES	(990)	791	(199)	(4,054)	(4,253)	5,990	1,737
7	TOTAL OPERATING EXPENSES	60,552	2,443 $	62,995	(6,485)	56,510	6,722	63,232
8	OPERATING INCOME	2,656	4,105 $	6,761	(8,148)	(1,387)	9,538	8,151
9	RATE BASE	65,526	$	65,526		83,683		83,683
	RATE OF RETURN	4.05%		10.32%		-1.66%		9.74%

SSU/ APPLE VALLEY
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(74,866)	(6,548)
2 Billing determinants I-75	(58,125)	(8,093)
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	48	8
Total	(132,943)	(14,633)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(299)	(53)
2 Correct attrition rate from 5.87% to 5.75% S-10	(97)	(17)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(1,351)	(341)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(2,038)	(359)
6 Hepatitis Amortization Adjustment I-86	(53)	(9)
7 Budgeted overtime to rate case expense S-11	(235)	(41)
8 Remove SSU proposed repression adjustment I-74	1,537	0
9 OAP Amortization I-86a	(270)	(48)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(59)	(10)
12 Conservation Expense I-92	(1,045)	(184)
13 Current rate case expense I-93	659	116
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(87)	(15)
15 Jurisdiction Docket Expense I-95	(170)	(30)
16 920199 rate case expense I-96	1,478	253
17 True-up budget adjustment I-99	(1,832)	(902)
18 Emply recognition normalization I-100	(83)	(15)
19 Gains/Losses I-105	(416)	(73)
Total	(4,361)	(1,728)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(131)	(11)
3 Reallocate Common Plant River Park S-1	140	25
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	9	14
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(5,982)	(658)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(406)	(58)
Total	(6,388)	(716)
INCOME TAXES		
To adjust to test year income tax expense	(48,935)	(4,054)

SSU/ BAY LAKE ESTATES
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	100,669	0	$	100,669	(23)	100,646
2	LAND & LAND RIGHTS		298	0		298	0	298
3	NON-USED & USEFUL COMPONENTS		(1,441)	0		(1,441)	16	(1,425)
4	ACCUMULATED DEPRECIATION		(43,206)	0		(43,206)	(3)	(43,209)
5	CIAC		(12,607)	0		(12,607)	0	(12,607)
6	AMORTIZATION OF CIAC		8,825	0		8,825	0	8,825
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(525)	0		(525)	0	(525)
10	DEFERRED INCOME TAXES		(144)	0		(144)	(1,088)	(1,232)
11	WORKING CAPITAL ALLOWANCE		3,039	0		3,039	(1,044)	1,995
12	OTHER		0	0		0	0	0
	RATE BASE	$	54,908	0	$	54,908	(2,142)	52,766

SSU/ BAY LAKE ESTATES
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-13	(48)	0
3 Realloc of River Park common plant S-1	25	0
Total	(23)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	16	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	10	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(13)	0
Total	(3)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	(990)	0
2 Credit Deferred Taxes on Depreciation	(98)	0
Total	(1,088)	0
WORKING CAPITAL		
To reflect the plant specific allocation	(1,044)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ BAY LAKE ESTATES
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	13,985	26,187 $	40,172	(12,540)	27,632	11,302	38,934
	OPERATING EXPENSES:						40.90%	
2	OPERATION AND MAINTENANCE	24,720	840 $	25,560	(285)	25,275 $		25,275
3	DEPRECIATION	3,579	0	3,579	7	3,586		3,586
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	2,757	1,167	3,924	(597)	3,327	509	3,836
6	INCOME TAXES	(7,883)	9,327	1,444	(4,510)	(3,066)	4,163	1,097
7	TOTAL OPERATING EXPENSES	23,173	11,334 $	34,507	(5,385)	29,122	4,672	33,794
8	OPERATING INCOME	(9,188)	14,853 $	5,665	(7,155)	(1,490)	6,630	5,140
9	RATE BASE	54,908	$	54,908		52,766		52,766
	RATE OF RETURN	-16.73%		10.32%		-2.82%		9.74%

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SSU/ BAY LAKE ESTATES
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
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	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	(26,187)	0
2	Billing determinants I-75	13,643	0
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	4	0
	Total	(12,540)	0
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(22)	0
2	Correct attrition rate from 5.87% to 5.75% S-10	(7)	0
3	Keystone Heights APT expenses I-58	0	0
4	Hewitt study I-82	(100)	0
5	Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(150)	0
6	Hepatitis Amortization Adjustment I-86	(4)	0
7	Budgeted overtime to rate case expense S-11	(17)	0
8	Remove SSU proposed repression adjustment I-74	149	0
9	OAP Amortization I-86a	(20)	0
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(4)	0
12	Conservation Expense I-92	(77)	0
13	Current rate case expense I-93	49	0
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(6)	0
15	Jurisdiction Docket Expense I-95	(13)	0
16	920199 rate case expense I-96	109	0
17	True-up budget adjustment I-99	(135)	0
18	Emply recognition normalization I-100	(6)	0
19	Gains/Losses I-105	(31)	0
	Total	(285)	0
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage adjustment I-13	(5)	0
3	Reallocate Common Plant River Park S-1	10	0
4	Imputation of CIAC-MR I-48	0	0
5	Net used and useful adjustment	2	0
6	Marco ASR Cost Share I-51	0	0
	Total	7	0
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	(564)	0
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	2	0
4	Discounts received on property taxes S-14	(35)	0
	Total	(597)	0
	INCOME TAXES		
	To adjust to test year income tax expense	(4,510)	0

SSU/ BEACON HILLS
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	5,521,406	0	$	5,521,406	(90,059)	5,431,347
2	LAND & LAND RIGHTS		50,342	0		50,342	0	50,342
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(1,081,398)	0		(1,081,398)	12,922	(1,068,476)
5	CIAC		(2,325,870)	(3,041)		(2,328,911)	0	(2,328,911)
6	AMORTIZATION OF CIAC		555,462	0		555,462	0	555,462
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(22,777)	0		(22,777)	0	(22,777)
10	DEFERRED INCOME TAXES		76,094	0		76,094	429,134	505,228
11	WORKING CAPITAL ALLOWANCE		131,941	0		131,941	(45,329)	86,612
12	OTHER		0	0		0	0	0
	RATE BASE	$	2,905,200	(3,041)	$	2,902,159	306,668	3,208,827

SSU/ BEACON HILLS
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	6,132,346	0	$	6,132,346	(53,285)	6,079,061
2	LAND		23,293	0		23,293	0	23,293
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(1,539,966)	21,500		(1,518,466)	739	(1,517,727)
5	CIAC		(3,674,805)	(4,505)		(3,679,310)	0	(3,679,310)
6	AMORTIZATION OF CIAC		991,513	0		991,513	0	991,513
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(21,997)	0		(21,997)	0	(21,997)
10	DEFERRED INCOME TAXES		224,602	0		224,602	585,348	809,950
11	WORKING CAPITAL ALLOWANCE		127,426	0		127,426	(43,778)	83,648
12	OTHER		0	0		0	0	0
	RATE BASE	$	2,262,412	16,995	$	2,279,407	489,024	2,768,431

SSU/ BEACON HILLS ADJUSTMENTS TO RATE BASE TEST YEAR ENDED 12/31/96	SCHEDULE NO. 3-C DOCKET NO. 950495-WS PAGE 1 OF 1	
EXPLANATION	**WATER**	**WASTEWATER**
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-13	(91,154)	(54,343)
3 Realloc of River Park common plant S-1	1,095	1,058
Total	(90,059)	(53,285)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	13,473	1,271
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(551)	(532)
Total	12,922	739
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	434,410	591,254
2 Credit Deferred Taxes on Depreciation	(5,276)	(5,906)
Total	429,134	585,348
WORKING CAPITAL		
To reflect the plant specific allocation	(45,329)	(43,778)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ BEACON HILLS
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	856,196	235,665 $	1,091,861	(490,651)	601,210	485,445	1,086,655
	OPERATING EXPENSES:						80.74%	
2	OPERATION AND MAINTENANCE	471,448	15,115 $	486,563	(1,355)	485,208 $		485,208
3	DEPRECIATION	154,422	0	154,422	(6,062)	148,360		148,360
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	64,083	11,594	75,677	(23,960)	51,717	21,845	73,562
6	INCOME TAXES	(4,883)	80,667	75,784	(187,658)	(111,874)	178,834	66,960
7	TOTAL OPERATING EXPENSES	685,070	107,376 $	792,446	(219,035)	573,411	200,679	774,090
8	OPERATING INCOME	171,126	128,289 $	299,415	(271,616)	27,799	284,767	312,566
9	RATE BASE	2,905,200	$	2,902,159		3,208,827		3,208,827
	RATE OF RETURN	5.89%		10.32%		0.87%		9.74%

SSU/ BEACON HILLS
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	1,411,659	(75,062) $	1,336,597	(151,458)	1,185,139	196,820	1,381,959
	OPERATING EXPENSES						16.61%	
2	OPERATION AND MAINTENANCE	844,245	29,747 $	873,992	(30,358)	843,634 $		843,634
3	DEPRECIATION	122,371	0	122,371	(1,510)	120,861		120,861
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	92,623	(2,032)	90,591	(8,921)	81,670	8,857	90,527
6	INCOME TAXES	78,974	(64,498)	14,476	(29,714)	(15,238)	72,507	57,269
7	TOTAL OPERATING EXPENSES	1,138,213	(36,783) $	1,101,430	(70,502)	1,030,928	81,364	1,112,291
8	OPERATING INCOME	273,446	(38,279) $	235,167	(80,956)	154,211	115,456	269,668
9	RATE BASE	2,262,412	$	2,279,407		2,768,431		2,768,431
	RATE OF RETURN	12.09%		10.32%		5.57%		9.74%

SSU/ BEACON HILLS
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	(235,665)	75,062
2	Billing determinants I-75	(255,140)	(226,669)
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	154	149
	Total	(490,651)	(151,458)
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(958)	(925)
2	Correct attrition rate from 5.87% to 5.75% S-10	(310)	(299)
3	Keystone Heights APT expenses I-58	0	0
4	Hewitt study I-82	(4,325)	(6,000)
5	Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(6,525)	(6,302)
6	Hepatitis Amortization Adjustment I-86	(170)	(164)
7	Budgeted overtime to rate case expense S-11	(751)	(725)
8	Remove SSU proposed repression adjustment I-74	8,006	0
9	OAP Amortization I-86a	(866)	(836)
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(188)	(182)
12	Conservation Expense I-92	(3,345)	(3,231)
13	Current rate case expense I-93	2,110	2,038
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(278)	(268)
15	Jurisdiction Docket Expense I-95	(543)	(525)
16	920199 rate case expense I-96	4,732	4,452
17	True-up budget adjustment I-99	3,652	(15,849)
18	Emply recognition normalization I-100	(265)	(256)
19	Gains/Losses I-105	(1,331)	(1,286)
	Total	(1,355)	(30,358)
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage adjustment I-13	(6,512)	(1,944)
3	Reallocate Common Plant River Park S-1	450	434
4	Imputation of CIAC-MR I-48	0	0
5	Net used and useful adjustment	0	0
6	Marco ASR Cost Share I-51	0	0
	Total	(6,062)	(1,510)
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	(22,079)	(6,816)
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	0	0
4	Discounts received on property taxes S-14	(1,881)	(2,105)
	Total	(23,960)	(8,921)
	INCOME TAXES		
	To adjust to test year income tax expense	(187,658)	(29,714)

SSU/ BEECHER'S POINT
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	273,167	0	$	273,167	(12,087)	261,080
2	LAND & LAND RIGHTS		15,123	0		15,123	0	15,123
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(39,129)	0		(39,129)	575	(38,554)
5	CIAC		(42,558)	(13)		(42,571)	0	(42,571)
6	AMORTIZATION OF CIAC		14,672	0		14,672	(191)	14,481
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(322)	0		(322)	0	(322)
10	DEFERRED INCOME TAXES		7,891	0		7,891	(8,483)	(592)
11	WORKING CAPITAL ALLOWANCE		1,867	0		1,867	(641)	1,226
12	OTHER		0	0		0	0	0
	RATE BASE	$	230,711	(13)	$	230,698	(20,827)	209,871

SSU/ BEECHER'S POINT
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	95,383	0	$	95,383	(5)	95,378
2	LAND		4,560	0		4,560	0	4,560
3	NON-USED & USEFUL COMPONENTS		(21,986)	0		(21,986)	(272)	(22,258)
4	ACCUMULATED DEPRECIATION		(26,783)	0		(26,783)	(1)	(26,784)
5	CIAC		(17,181)	(2)		(17,183)	0	(17,183)
6	AMORTIZATION OF CIAC		9,125	0		9,125	(179)	8,946
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(120)	0		(120)	0	(120)
10	DEFERRED INCOME TAXES		(1,891)	0		(1,891)	491	(1,400)
11	WORKING CAPITAL ALLOWANCE		695	0		695	(239)	456
12	OTHER		0	0		0	0	0
	RATE BASE	$	41,802	(2)	$	41,800	(205)	41,595

SSU/ BEECHER'S POINT
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-13	(12,102)	(11)
3 Realloc of River Park common plant S-1	15	6
Total	(12,087)	(5)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	(272)
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	583	2
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(8)	(3)
Total	575	(1)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	(191)	(179)
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	(191)	(179)
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	(8,229)	584
2 Credit Deferred Taxes on Depreciation	(254)	(93)
Total	(8,483)	491
WORKING CAPITAL		
To reflect the plant specific allocation	(641)	(239)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ BEECHER'S POINT
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	12,816	68,948 $	81,764	(45,202)	36,562	41,185	77,747
	OPERATING EXPENSES:						112.64%	
2	OPERATION AND MAINTENANCE	39,876	(1,603)$	38,273	1,977	40,250 $		40,250
3	DEPRECIATION	7,184	0	7,184	(278)	6,906		6,906
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	2,871	3,135	6,006	(2,124)	3,882	1,853	5,735
6	INCOME TAXES	(19,507)	26,007	6,500	(17,259)	(10,759)	15,172	4,413
7	TOTAL OPERATING EXPENSES	30,424	27,539 $	57,963	(17,685)	40,278	17,026	57,304
8	OPERATING INCOME	(17,608)	41,409 $	23,801	(27,517)	(3,716)	24,160	20,443
9	RATE BASE	230,711	$	230,698		209,871		209,871
	RATE OF RETURN	-7.63%		10.32%		-1.77%		9.74%

SSU/ BEECHER'S POINT
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	14,235	71,364 $	85,599	(53,765)	31,834	53,520	85,354
	OPERATING EXPENSES						168.12%	
2	OPERATION AND MAINTENANCE	71,437	856 $	72,293	(166)	72,127 $		72,127
3	DEPRECIATION	2,679	0	2,679	(13)	2,666		2,666
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	2,766	2,906	5,672	(2,430)	3,242	2,408	5,650
6	INCOME TAXES	(25,187)	25,830	643	(19,500)	(18,857)	19,716	859
7	TOTAL OPERATING EXPENSES	51,695	29,592 $	81,287	(22,109)	59,178	22,125	81,303
8	OPERATING INCOME	(37,460)	41,772 $	4,312	(31,656)	(27,344)	31,395	4,052
9	RATE BASE	41,802	$	41,800		41,595		41,595
	RATE OF RETURN	-89.61%		10.32%		-65.74%		9.74%

SSU/ BEECHER'S POINT
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	(68,948)	(71,364)
2	Billing determinants I-75	23,744	17,598
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	2	1
	Total	(45,202)	(53,765)
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(14)	(5)
2	Correct attrition rate from 5.87% to 5.75% S-10	(4)	(2)
3	Keystone Heights APT expenses I-58	0	0
4	Hewitt study I-82	(61)	(33)
5	Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(92)	(34)
6	Hepatitis Amortization Adjustment I-86	(2)	(1)
7	Budgeted overtime to rate case expense S-11	(11)	(4)
8	Remove SSU proposed repression adjustment I-74	2,244	0
9	OAP Amortization I-86a	(12)	(5)
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(3)	(1)
12	Conservation Expense I-92	(47)	(18)
13	Current rate case expense I-93	30	11
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(4)	(1)
15	Jurisdiction Docket Expense I-95	(8)	(3)
16	920199 rate case expense I-96	67	24
17	True-up budget adjustment I-99	(83)	(86)
18	Emply recognition normalization I-100	(4)	(1)
19	Gains/Losses I-105	(19)	(7)
	Total	1,977	(166)
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage adjustment I-13	(284)	(1)
3	Reallocate Common Plant River Park S-1	6	2
4	Imputation of CIAC-MR I-48	0	0
5	Net used and useful adjustment	0	(14)
6	Marco ASR Cost Share I-51	0	0
	Total	(278)	(13)
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	(2,034)	(2,419)
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	0	22
4	Discounts received on property taxes S-14	(90)	(33)
	Total	(2,124)	(2,430)
	INCOME TAXES		
	To adjust to test year income tax expense	(17,259)	(19,500)

SSU/ BUENAVENTURA LAKES
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	7,894,223	0	$	7,894,223	5,563	7,899,786
2	LAND & LAND RIGHTS		41,400	0		41,400	0	41,400
3	NON-USED & USEFUL COMPONENTS		58,335	0		58,335	(17,125)	41,210
4	ACCUMULATED DEPRECIATION		(2,563,694)	0		(2,563,694)	(287,074)	(2,850,768)
5	CIAC		(3,609,298)	0		(3,609,298)	(130,981)	(3,740,279)
6	AMORTIZATION OF CIAC		1,015,026	0		1,015,026	87,393	1,102,419
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(64,448)	0		(64,448)	0	(64,448)
10	DEFERRED INCOME TAXES		302,547	0		302,547	(425,999)	(123,452)
11	WORKING CAPITAL ALLOWANCE		373,334	0		373,334	(128,262)	245,072
12	OTHER		0	0		0	0	0
	RATE BASE	$	3,447,425	0	$	3,447,425	(896,485)	2,550,940

9954

SSU/ BUENAVENTURA LAKES
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	17,642,717	0	$	17,642,717	(302,736)	17,339,981
2	LAND		992,827	0		992,827	(538)	992,289
3	NON-USED & USEFUL COMPONENTS		(531,528)	0		(531,528)	(169)	(531,697)
4	ACCUMULATED DEPRECIATION		(5,219,609)	0		(5,219,609)	(374,552)	(5,594,161)
5	CIAC		(7,103,699)	0		(7,103,699)	(285,489)	(7,389,188)
6	AMORTIZATION OF CIAC		1,469,972	0		1,469,972	245,723	1,715,695
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(51,632)	0		(51,632)	0	(51,632)
10	DEFERRED INCOME TAXES		742,704	0		742,704	(1,057,971)	(315,267)
11	WORKING CAPITAL ALLOWANCE		299,092	0		299,092	(102,756)	196,336
12	OTHER		0	0		0	0	0
	RATE BASE	$	8,240,844	0	$	8,240,844	(1,678,488)	6,362,356

SSU/ BUENAVENTURA LAKES
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	31,494	(284,536)
2 To adjust for Plant Slippage/Double Bookings I-13	(29,030)	(20,683)
3 Realloc of River Park common plant S-1	3,099	2,483
Total	5,563	(302,736)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	(538)
Total	0	(538)
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(17,125)	(169)
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	(283,987)	(372,035)
2 Plant Slippage/Double Bookings I-13	(1,528)	(1,268)
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(1,559)	(1,249)
Total	(287,074)	(374,552)
CIAC		
1 BVL transfer I-11	(126,635)	(285,489)
2 Imputation of CIAC-MR I-48	(4,346)	0
3 Marco ASR Cost Share I-51	0	0
Total	(130,981)	(285,489)
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	87,319	245,723
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	74	0
5 Marco ASR Cost Share I-51	0	0
Total	87,393	245,723
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	(418,325)	(1,041,126)
2 Credit Deferred Taxes on Depreciation	(7,674)	(16,845)
Total	(425,999)	(1,057,971)
WORKING CAPITAL		
To reflect the plant specific allocation	(128,262)	(102,756)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ BUENAVENTURA LAKES
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	1,303,589	568,032 $	1,871,621	(635,710)	1,235,911	400,677	1,636,588
	OPERATING EXPENSES:						32.42%	
2	OPERATION AND MAINTENANCE	920,478	54,535 $	975,013	(77,773)	897,240 $		897,240
3	DEPRECIATION	244,214	0	244,214	(2,571)	241,643		241,643
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	99,929	110,602	210,531	(31,280)	179,251	18,030	197,282
6	INCOME TAXES	(69,225)	155,417	86,192	(181,856)	(95,664)	147,606	51,942
7	TOTAL OPERATING EXPENSES	1,195,396	320,554 $	1,515,950	(293,481)	1,222,469	165,636	1,388,106
8	OPERATING INCOME	108,193	247,478 $	355,671	(342,229)	13,442	235,041	248,482
9	RATE BASE	3,447,425	$	3,447,425		2,550,940		2,550,940
	RATE OF RETURN	3.14%		10.32%		0.53%		9.74%

SSU/ BUENAVENTURA LAKES
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	2,780,493	656,484 $	3,436,977	(631,233)	2,805,744	263,539	3,069,283
	OPERATING EXPENSES						9.39%	
2	OPERATION AND MAINTENANCE	1,539,414	62,624 $	1,602,038	(95,809)	1,506,229 $		1,506,229
3	DEPRECIATION	453,990	0	453,990	(18,820)	435,170		435,170
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	181,030	218,730	399,760	(33,880)	365,880	11,859	377,739
6	INCOME TAXES	34,540	96,441	130,981	(97,667)	33,314	97,085	130,399
7	TOTAL OPERATING EXPENSES	2,208,974	377,795 $	2,586,769	(246,176)	2,340,593	108,945	2,449,538
8	OPERATING INCOME	571,519	278,689 $	850,208	(385,057)	465,151	154,594	619,745
9	RATE BASE	8,240,844	$	8,240,844		6,362,356		6,362,356
	RATE OF RETURN	6.94%		10.32%		7.31%		9.74%

SSU/ BUENAVENTURA LAKES
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(568,032)	(656,484)
2 Billing determinants I-75	(68,115)	24,901
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	437	350
Total	(635,710)	(631,233)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(2,711)	(2,172)
2 Correct attrition rate from 5.87% to 5.75% S-10	(877)	(702)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(12,239)	(14,084)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(18,463)	(14,791)
6 Hepatitis Amortization Adjustment I-86	(481)	(386)
7 Budgeted overtime to rate case expense S-11	(2,125)	(1,702)
8 Remove SSU proposed repression adjustment I-74	6,646	0
9 OAP Amortization I-86a	(2,450)	(1,962)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(533)	(427)
12 Conservation Expense I-92	(9,465)	(7,583)
13 Current rate case expense I-93	5,974	4,784
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(7,443)	(5,963)
15 Jurisdiction Docket Expense I-95	(1,538)	(1,232)
16 920199 rate case expense I-96	(14,714)	(11,788)
17 True-up budget adjustment I-99	(16,604)	(37,200)
18 Emply recognition normalization I-100	(750)	(601)
19 Gains/Losses I-105	0	0
Total	(77,773)	(95,809)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	(2,217)	(18,982)
2 Plant slippage adjustment I-13	(1,018)	(845)
3 Reallocate Common Plant River Park S-1	1,272	1,019
4 Imputation of CIAC-MR I-48	(147)	0
5 Net used and useful adjustment	(461)	(12)
6 Marco ASR Cost Share I-51	0	0
Total	(2,571)	(18,820)
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(28,607)	(28,405)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	63	530
4 Discounts received on property taxes S-14	(2,736)	(6,005)
Total	(31,280)	(33,880)
INCOME TAXES		
To adjust to test year income tax expense	(181,856)	(97,667)

SSU/ BURNT STORE
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	6,773,192	0	$	6,773,192	(107,030)	6,666,162
2	LAND & LAND RIGHTS		33,695	0		33,695	0	33,695
3	NON-USED & USEFUL COMPONENTS		(1,472,550)	0		(1,472,550)	(724,680)	(2,197,230)
4	ACCUMULATED DEPRECIATION		(1,383,040)	144,511		(1,238,529)	(137,515)	(1,376,044)
5	CIAC		(355,357)	(12)		(355,369)	0	(355,369)
6	AMORTIZATION OF CIAC		71,305	0		71,305	0	71,305
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(2,871)	0		(2,871)	0	(2,871)
10	DEFERRED INCOME TAXES		(21,287)	0		(21,287)	(48,760)	(70,047)
11	WORKING CAPITAL ALLOWANCE		16,628	0		16,628	(5,713)	10,915
12	OTHER		0	0		0	0	0
	RATE BASE	$	3,659,715	144,499	$	3,804,214	(1,023,697)	2,780,517

SSU/ BURNT STORE
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1 UTILITY PLANT IN SERVICE	$	5,418,671	0	$ 5,418,671	(16,237)	5,402,434
2 LAND		33,549	0	33,549	0	33,549
3 NON-USED & USEFUL COMPONENTS		(1,073,438)	0	(1,073,438)	210,122	(863,316)
4 ACCUMULATED DEPRECIATION		(1,827,061)	247,282	(1,579,779)	(246,954)	(1,826,733)
5 CIAC		(3,813,225)	0	(3,813,225)	0	(3,813,225)
6 AMORTIZATION OF CIAC		1,222,060	0	1,222,060	0	1,222,060
7 ACQUISITION ADJUSTMENTS - NET		0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS		(2,488)	0	(2,488)	0	(2,488)
10 DEFERRED INCOME TAXES		(60,822)	0	(60,822)	(17,404)	(78,226)
11 WORKING CAPITAL ALLOWANCE		14,414	0	14,414	(4,952)	9,462
12 OTHER		0	0	0	0	0
RATE BASE	$	(88,340)	247,282	$ 158,942	(75,425)	83,517

SSU/ BURNT STORE ADJUSTMENTS TO RATE BASE TEST YEAR ENDED 12/31/96	SCHEDULE NO. 3-C DOCKET NO. 950495-WS PAGE 1 OF 1	
EXPLANATION	**WATER**	**WASTEWATER**
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-13	(107,168)	(16,357)
3 Realloc of River Park common plant S-1	138	120
Total	(107,030)	(16,237)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(724,680)	210,122
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	1,662	388
3 Reverse Depr on prior N-U/U assets I-46	(139,108)	(247,282)
4 Realloc of River Park Common Plant S-1	(69)	(60)
Total	(137,515)	(246,954)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	(42,284)	(12,156)
2 Credit Deferred Taxes on Depreciation	(6,476)	(5,248)
Total	(48,760)	(17,404)
WORKING CAPITAL		
To reflect the plant specific allocation	(5,713)	(4,952)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ BURNT STORE
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	193,233	810,414 $	1,003,647	(377,845)	625,802	140,281	766,083
	OPERATING EXPENSES:						22.42%	
2	OPERATION AND MAINTENANCE	205,011	4,953 $	209,964	(898)	209,066 $		209,066
3	DEPRECIATION	180,941	0	180,941	(44,926)	136,015		136,015
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	84,260	35,329	119,589	(33,061)	86,528	6,313	92,840
6	INCOME TAXES	(193,459)	294,129	100,670	(95,031)	5,639	51,678	57,317
7	TOTAL OPERATING EXPENSES	276,753	334,411 $	611,164	(173,917)	437,247	57,991	495,238
8	OPERATING INCOME	(83,520)	476,003 $	392,483	(203,928)	188,555	82,290	270,845
9	RATE BASE	3,659,715	$	3,804,214		2,780,517		2,780,517
	RATE OF RETURN	-2.28%		10.32%		6.78%		9.74%

SSU/ BURNT STORE
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	296,322	(53,429) $	242,893	156,944	399,837	(141,568)	258,269
	OPERATING EXPENSES						-35.41%	
2	OPERATION AND MAINTENANCE	190,367	5,376 $	195,743	(3,434)	192,309 $		192,309
3	DEPRECIATION	12,919	0	12,919	8,477	21,396		21,396
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	73,555	(36,822)	36,733	6,218	42,951	(6,371)	36,580
6	INCOME TAXES	(230)	(18,670)	(18,900)	70,901	52,001	(52,152)	(152)
7	TOTAL OPERATING EXPENSES	276,611	(50,116) $	226,495	82,162	308,657	(58,523)	250,134
8	OPERATING INCOME	19,711	(3,313) $	16,398	74,782	91,180	(83,045)	8,135
9	RATE BASE	(88,340)	$	158,942		83,517		83,517
	RATE OF RETURN	-22.31%		10.32%		109.18%		9.74%

SSU/ BURNT STORE
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	(810,414)	53,429
2	Billing determinants I-75	432,550	103,498
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	19	17
	Total	(377,845)	156,944
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(121)	(105)
2	Correct attrition rate from 5.87% to 5.75% S-10	(39)	(34)
3	Keystone Heights APT expenses I-58	0	0
4	Hewitt study I-82	(545)	(679)
5	Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(822)	(713)
6	Hepatitis Amortization Adjustment I-86	(21)	(19)
7	Budgeted overtime to rate case expense S-11	(95)	(82)
8	Remove SSU proposed repression adjustment I-74	1,482	0
9	OAP Amortization I-86a	(109)	(95)
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(24)	(21)
12	Conservation Expense I-92	(422)	(365)
13	Current rate case expense I-93	266	231
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(35)	(30)
15	Jurisdiction Docket Expense I-95	(68)	(59)
16	920199 rate case expense I-96	596	504
17	True-up budget adjustment I-99	(740)	(1,793)
18	Emply recognition normalization I-100	(33)	(29)
19	Gains/Losses I-105	(168)	(145)
	Total	(898)	(3,434)
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage adjustment I-13	(3,247)	(707)
3	Reallocate Common Plant River Park S-1	57	49
4	Imputation of CIAC-MR I-48	0	0
5	Net used and useful adjustment	(41,736)	9,136
6	Marco ASR Cost Share I-51	0	0
	Total	(44,926)	8,477
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	(17,003)	7,062
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	(13,750)	1,026
4	Discounts received on property taxes S-14	(2,308)	(1,871)
	Total	(33,061)	6,218
	INCOME TAXES		
	To adjust to test year income tax expense	(95,031)	70,901

SSU/ CARLTON VILLAGE
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	442,006	0	$	442,006	(27,396)	414,610
2	LAND & LAND RIGHTS		6,711	0		6,711	0	6,711
3	NON-USED & USEFUL COMPONENTS		(61,260)	0		(61,260)	(135)	(61,395)
4	ACCUMULATED DEPRECIATION		(28,501)	0		(28,501)	440	(28,061)
5	CIAC		(46,532)	(288)		(46,820)	0	(46,820)
6	AMORTIZATION OF CIAC		12,862	0		12,862	0	12,862
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(944)	0		(944)	0	(944)
10	DEFERRED INCOME TAXES		(257)	0		(257)	5,200	4,943
11	WORKING CAPITAL ALLOWANCE		5,470	0		5,470	(1,879)	3,591
12	OTHER		0	0		0	0	0
	RATE BASE	$	329,555	(288)	$	329,267	(23,770)	305,497

SSU/ CARLTON VILLAGE
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-13	(27,441)	0
3 Realloc of River Park common plant S-1	45	0
Total	(27,396)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(135)	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	463	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(23)	0
Total	440	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	5,603	0
2 Credit Deferred Taxes on Depreciation	(403)	0
Total	5,200	0
WORKING CAPITAL		
To reflect the plant specific allocation	(1,879)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ CARLTON VILLAGE
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	25,134	64,662 $	89,796	(57,822)	31,974	48,949	80,923
	OPERATING EXPENSES:						153.09%	
2	OPERATION AND MAINTENANCE	26,220	1,095 $	27,315	(523)	26,792 $		26,792
3	DEPRECIATION	12,979	0	12,979	(883)	12,096		12,096
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	3,652	2,752	6,404	(2,740)	3,664	2,203	5,866
6	INCOME TAXES	(14,338)	23,465	9,127	(20,748)	(11,621)	18,033	6,411
7	TOTAL OPERATING EXPENSES	28,513	27,312 $	55,825	(24,895)	30,930	20,235	51,166
8	OPERATING INCOME	(3,379)	37,350 $	33,971	(32,927)	1,044	28,714	29,758
9	RATE BASE	329,555	$	329,267		305,497		305,497
	RATE OF RETURN	-1.03%		10.32%		0.34%		9.74%

SSU/ CARLTON VILLAGE
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	(64,662)	0
2	Billing determinants I-75	6,834	0
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	6	0
	Total	(57,822)	0
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(40)	0
2	Correct attrition rate from 5.87% to 5.75% S-10	(13)	0
3	Keystone Heights APT expenses I-58	0	0
4	Hewitt study I-82	(179)	0
5	Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(271)	0
6	Hepatitis Amortization Adjustment I-86	(7)	0
7	Budgeted overtime to rate case expense S-11	(31)	0
8	Remove SSU proposed repression adjustment I-74	262	0
9	OAP Amortization I-86a	(36)	0
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(8)	0
12	Conservation Expense I-92	(139)	0
13	Current rate case expense I-93	87	0
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(12)	0
15	Jurisdiction Docket Expense I-95	(23)	0
16	920199 rate case expense I-96	196	0
17	True-up budget adjustment I-99	(243)	0
18	Empty recognition normalization I-100	(11)	0
19	Gains/Losses I-105	(55)	0
	Total	(523)	0
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage adjustment I-13	(899)	0
3	Reallocate Common Plant River Park S-1	19	0
4	Imputation of CIAC-MR I-48	0	0
5	Net used and useful adjustment	(3)	0
6	Marco ASR Cost Share I-51	0	0
	Total	(883)	0
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	(2,602)	0
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	6	0
4	Discounts received on property taxes S-14	(144)	0
	Total	(2,740)	0
	INCOME TAXES		
	To adjust to test year income tax expense	(20,748)	0

SSU/ CHULUOTA
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	1,564,863	0	$	1,564,863	(190,830)	1,374,033
2	LAND & LAND RIGHTS		2,063	0		2,063	0	2,063
3	NON-USED & USEFUL COMPONENTS		(2,827)	0		(2,827)	(8,240)	(11,067)
4	ACCUMULATED DEPRECIATION		(212,377)	2,206		(210,171)	3,193	(206,978)
5	CIAC		(183,111)	(571)		(183,682)	0	(183,682)
6	AMORTIZATION OF CIAC		90,593	0		90,593	0	90,593
7	ACQUISITION ADJUSTMENTS - NET		11,667	0		11,667	0	11,667
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(4,977)	0		(4,977)	0	(4,977)
10	DEFERRED INCOME TAXES		(17,956)	0		(17,956)	8,971	(8,985)
11	WORKING CAPITAL ALLOWANCE		28,828	0		28,828	(9,904)	18,924
12	OTHER		0	0		0	0	0
	RATE BASE	$	1,276,766	1,635	$	1,278,401	(196,810)	1,081,591

SSU/ CHULUOTA
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1 UTILITY PLANT IN SERVICE	$	1,809,388	0	$ 1,809,388	(22,566)	1,786,822
2 LAND		287,046	0	287,046	0	287,046
3 NON-USED & USEFUL COMPONENTS		(257,121)	0	(257,121)	1,431	(255,690)
4 ACCUMULATED DEPRECIATION		(433,154)	33,185	(399,969)	244 *	(399,725)
5 CIAC		(98,793)	(56)	(98,849)	0	(98,849)
6 AMORTIZATION OF CIAC		59,131	0	59,131	0	59,131
7 ACQUISITION ADJUSTMENTS - NET		0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS		(1,004)	0	(1,004)	0	(1,004)
10 DEFERRED INCOME TAXES		(11,095)	0	(11,095)	(12,751)	(23,846)
11 WORKING CAPITAL ALLOWANCE		5,818	0	5,818	(1,999)	3,819
12 OTHER		0	0	0	0	0
RATE BASE	$	1,360,216	33,129	$ 1,393,345	(35,641)	1,357,704

SSU/ CHULUOTA
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-13	(191,069)	(22,614)
3 Realloc of River Park common plant S-1	239	48
Total	(190,830)	(22,566)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(8,240)	1,431
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	3,313	268
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(120)	(24)
Total	3,193	244
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	10,306	(11,015)
2 Credit Deferred Taxes on Depreciation	(1,335)	(1,736)
Total	8,971	(12,751)
WORKING CAPITAL		
To reflect the plant specific allocation	(9,904)	(1,999)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ CHULUOTA
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	122,339	280,503 $	402,842	(144,088)	258,754	84,263	343,017
	OPERATING EXPENSES:						32.57%	
2	OPERATION AND MAINTENANCE	130,136	3,976 $	134,112	(9,199)	124,913 $		124,913
3	DEPRECIATION	55,614	0	55,614	(6,956)	48,658		48,658
4	AMORTIZATION	801	0	801	0	801		801
5	TAXES OTHER THAN INCOME	31,894	12,657	44,551	(7,787)	36,764	3,792	40,556
6	INCOME TAXES	(65,884)	101,755	35,871	(44,179)	(8,308)	31,042	22,734
7	TOTAL OPERATING EXPENSES	152,561	118,388 $	270,949	(68,121)	202,828	34,834	237,662
8	OPERATING INCOME	(30,222)	162,115 $	131,893	(75,967)	55,926	49,430	105,356
9	RATE BASE	1,276,766	$	1,278,401		1,081,591		1,081,591
	RATE OF RETURN	-2.37%		10.32%		5.17%		9.74%

SSU/ CHULUOTA
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	45,577	304,679 $	350,256	(256,497)	93,759	233,470	327,229
	OPERATING EXPENSES						249.01%	
2	OPERATION AND MAINTENANCE	66,769	1,668 $	68,437	(1,388)	67,049 $		67,049
3	DEPRECIATION	55,285	0	55,285	(470)	54,815		54,815
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	38,178	7,095	45,273	(11,182)	34,091	10,506	44,597
6	INCOME TAXES	(75,173)	112,682	37,509	(95,001)	(57,492)	86,008	28,516
7	TOTAL OPERATING EXPENSES	85,059	121,445 $	206,504	(108,041)	98,463	96,514	194,977
8	OPERATING INCOME	(39,482)	183,234 $	143,752	(148,456)	(4,704)	136,955	132,251
9	RATE BASE	1,360,216	$	1,393,345		1,357,704		1,357,704
	RATE OF RETURN	-2.90%		10.32%		-0.35%		9.74%

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SSU/ CHULUOTA
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(280,503)	(304,679)
2 Billing determinants I-75	136,381	48,175
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	34	7
Total	(144,088)	(256,497)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(209)	(42)
2 Correct attrition rate from 5.87% to 5.75% S-10	(68)	(14)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(945)	(274)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(1,426)	(288)
6 Hepatitis Amortization Adjustment I-86	(37)	(8)
7 Budgeted overtime to rate case expense S-11	(164)	(33)
8 Remove SSU proposed repression adjustment I-74	1,993	0
9 OAP Amortization I-86a	(189)	(38)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(41)	(8)
12 Conservation Expense I-92	(731)	(148)
13 Current rate case expense I-93	461	93
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(61)	(12)
15 Jurisdiction Docket Expense I-95	(119)	(24)
16 920199 rate case expense I-96	1,034	203
17 True-up budget adjustment I-99	(8,348)	(724)
18 Emply recognition normalization I-100	(58)	(12)
19 Gains/Losses I-105	(291)	(59)
Total	(9,199)	(1,388)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(6,490)	(509)
3 Reallocate Common Plant River Park S-1	98	20
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	(564)	20
6 Marco ASR Cost Share I-51	0	0
Total	(6,956)	(470)
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(6,484)	(11,542)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	(827)	979
4 Discounts received on property taxes S-14	(476)	(619)
Total	(7,787)	(11,182)
INCOME TAXES		
To adjust to test year income tax expense	(44,179)	(95,001)

SSU/ CITRUS PARK
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	179,756	(3,025)	$ 176,731	(113)	176,618
2	LAND & LAND RIGHTS		2,823	0	2,823	0	2,823
3	NON-USED & USEFUL COMPONENTS		0	0	0	0	0
4	ACCUMULATED DEPRECIATION		(45,166)	2,476	(42,690)	(16)	(42,706)
5	CIAC		(127,227)	(40)	(127,267)	0	(127,267)
6	AMORTIZATION OF CIAC		51,930	0	51,930	0	51,930
7	ACQUISITION ADJUSTMENTS - NET		0	0	0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(2,631)	0	(2,631)	0	(2,631)
10	DEFERRED INCOME TAXES		1,791	0	1,791	25,771	27,562
11	WORKING CAPITAL ALLOWANCE		15,239	0	15,239	(5,235)	10,004
12	OTHER		0	0	0	0	0
	RATE BASE	$	76,515	(589)	$ 75,926	20,407	96,333

SSU/ CITRUS PARK
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	528,695	0	$	528,695	(85)	528,610
2	LAND		345,327	0		345,327	0	345,327
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(270,974)	0		(270,974)	(12)	(270,986)
5	CIAC		(106,437)	0		(106,437)	0	(106,437)
6	AMORTIZATION OF CIAC		57,969	0		57,969	0	57,969
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,994)	0		(1,994)	0	(1,994)
10	DEFERRED INCOME TAXES		(4,677)	0		(4,677)	21,054	16,377
11	WORKING CAPITAL ALLOWANCE		11,549	0		11,549	(3,968)	7,581
12	OTHER		0	0		0	0	0
	RATE BASE	$	559,458	0	$	559,458	16,989	576,447

SSU/ CITRUS PARK
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-13	(239)	(181)
3 Realloc of River Park common plant S-1	126	96
Total	(113)	(85)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	48	36
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(64)	(48)
Total	(16)	(12)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	25,943	21,568
2 Credit Deferred Taxes on Depreciation	(172)	(514)
Total	25,771	21,054
WORKING CAPITAL		
To reflect the plant specific allocation	(5,235)	(3,968)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ CITRUS PARK
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	59,669	25,069 $	84,738	(19,474)	65,264	19,432	84,696
	OPERATING EXPENSES:						29.77%	
2	OPERATION AND MAINTENANCE	58,181	2,587 $	60,768	(1,673)	59,095 $		59,095
3	DEPRECIATION	6,676	0	6,676	28	6,704		6,704
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	6,311	1,260	7,571	(937)	6,634	874	7,508
6	INCOME TAXES	(6,309)	8,198	1,889	(7,042)	(5,153)	7,159	2,005
7	TOTAL OPERATING EXPENSES	64,859	12,045 $	76,904	(9,624)	67,280	8,033	75,313
8	OPERATING INCOME	(5,190)	13,024 $	7,834	(9,850)	(2,016)	11,399	9,384
9	RATE BASE	76,515	$	75,926		96,333		96,333
	RATE OF RETURN	-6.78%		10.32%		-2.09%		9.74%

SSU/ CITRUS PARK
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	94,606	88,381 $	182,987	(3,772)	179,215	(2,264)	176,951
	OPERATING EXPENSES						-1.26%	
2	OPERATION AND MAINTENANCE	67,966	2,381 $	70,347	(2,751)	67,596 $		67,596
3	DEPRECIATION	23,628	0	23,628	21	23,649		23,649
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	13,736	4,084	17,820	(353)	17,467	(102)	17,365
6	INCOME TAXES	(16,484)	29,957	13,473	(449)	13,024	(834)	12,190
7	TOTAL OPERATING EXPENSES	88,846	36,422 $	125,268	(3,532)	121,736	(936)	120,800
8	OPERATING INCOME	5,760	51,959 $	57,719	(240)	57,479	(1,328)	56,151
9	RATE BASE	559,458	$	559,458		576,447		576,447
	RATE OF RETURN	1.03%		10.32%		9.97%		9.74%

SSU/ CITRUS PARK
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(25,069)	(88,381)
2 Billing determinants I-75	5,577	84,595
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	18	14
Total	(19,474)	(3,772)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(111)	(84)
2 Correct attrition rate from 5.87% to 5.75% S-10	(36)	(27)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(500)	(544)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(754)	(571)
6 Hepatitis Amortization Adjustment I-86	(20)	(15)
7 Budgeted overtime to rate case expense S-11	(87)	(66)
8 Remove SSU proposed repression adjustment I-74	511	0
9 OAP Amortization I-86a	(100)	(76)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(22)	(16)
12 Conservation Expense I-92	(386)	(293)
13 Current rate case expense I-93	244	185
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(32)	(24)
15 Jurisdiction Docket Expense I-95	(63)	(48)
16 920199 rate case expense I-96	546	404
17 True-up budget adjustment I-99	(678)	(1,436)
18 Emply recognition normalization I-100	(31)	(23)
19 Gains/Losses I-105	(154)	(117)
Total	(1,673)	(2,751)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(24)	(18)
3 Reallocate Common Plant River Park S-1	52	39
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	28	21
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(876)	(170)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(61)	(183)
Total	(937)	(353)
INCOME TAXES		
To adjust to test year income tax expense	(7,042)	(449)

SSU/ CITRUS SPRINGS
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	5,661,630	(2,000)	$	5,659,630	(573)	5,659,057
2	LAND & LAND RIGHTS		7,251	3,400		10,651	0	10,651
3	NON-USED & USEFUL COMPONENTS		(1,775,868)	0		(1,775,868)	(894,542)	(2,670,410)
4	ACCUMULATED DEPRECIATION		(1,132,273)	133,463		(998,810)	(130,056)	(1,128,866)
5	CIAC		(611,895)	0		(611,895)	0	(611,895)
6	AMORTIZATION OF CIAC		87,393	0		87,393	(2,678)	84,715
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		(961,506)	0		(961,506)	0	(961,506)
9	UNFUNDED POST-RETIRE. BENEFITS		(13,453)	0		(13,453)	0	(13,453)
10	DEFERRED INCOME TAXES		56,078	0		56,078	(53,179)	2,899
11	WORKING CAPITAL ALLOWANCE		77,932	0		77,932	(26,774)	51,158
12	OTHER		0	0		0	0	0
	RATE BASE	$	1,395,289	134,863	$	1,530,152	(1,107,802)	422,350

SSU/ CITRUS SPRINGS
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1 UTILITY PLANT IN SERVICE	$	1,715,195	0	$	1,715,195	(6,566)	1,708,629
2 LAND		24,119	0		24,119	0	24,119
3 NON-USED & USEFUL COMPONENTS		(274,711)	0		(274,711)	1,145	(273,566)
4 ACCUMULATED DEPRECIATION		(732,973)	0		(732,973)	146	(732,827)
5 CIAC		(107,126)	0		(107,126)	(4,070)	(111,196)
6 AMORTIZATION OF CIAC		10,655	0		10,655	(119)	10,536
7 ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8 ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS		(5,141)	0		(5,141)	0	(5,141)
10 DEFERRED INCOME TAXES		(25,201)	0		(25,201)	17,515	(7,686)
11 WORKING CAPITAL ALLOWANCE		29,783	0		29,783	(10,232)	19,551
12 OTHER		0	0		0	0	0
RATE BASE	$	634,600	0	$	634,600	(2,181)	632,419

SSU/ CITRUS SPRINGS
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-13	(1,220)	(6,813)
3 Realloc of River Park common plant S-1	647	247
Total	(573)	(6,566)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(894,542)	1,145
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	244	270
3 Reverse Depr on prior N-U/U assets I-46	(129,975)	0
4 Realloc of River Park Common Plant S-1	(325)	(124)
Total	(130,056)	146
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	(4,070)
3 Marco ASR Cost Share I-51	0	0
Total	0	(4,070)
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	(2,678)	(185)
4 Imputation of CIAC-MR I-48	0	66
5 Marco ASR Cost Share I-51	0	0
Total	(2,678)	(119)
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	(47,681)	19,175
2 Credit Deferred Taxes on Depreciation	(5,498)	(1,660)
Total	(53,179)	17,515
WORKING CAPITAL		
To reflect the plant specific allocation	(26,774)	(10,232)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ CITRUS SPRINGS
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	324,156	324,614 $	648,770	(113,201)	535,569	(100,557)	435,012
	OPERATING EXPENSES:						-18.78%	
2	OPERATION AND MAINTENANCE	245,374	12,451 $	257,825	(9,204)	248,621 $		248,621
3	DEPRECIATION	92,631	0	92,631	(26,896)	65,735		65,735
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	113,602	(5,228)	108,374	(31,367)	77,007	(4,525)	72,482
6	INCOME TAXES	(87,608)	119,682	32,074	12,004	44,078	(37,044)	7,034
7	TOTAL OPERATING EXPENSES	363,999	126,905 $	490,904	(55,463)	435,441	(41,569)	393,872
8	OPERATING INCOME	(39,843)	197,709 $	157,866	(57,738)	100,128	(58,988)	41,140
9	RATE BASE	1,395,289	$	1,530,152		422,350		422,350
	RATE OF RETURN	-2.86%		10.32%		23.71%		9.74%

SSU/ CITRUS SPRINGS
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	211,020	101,316 $	312,336	(129,154)	183,182	120,767	303,949
	OPERATING EXPENSES						65.93%	
2	OPERATION AND MAINTENANCE	144,534	6,386 $	150,920	(7,095)	143,825 $		143,825
3	DEPRECIATION	50,020	0	50,020	(495)	49,525		49,525
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	38,942	(2,169)	36,773	(6,178)	30,595	5,435	36,030
6	INCOME TAXES	(24,641)	33,793	9,152	(40,675)	(31,523)	44,490	12,967
7	TOTAL OPERATING EXPENSES	208,855	38,010 $	246,865	(54,443)	192,422	49,924	242,346
8	OPERATING INCOME	2,165	63,306 $	65,471	(74,711)	(9,240)	70,843	61,603
9	RATE BASE	634,600	$	634,600		632,419		632,419
	RATE OF RETURN	0.34%		10.32%		-1.46%		9.74%

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SSU/ CITRUS SPRINGS
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
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	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	(324,614)	(101,316)
2	Billing determinants I-75	211,322	(27,873)
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	91	35
	Total	(113,201)	(129,154)
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(566)	(216)
2	Correct attrition rate from 5.87% to 5.75% S-10	(183)	(70)
3	Keystone Heights APT expenses I-58	0	0
4	Hewitt study I-82	(2,555)	(1,402)
5	Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(3,854)	(1,473)
6	Hepatitis Amortization Adjustment I-86	(101)	(38)
7	Budgeted overtime to rate case expense S-11	(444)	(170)
8	Remove SSU proposed repression adjustment I-74	1,949	0
9	OAP Amortization I-86a	(511)	(195)
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(111)	(43)
12	Conservation Expense I-92	(1,976)	(755)
13	Current rate case expense I-93	1,247	476
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(164)	(63)
15	Jurisdiction Docket Expense I-95	(321)	(123)
16	920199 rate case expense I-96	2,795	1,041
17	True-up budget adjustment I-99	(3,466)	(3,704)
18	Emply recognition normalization I-100	(157)	(60)
19	Gains/Losses I-105	(786)	(300)
	Total	(9,204)	(7,095)
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage adjustment I-13	(122)	(399)
3	Reallocate Common Plant River Park S-1	266	101
4	Imputation of CIAC-MR I-48	0	(132)
5	Net used and useful adjustment	(27,040)	(65)
6	Marco ASR Cost Share I-51	0	0
	Total	(26,896)	(495)
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	(5,094)	(5,812)
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	(24,313)	226
4	Discounts received on property taxes S-14	(1,960)	(592)
	Total	(31,367)	(6,178)
	INCOME TAXES		
	To adjust to test year income tax expense	12,004	(40,675)

SSU/ CRYSTAL RIVER
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	211,688	0	$	211,688	(23)	211,665
2	LAND & LAND RIGHTS		19,180	0		19,180	0	19,180
3	NON-USED & USEFUL COMPONENTS		(37,994)	0		(37,994)	(2,292)	(40,286)
4	ACCUMULATED DEPRECIATION		(53,733)	0		(53,733)	(3)	(53,736)
5	CIAC		(126,158)	(36)		(126,194)	0	(126,194)
6	AMORTIZATION OF CIAC		42,019	0		42,019	(136)	41,883
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(555)	0		(555)	0	(555)
10	DEFERRED INCOME TAXES		(2,544)	0		(2,544)	25,669	23,125
11	WORKING CAPITAL ALLOWANCE		3,213	0		3,213	(1,104)	2,109
12	OTHER		0	0		0	0	0
	RATE BASE	$	55,116	(36)	$	55,080	22,111	77,191

SSU/ CRYSTAL RIVER
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-13	(50)	0
3 Realloc of River Park common plant S-1	27	0
Total	(23)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(2,292) *	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	10	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(13)	0
Total	(3)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	(136)	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	(136)	0
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	25,875	0
2 Credit Deferred Taxes on Depreciation	(206)	0
Total	25,669	0
WORKING CAPITAL		
To reflect the plant specific allocation	(1,104) *	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ CRYSTAL RIVER
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	12,925	17,530 $	30,455	6,097	36,552	(4,106)	32,446
	OPERATING EXPENSES:						-11.23%	
2	OPERATION AND MAINTENANCE	17,391	722 $	18,113	(291)	17,822 $		17,822
3	DEPRECIATION	3,348	0	3,348	(36)	3,312		3,312
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	1,364	815	2,179	217	2,396	(185)	2,211
6	INCOME TAXES	(5,038)	6,170	1,132	1,962	3,094	(1,513)	1,581
7	TOTAL OPERATING EXPENSES	17,065	7,707 $	24,772	1,852	26,624	(1,698)	24,927
8	OPERATING INCOME	(4,140)	9,823 $	5,683	4,245	9,928	(2,409)	7,519
9	RATE BASE	55,116	$	55,080		77,191		77,191
	RATE OF RETURN	-7.51%		10.32%		12.86%		9.74%

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SSU/ CRYSTAL RIVER
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(17,530)	0
2 Billing determinants I-75	23,623	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	4	0
Total	6,097	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(23)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(8)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(105)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(159)	0
6 Hepatitis Amortization Adjustment I-86	(4)	0
7 Budgeted overtime to rate case expense S-11	(18)	0
8 Remove SSU proposed repression adjustment I-74	168	0
9 OAP Amortization I-86a	(21)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(5)	0
12 Conservation Expense I-92	(81)	0
13 Current rate case expense I-93	51	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(7)	0
15 Jurisdiction Docket Expense I-95	(13)	0
16 920199 rate case expense I-96	115	0
17 True-up budget adjustment I-99	(143)	0
18 Emply recognition normalization I-100	(6)	0
19 Gains/Losses I-105	(32)	0
Total	(291)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(5)	0
3 Reallocate Common Plant River Park S-1	11	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	(42)	0
6 Marco ASR Cost Share I-51	0	0
Total	(36)	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	274	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	15	0
4 Discounts received on property taxes S-14	(73)	0
Total	217	0
INCOME TAXES		
To adjust to test year income tax expense	1,962	0

SSU/ DAETWYLER SHORES
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	137,046	(32,542)	$ 104,504	(40)	104,464
2	LAND & LAND RIGHTS		(1,746)	0	(1,746)	0	(1,746)
3	NON-USED & USEFUL COMPONENTS		0	0	0	0	0
4	ACCUMULATED DEPRECIATION		(61,767)	14,173	(47,594)	(6)	(47,600)
5	CIAC		(48,130)	47,237	(893)	0	(893)
6	AMORTIZATION OF CIAC		30,260	(30,137)	123	(69)	54
7	ACQUISITION ADJUSTMENTS - NET		11,200	0	11,200	0	11,200
8	ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(937)	0	(937)	0	(937)
10	DEFERRED INCOME TAXES		(1,693)	0	(1,693)	7,596	5,903
11	WORKING CAPITAL ALLOWANCE		5,427	0	5,427	(1,864)	3,563
12	OTHER		0	0	0	0	0
	RATE BASE	$	69,660	(1,269)	$ 68,391	5,617	74,008

SSU/ DAETWYLER SHORES
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-13	(85)	0
3 Realloc of River Park common plant S-1	45	0
Total	(40)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	17	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(23)	0
Total	(6)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	(69)	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	(69)	0
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	7,697	0
2 Credit Deferred Taxes on Depreciation	(101)	0
Total	7,596	0
WORKING CAPITAL		
To reflect the plant specific allocation	(1,864)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ DAETWYLER SHORES
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	28,224	29,601 $	57,825	(21,712)	36,113	22,797	58,910
	OPERATING EXPENSES:						63.13%	
2	OPERATION AND MAINTENANCE	39,018	(1,003) $	38,015	1,218	39,233 $		39,233
3	DEPRECIATION	4,724	0	4,724	10	4,734		4,734
4	AMORTIZATION	509	0	509	0	509		509
5	TAXES OTHER THAN INCOME	4,289	1,372	5,661	(1,013)	4,648	1,026	5,674
6	INCOME TAXES	(9,443)	11,302	1,859	(8,705)	(6,846)	8,398	1,552
7	TOTAL OPERATING EXPENSES	39,097	11,671 $	50,768	(8,491)	42,277	9,424	51,701
8	OPERATING INCOME	(10,873)	17,930 $	7,057	(13,221)	(6,164)	13,373	7,209
9	RATE BASE	69,660	$	68,391		74,008		74,008
	RATE OF RETURN	-15.61%		10.32%		-8.33%		9.74%

SSU/ DAETWYLER SHORES
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(29,601)	0
2 Billing determinants I-75	7,883	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	6	0
Total	(21,712)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(39)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(13)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(178)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(268)	0
6 Hepatitis Amortization Adjustment I-86	(7)	0
7 Budgeted overtime to rate case expense S-11	(31)	0
8 Remove SSU proposed repression adjustment I-74	1,994	0
9 OAP Amortization I-86a	(36)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(8)	0
12 Conservation Expense I-92	(138)	0
13 Current rate case expense I-93	87	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(11)	0
15 Jurisdiction Docket Expense I-95	(22)	0
16 920199 rate case expense I-96	195	0
17 True-up budget adjustment I-99	(241)	0
18 Empty recognition normalization I-100	(11)	0
19 Gains/Losses I-105	(55)	0
Total	1,218	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(9)	0
3 Reallocate Common Plant River Park S-1	18	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	10	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(977)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(36)	0
Total	(1,013)	0
INCOME TAXES		
To adjust to test year income tax expense	(8,705)	0

SSU/ DEEP CREEK
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

COMPONENT	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1 UTILITY PLANT IN SERVICE	$ 4,958,750	0	$ 4,958,750	(11,750)	4,947,000
2 LAND & LAND RIGHTS	8,432	0	8,432	0	8,432
3 NON-USED & USEFUL COMPONENTS	(1,352,378)	0	(1,352,378)	63,126	(1,289,252)
4 ACCUMULATED DEPRECIATION	(1,696,413)	123,948	(1,572,465)	(123,812)	(1,696,277)
5 CIAC	(543,100)	0	(543,100)	(52,247)	(595,347)
6 AMORTIZATION OF CIAC	132,726	0	132,726	609	133,335
7 ACQUISITION ADJUSTMENTS - NET	0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION	0	0	0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS	(22,125)	0	(22,125)	0	(22,125)
10 DEFERRED INCOME TAXES	(90,829)	0	(90,829)	53,318	(37,511)
11 WORKING CAPITAL ALLOWANCE	128,164	0	128,164	(44,032)	84,132
12 OTHER	0	0	0	0	0
RATE BASE	$ 1,523,227	123,948	$ 1,647,175	(114,788)	1,532,387

SSU/ DEEP CREEK
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

COMPONENT	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1 UTILITY PLANT IN SERVICE	$ 9,324,366	0	$ 9,324,366	(10,099)	9,314,267
2 LAND	14,202	0	14,202	0	14,202
3 NON-USED & USEFUL COMPONENTS	(42,422)	0	(42,422)	82,363	39,941
4 ACCUMULATED DEPRECIATION	(2,991,268)	234,974	(2,756,294)	(234,939)	(2,991,233)
5 CIAC	(9,499,375)	0	(9,499,375)	0	(9,499,375)
6 AMORTIZATION OF CIAC	2,991,319	0	2,991,319	0	2,991,319
7 ACQUISITION ADJUSTMENTS - NET	0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION	0	0	0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS	(22,507)	0	(22,507)	0	(22,507)
10 DEFERRED INCOME TAXES	(179,783)	0	(179,783)	(9,049)	(188,832)
11 WORKING CAPITAL ALLOWANCE	130,378	0	130,378	(44,792)	85,586
12 OTHER	0	0	0	0	0
RATE BASE	$ (275,090)	234,974	$ (40,116)	(216,516)	(256,632)

SSU/ DEEP CREEK
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-13	(12,814)	(11,181)
3 Realloc of River Park common plant S-1	1,064	1,082
Total	(11,750)	(10,099)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	63,126	82,363
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	671	579
3 Reverse Depr on prior N-U/U assets I-46	(123,948)	(234,974)
4 Realloc of River Park Common Plant S-1	(535)	(544)
Total	(123,812)	(234,939)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	(52,247)	0
3 Marco ASR Cost Share I-51	0	0
Total	(52,247)	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	609	0
5 Marco ASR Cost Share I-51	0	0
Total	609	0
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	58,124	0
2 Credit Deferred Taxes on Depreciation	(4,806)	(9,049)
Total	53,318	(9,049)
WORKING CAPITAL		
To reflect the plant specific allocation	(44,032)	(44,792)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ DEEP CREEK
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	1,591,938	222,559 $	1,814,497	(226,268)	1,588,229	257,434	1,845,663
	OPERATING EXPENSES:						16.21%	
2	OPERATION AND MAINTENANCE	1,401,013	(65,997) $	1,335,016	58,831	1,393,847 $		1,393,847
3	DEPRECIATION	100,193	0	100,193	(512)	99,681		99,681
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	183,192	(11,620)	171,572	(11,418)	160,154	11,585	171,738
6	INCOME TAXES	(75,486)	113,264	37,778	(101,485)	(63,707)	94,836	31,130
7	TOTAL OPERATING EXPENSES	1,608,912	35,647 $	1,644,559	(54,584)	1,589,975	106,421	1,696,396
8	OPERATING INCOME	(16,974)	186,912 $	169,938	(171,684)	(1,746)	151,013	149,267
9	RATE BASE	1,523,227	$	1,647,175		1,532,387		1,532,387
	RATE OF RETURN	-1.11%		10.32%		-0.11%		9.74%

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SSU/ DEEP CREEK
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	1,798,389	5,621 $	1,804,010	45,828	1,849,838	12,181	1,862,019
	OPERATING EXPENSES						0.66%	
2	OPERATION AND MAINTENANCE	1,645,549	23,191 $	1,668,740	(41,764)	1,626,976 $		1,626,976
3	DEPRECIATION	23,746	0	23,746	17,813	41,559		41,559
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	217,128	(22,633)	194,495	486	194,981	548	195,529
6	INCOME TAXES	(44,774)	(34,059)	(78,833)	72,300	(6,533)	4,487	(2,046)
7	TOTAL OPERATING EXPENSES	1,841,649	(33,501) $	1,808,148	48,835	1,856,983	5,035	1,862,019
8	OPERATING INCOME	(43,260)	39,122 $	(4,138)	(3,007)	(7,145)	7,145	0
9	RATE BASE	(275,090)	$	(40,116)		(256,632)		(256,632)
	RATE OF RETURN	15.73%		10.32%		2.78%		0.00%

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SSU/ DEEP CREEK
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	(222,559)	(5,621)
2	Billing determinants I-75	(3,859)	51,297
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	150	152
	Total	(226,268)	45,828
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(931)	(947)
2	Correct attrition rate from 5.87% to 5.75% S-10	(301)	(306)
3	Keystone Heights APT expenses I-58	0	0
4	Hewitt study I-82	(4,202)	(6,139)
5	Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(6,338)	(6,448)
6	Hepatitis Amortization Adjustment I-86	(165)	(168)
7	Budgeted overtime to rate case expense S-11	(730)	(742)
8	Remove SSU proposed repression adjustment I-74	87,812	0
9	OAP Amortization I-86a	(841)	(855)
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(183)	(186)
12	Conservation Expense I-92	(3,249)	(3,306)
13	Current rate case expense I-93	2,050	2,085
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(2,555)	(2,599)
15	Jurisdiction Docket Expense I-95	(528)	(537)
16	920199 rate case expense I-96	(5,051)	(5,138)
17	True-up budget adjustment I-99	(5,700)	(16,216)
18	Emply recognition normalization I-100	(257)	(262)
19	Gains/Losses I-105	0	0
	Total	58,831	(41,764)
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage adjustment I-13	(741)	(546)
3	Reallocate Common Plant River Park S-1	437	444
4	Imputation of CIAC-MR I-48	(1,217)	0
5	Net used and useful adjustment	1,009	17,915
6	Marco ASR Cost Share I-51	0	0
	Total	(512)	17,813
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	(10,182)	2,062
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	477	1,649
4	Discounts received on property taxes S-14	(1,713)	(3,225)
	Total	(11,418)	486
	INCOME TAXES		
	To adjust to test year income tax expense	(101,485)	72,300

SSU/DELTONA LAKES
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	23,099,486	0	$	23,099,486	(145,600)	22,953,886
2	LAND & LAND RIGHTS		140,180	33,000		173,180	(33,000)	140,180
3	NON-USED & USEFUL COMPONENTS		(671,977)	0		(671,977)	(1,141,642)	(1,813,619)
4	ACCUMULATED DEPRECIATION		(6,600,121)	122,163		(6,477,958)	(117,316)	(6,595,274)
5	CIAC		(8,831,391)	0		(8,831,391)	(144,732)	(8,976,123)
6	AMORTIZATION OF CIAC		2,011,586	0		2,011,586	(53,852)	1,957,734
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(171,213)	0		(171,213)	0	(171,213)
10	DEFERRED INCOME TAXES		981,930	0		981,930	(617,039)	364,891
11	WORKING CAPITAL ALLOWANCE		991,794	0		991,794	(340,739)	651,055
12	OTHER		0	0		0	0	0
	RATE BASE	$	10,950,274	155,163	$	11,105,437	(2,593,920)	8,511,517

SSU/DELTONA LAKES
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	15,220,332	0	$	15,220,332	(4,648)	15,215,684
2	LAND		305,802	0		305,802	0	305,802
3	NON-USED & USEFUL COMPONENTS		0	0		0	(770,305)	(770,305)
4	ACCUMULATED DEPRECIATION		(4,264,354)	0		(4,264,354)	(258)	(4,264,612)
5	CIAC		(693,101)	0		(693,101)	(17,822)	(710,923)
6	AMORTIZATION OF CIAC		253,851	0		253,851	(18,449)	235,402
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(34,604)	0		(34,604)	0	(34,604)
10	DEFERRED INCOME TAXES		(263,056)	0		(263,056)	(21,279)	(284,335)
11	WORKING CAPITAL ALLOWANCE		200,451	0		200,451	(68,867)	131,584
12	OTHER		0	0		0	0	0
	RATE BASE	$	10,725,321	0	$	10,725,321	(901,628)	9,823,693

SSU/DELTONA LAKES
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(153,833)	(6,312)
3 Realloc of River Park common plant S-1	8,233	1,664
Total	(145,600)	(4,648)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	(33,000)	0
6 BVL transfer I-11	0	0
Total	(33,000)	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(1,141,642)	(770,305)
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	8,988	579
3 Reverse Depr on prior N-U/U assets I-46	(122,163)	0
4 Realloc of River Park Common Plant S-1	(4,141)	(837)
Total	(117,316)	(258)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	(144,732)	(17,822)
3 Marco ASR Cost Share I-51	0	0
Total	(144,732)	(17,822)
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	(55,884)	(18,850)
4 Imputation of CIAC-MR I-48	2,032	401
5 Marco ASR Cost Share I-51	0	0
Total	(53,852)	(18,449)
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	(594,741)	(6,497)
2 Credit Deferred Taxes on Depreciation	(22,298)	(14,782)
Total	(617,039)	(21,279)
WORKING CAPITAL		
To reflect the plant specific allocation	(340,739)	(68,867)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/DELTONA LAKES
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	5,303,619	602,613 $	5,906,232	(1,383,224)	4,523,008	610,427	5,133,435
	OPERATING EXPENSES:						13.50%	
2	OPERATION AND MAINTENANCE	3,087,741	132,315 $	3,220,056	(253,975)	2,966,081 $		2,966,081
3	DEPRECIATION	707,260	0	707,260	(40,088)	667,172		667,172
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	491,656	57,173	548,829	(79,742)	469,087	27,469	496,556
6	INCOME TAXES	128,144	156,197	284,341	(334,681)	(50,340)	224,876	174,536
7	TOTAL OPERATING EXPENSES	4,414,801	345,685 $	4,760,486	(708,487)	4,051,999	252,345	4,304,344
8	OPERATING INCOME	888,818	256,928 $	1,145,746	(674,737)	471,009	358,082	829,091
9	RATE BASE	10,950,274	$	11,105,437		8,511,517		8,511,517
	RATE OF RETURN	8.12%		10.32%		5.53%		9.74%

SSU/DELTONA LAKES
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	1,810,132	1,774,051 $	3,584,183	(1,162,028)	2,422,155	845,962	3,268,117
	OPERATING EXPENSES						34.93%	
2	OPERATION AND MAINTENANCE	999,801	42,770 $	1,042,571	(47,757)	994,814 $		994,814
3	DEPRECIATION	706,366	0	706,366	(44,386)	661,980		661,980
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	401,934	82,995	484,929	(74,085)	410,844	38,068	448,912
6	INCOME TAXES	(360,619)	604,405	243,786	(349,928)	(106,142)	311,645	205,503
7	TOTAL OPERATING EXPENSES	1,747,482	730,170 $	2,477,652	(516,156)	1,961,496	349,713	2,311,210
8	OPERATING INCOME	62,650	1,043,881 $	1,106,531	(645,872)	460,659	496,249	956,907
9	RATE BASE	10,725,321	$	10,725,321		9,823,693		9,823,693
	RATE OF RETURN	0.58%		10.32%		4.69%		9.74%

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SSU/DELTONA LAKES
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(602,613)	(1,774,051)
2 Billing determinants I-75	(780,845)	610,863
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	234	1,160
Total	(1,383,224)	(1,162,028)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(7,203)	(1,456)
2 Correct attrition rate from 5.87% to 5.75% S-10	(2,329)	(471)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(32,514)	(9,439)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(49,048)	(9,913)
6 Hepatitis Amortization Adjustment I-86	(1,279)	(259)
7 Budgeted overtime to rate case expense S-11	(5,645)	(1,141)
8 Remove SSU proposed repression adjustment I-74	45,015	0
9 OAP Amortization I-86a	(18,973)	(1,315)
10 Purchased power Deltona Lakes I-88	(56,916)	0
11 Amortize Hurricane Preparedness Program S-13	(1,416)	(286)
12 Conservation Expense I-92	(25,146)	(5,082)
13 Current rate case expense I-93	15,864	3,206
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(2,089)	(422)
15 Jurisdiction Docket Expense I-95	(4,085)	(826)
16 920199 rate case expense I-96	35,567	7,004
17 True-up budget adjustment I-99	(131,780)	(24,932)
18 Emply recognition normalization I-100	(1,992)	(403)
19 Gains/Losses I-105	(10,006)	(2,022)
Total	(253,975)	(47,757)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(5,992)	(386)
3 Reallocate Common Plant River Park S-1	3,380	683
4 Imputation of CIAC-MR I-48	(4,064)	(802)
5 Net used and useful adjustment	(33,413)	(43,881)
6 Marco ASR Cost Share I-51	0	0
Total	(40,088)	(44,386)
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(62,245)	(52,291)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	(9,548)	(16,525)
4 Discounts received on property taxes S-14	(7,949)	(5,269)
Total	(79,742)	(74,085)
INCOME TAXES		
To adjust to test year income tax expense	(334,681)	(349,928)

SSU/ DOL RAY MANOR
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	129,239	0	$ 129,239	(2,647)	126,592
2	LAND & LAND RIGHTS		188	0	188	0	188
3	NON-USED & USEFUL COMPONENTS		(5,523)	0	(5,523)	1,359	(4,164)
4	ACCUMULATED DEPRECIATION		(51,840)	0	(51,840)	57	(51,783)
5	CIAC		(11,326)	0	(11,326)	0	(11,326)
6	AMORTIZATION OF CIAC		9,197	0	9,197	0	9,197
7	ACQUISITION ADJUSTMENTS - NET		6,439	0	6,439	0	6,439
8	ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(450)	0	(450)	0	(450)
10	DEFERRED INCOME TAXES		(2,427)	0	(2,427)	26	(2,401)
11	WORKING CAPITAL ALLOWANCE		2,605	0	2,605	(895)	1,710
12	OTHER		0	0	0	0	0
	RATE BASE	$	76,102	0	$ 76,102	(2,100)	74,002

SSU/ DOL RAY MANOR
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(2,669)	0
3 Realloc of River Park common plant S-1	22	0
Total	(2,647)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	1,359	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	68	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(11)	0
Total	57	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	26	0
2 Credit Deferred Taxes on Depreciation	(123)	0
Total	(97)	0
WORKING CAPITAL		
To reflect the plant specific allocation	(895)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ DOL RAY MANOR
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	20,172	26,822 $	46,994	39,251	86,245	(40,838)	45,407
	OPERATING EXPENSES:						-47.35%	
2	OPERATION AND MAINTENANCE	26,498	639 $	27,137	(190)	26,947 $		26,947
3	DEPRECIATION	4,267	0	4,267	(150)	4,117		4,117
4	AMORTIZATION	396	0	396	0	396		396
5	TAXES OTHER THAN INCOME	4,263	1,048	5,311	1,722	7,033	(1,838)	5,195
6	INCOME TAXES	(7,664)	9,696	2,032	14,556	16,588	(15,044)	1,544
7	TOTAL OPERATING EXPENSES	27,760	11,383 $	39,143	15,938	55,081	(16,882)	38,199
8	OPERATING INCOME	(7,588)	15,439 $	7,851	23,313	31,164	(23,956)	7,208
9	RATE BASE	76,102	$	76,102		74,002		74,002
	RATE OF RETURN	-9.97%		10.32%		42.11%		9.74%

SSU/ DOL RAY MANOR
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	26,822	0
2	Billing determinants I-75	12,426	0
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	3	0
	Total	39,251	0
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(19)	0
2	Correct attrition rate from 5.87% to 5.75% S-10	(6)	0
3	Keystone Heights APT expenses I-58	0	0
4	Hewitt study I-82	(85)	0
5	Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(129)	0
6	Hepatitis Amortization Adjustment I-86	(3)	0
7	Budgeted overtime to rate case expense S-11	(15)	0
8	Remove SSU proposed repression adjustment I-74	417	0
9	OAP Amortization I-86a	(17)	0
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(4)	0
12	Conservation Expense I-92	(301)	0
13	Current rate case expense I-93	42	0
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(5)	0
15	Jurisdiction Docket Expense I-95	(11)	0
16	920199 rate case expense I-96	93	0
17	True-up budget adjustment I-99	(116)	0
18	Emply recognition normalization I-100	(5)	0
19	Gains/Losses I-105	(26)	0
	Total	(190)	0
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage adjustment I-13	(124)	0
3	Reallocate Common Plant River Park S-1	9	0
4	Imputation of CIAC-MR I-48	0	0
5	Net used and useful adjustment	(35)	0
6	Marco ASR Cost Share I-51	0	0
	Total	(150)	0
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	1,766	0
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	(1)	0
4	Discounts received on property taxes S-14	(44)	0
	Total	1,722	0
	INCOME TAXES		
	To adjust to test year income tax expense	14,556	0

SSU/ DRUID HILLS
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	423,603	0	$	423,603	(3,964)	419,639
2	LAND & LAND RIGHTS		780	0		780	0	780
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(158,309)	0		(158,309)	233	(158,076)
5	CIAC		(44,771)	0		(44,771)	0	(44,771)
6	AMORTIZATION OF CIAC		34,903	0		34,903	0	34,903
7	ACQUISITION ADJUSTMENTS - NET		13,007	0		13,007	0	13,007
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,866)	0		(1,866)	0	(1,866)
10	DEFERRED INCOME TAXES		(7,770)	0		(7,770)	1,419	(6,351)
11	WORKING CAPITAL ALLOWANCE		10,811	0		10,811	(3,714)	7,097
12	OTHER		0	0		0	0	0
	RATE BASE	$	270,388	0	$	270,388	(6,026)	264,362

SSU/ DRUID HILLS
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(4,054)	0
3 Realloc of River Park common plant S-1	90	0
Total	(3,964)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	278	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(45)	0
Total	233	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	1,419	0
2 Credit Deferred Taxes on Depreciation	(408)	0
Total	1,011	0
WORKING CAPITAL		
To reflect the plant specific allocation	(3,714)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ DRUID HILLS
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	71,670	45,908 $	117,578	54,104	171,682	(59,157)	112,525
	OPERATING EXPENSES:						-34.46%	
2	OPERATION AND MAINTENANCE	48,148	1,337 $	49,485	(642)	48,843 $		48,843
3	DEPRECIATION	16,390	0	16,390	(98)	16,292		16,292
4	AMORTIZATION	902	0	902	0	902		902
5	TAXES OTHER THAN INCOME	13,422	2,161	15,583	2,290	17,873	(2,662)	15,211
6	INCOME TAXES	(9,038)	16,360	7,322	19,997	27,319	(21,793)	5,526
7	TOTAL OPERATING EXPENSES	69,824	19,858 $	89,682	21,547	111,229	(24,455)	86,774
8	OPERATING INCOME	1,846	26,050 $	27,896	32,557	60,453	(34,702)	25,751
9	RATE BASE	270,388	$	270,388		264,362		264,362
	RATE OF RETURN	0.68%		10.32%		22.87%		9.74%

SSU/ DRUID HILLS
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	45,908	0
2 Billing determinants I-75	8,183	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	13	0
Total	54,104	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(79)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(25)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(354)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(535)	0
6 Hepatitis Amortization Adjustment I-86	(14)	0
7 Budgeted overtime to rate case expense S-11	(62)	0
8 Remove SSU proposed repression adjustment I-74	906	0
9 OAP Amortization I-86a	(71)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(15)	0
12 Conservation Expense I-92	(274)	0
13 Current rate case expense I-93	173	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(23)	0
15 Jurisdiction Docket Expense I-95	(45)	0
16 920199 rate case expense I-96	388	0
17 True-up budget adjustment I-99	(481)	0
18 Emply recognition normalization I-100	(22)	0
19 Gains/Losses I-105	(109)	0
Total	(642)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(135)	0
3 Reallocate Common Plant River Park S-1	37	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	(98)	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	2,435	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(145)	0
Total	2,290	0
INCOME TAXES		
To adjust to test year income tax expense	19,997	0

SSU/ EAST LAKE HARRIS ESTATES
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	560,157	0	$	560,157	(56)	560,101
2	LAND & LAND RIGHTS		1,096	0		1,096	0	1,096
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(46,766)	0		(46,766)	(7)	(46,773)
5	CIAC		(5,366)	0		(5,366)	0	(5,366)
6	AMORTIZATION OF CIAC		1,858	0		1,858	0	1,858
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,297)	0		(1,297)	0	(1,297)
10	DEFERRED INCOME TAXES		(9,162)	0		(9,162)	(945)	(10,107)
11	WORKING CAPITAL ALLOWANCE		7,511	0		7,511	0	7,511
12	OTHER		0	0		0	0	0
	RATE BASE	$	508,031	0	$	508,031	(1,008)	507,023

SSU/ EAST LAKE HARRIS ESTATES
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-13	(118)	0
3 Realloc of River Park common plant S-1	62	0
Total	(56)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	24	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(31)	0
Total	(7)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	(945)	0
2 Credit Deferred Taxes on Depreciation	(544)	0
Total	(1,489)	0
WORKING CAPITAL		
To reflect the plant specific allocation	(3,714)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ EAST LAKE HARRIS ESTATES
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	18,038	102,853 $	120,891	115,013	235,904	(123,272)	112,632
	OPERATING EXPENSES:						-52.26%	
2	OPERATION AND MAINTENANCE	24,600	1,356 $	25,956	(939)	25,017 $		25,017
3	DEPRECIATION	19,426	0	19,426	14	19,440		19,440
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	3,979	4,686	8,665	4,982	13,647	(5,547)	8,099
6	INCOME TAXES	(22,914)	37,345	14,431	41,669	56,100	(45,412)	10,687
7	TOTAL OPERATING EXPENSES	25,091	43,387 $	68,478	45,725	114,203	(50,960)	63,244
8	OPERATING INCOME	(7,053)	59,466 $	52,413	69,288	121,701	(72,312)	49,388
9	RATE BASE	508,031	$	508,031		507,023		507,023
	RATE OF RETURN	-1.39%		10.32%		24.00%		9.74%

SSU/ EAST LAKE HARRIS ESTATES
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	102,853	0
2 Billing determinants I-75	12,151	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	9	0
Total	115,013	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(55)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(18)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(246)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(371)	0
6 Hepatitis Amortization Adjustment I-86	(10)	0
7 Budgeted overtime to rate case expense S-11	(43)	0
8 Remove SSU proposed repression adjustment I-74	137	0
9 OAP Amortization I-86a	(49)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(11)	0
12 Conservation Expense I-92	(190)	0
13 Current rate case expense I-93	120	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(16)	0
15 Jurisdiction Docket Expense I-95	(31)	0
16 920199 rate case expense I-96	269	0
17 True-up budget adjustment I-99	(334)	0
18 Emply recognition normalization I-100	(15)	0
19 Gains/Losses I-105	(76)	0
Total	(939)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(12)	0
3 Reallocate Common Plant River Park S-1	26	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	14	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	5,176	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(194)	0
Total	4,982	0
INCOME TAXES		
To adjust to test year income tax expense	41,669	0

SSU/ FERN PARK
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	331,628	0	$	331,628	(66,216)	265,412
2	LAND & LAND RIGHTS		1,353	0		1,353	0	1,353
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(48,586)	0		(48,586)	1,565	(47,021)
5	CIAC		(18,571)	0		(18,571)	0	(18,571)
6	AMORTIZATION OF CIAC		10,544	0		10,544	0	10,544
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,349)	0		(1,349)	0	(1,349)
10	DEFERRED INCOME TAXES		(5,304)	0		(5,304)	3,855	(1,449)
11	WORKING CAPITAL ALLOWANCE		7,815	0		7,815	0	7,815
12	OTHER		0	0		0	0	0
	RATE BASE	$	277,530	0	$	277,530	(60,796)	216,734

SSU/ FERN PARK
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-13	(66,281)	0
3 Realloc of River Park common plant S-1	65	0
Total	(66,216)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	1,598	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(33)	0
Total	1,565	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	3,855	0
2 Credit Deferred Taxes on Depreciation	(258)	0
Total	3,597	0
WORKING CAPITAL		
To reflect the plant specific allocation	(2,685)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ FERN PARK
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	33,373	52,601 $	85,974	62,225	148,199	(76,140)	72,059
	OPERATING EXPENSES:						-51.38%	
2	OPERATION AND MAINTENANCE	30,639	1,358 $	31,997	(829)	31,168 $		31,168
3	DEPRECIATION	11,076	0	11,076	(1,594)	9,482		9,482
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	4,024	2,433	6,457	2,708	9,165	(3,426)	5,739
6	INCOME TAXES	(11,018)	18,829	7,811	24,797	32,608	(28,049)	4,559
7	TOTAL OPERATING EXPENSES	34,721	22,620 $	57,341	25,082	82,423	(31,476)	50,947
8	OPERATING INCOME	(1,348)	29,981 $	28,633	37,143	65,776	(44,664)	21,112
9	RATE BASE	277,530	$	277,530		216,734		216,734
	RATE OF RETURN	-0.49%		10.32%		30.35%		9.74%

SSU/ FERN PARK
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
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EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	52,601	0
2 Billing determinants I-75	9,615	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	9	0
Total	62,225	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(57)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(18)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(256)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(386)	0
6 Hepatitis Amortization Adjustment I-86	(10)	0
7 Budgeted overtime to rate case expense S-11	(44)	0
8 Remove SSU proposed repression adjustment I-74	288	0
9 OAP Amortization I-86a	(51)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(11)	0
12 Conservation Expense I-92	(198)	0
13 Current rate case expense I-93	125	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(16)	0
15 Jurisdiction Docket Expense I-95	(32)	0
16 920199 rate case expense I-96	280	0
17 True-up budget adjustment I-99	(348)	0
18 Emply recognition normalization I-100	(16)	0
19 Gains/Losses I-105	(79)	0
Total	(829)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(1,621)	0
3 Reallocate Common Plant River Park S-1	27	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	(1,594)	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	2,800	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(92)	0
Total	2,708	0
INCOME TAXES		
To adjust to test year income tax expense	24,797	0

SSU/FERN TERRACE
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	137,279	0	$	137,279	(40)	137,239
2	LAND & LAND RIGHTS		1,131	0		1,131	0	1,131
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(41,639)	0		(41,639)	(35)	(41,674)
5	CIAC		(10,578)	(45)		(10,623)	0	(10,623)
6	AMORTIZATION OF CIAC		3,958	0		3,958	0	3,958
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(922)	0		(922)	0	(922)
10	DEFERRED INCOME TAXES		(704)	0		(704)	2,323	1,619
11	WORKING CAPITAL ALLOWANCE		5,340	0		5,340	(1,835)	3,505
12	OTHER		0	0		0	0	0
	RATE BASE	$	93,865	(45)	$	93,820	413	94,233

SSU/FERN TERRACE
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(84)	0
3 Realloc of River Park common plant S-1	44	0
Total	(40)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	(13)	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(22)	0
Total	(35)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	2,456	0
2 Credit Deferred Taxes on Depreciation	(133)	0
Total	2,323	0
WORKING CAPITAL		
To reflect the plant specific allocation	(1,835)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/FERN TERRACE
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	23,276	24,672 $	47,948	(23,522)	24,426	21,939	46,365
	OPERATING EXPENSES:						89.82%	
2	OPERATION AND MAINTENANCE	23,981	985 $	24,966	(381)	24,585 $		24,585
3	DEPRECIATION	6,060	0	6,060	10	6,070		6,070
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	3,515	1,161	4,676	(1,106)	3,570	987	4,557
6	INCOME TAXES	(6,122)	8,690	2,568	(8,675)	(6,107)	8,082	1,975
7	TOTAL OPERATING EXPENSES	27,434	10,836 $	38,270	(10,153)	28,117	9,070	37,186
8	OPERATING INCOME	(4,158)	13,836 $	9,678	(13,369)	(3,691)	12,870	9,179
9	RATE BASE	93,865	$	93,820		94,233		94,233
	RATE OF RETURN	-4.43%		10.32%		-3.92%		9.74%

SSU/FERN TERRACE
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(24,672)	0
2 Billing determinants I-75	1,146	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	4	0
Total	(23,522)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(39)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(13)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(175)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(264)	0
6 Hepatitis Amortization Adjustment I-86	(7)	0
7 Budgeted overtime to rate case expense S-11	(30)	0
8 Remove SSU proposed repression adjustment I-74	247	0
9 OAP Amortization I-86a	(35)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(6)	0
12 Conservation Expense I-92	0	0
13 Current rate case expense I-93	85	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(11)	0
15 Jurisdiction Docket Expense I-95	(22)	0
16 920199 rate case expense I-96	192	0
17 True-up budget adjustment I-99	(238)	0
18 Emply recognition normalization I-100	(11)	0
19 Gains/Losses I-105	(54)	0
Total	(381)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(8)	0
3 Reallocate Common Plant River Park S-1	18	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	10	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(1,058)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	(48)	0
4 Discounts received on property taxes S-14	0	0
Total	(1,106)	0
INCOME TAXES		
To adjust to test year income tax expense	(8,675)	0

SSU/FISHERMAN'S HAVEN
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	97,562	0	$	97,562	(44)	97,518
2	LAND & LAND RIGHTS		654	0		654	0	654
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(39,992)	0		(39,992)	(16)	(40,008)
5	CIAC		(36,370)	0		(36,370)	0	(36,370)
6	AMORTIZATION OF CIAC		22,020	0		22,020	0	22,020
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,042)	0		(1,042)	0	(1,042)
10	DEFERRED INCOME TAXES		(669)	0		(669)	(647)	(1,316)
11	WORKING CAPITAL ALLOWANCE		6,035	0		6,035	(2,073)	3,962
12	OTHER		0	0		0	0	0
	RATE BASE	$	48,198	0	$	48,198	(2,780)	45,418

SSU/FISHERMAN'S HAVEN
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	416,645	0	$	416,645	(77)	416,568
2	LAND		1,938	0		1,938	0	1,938
3	NON-USED & USEFUL COMPONENTS		(42,683)	0		(42,683)	0	(42,683)
4	ACCUMULATED DEPRECIATION		(113,657)	0		(113,657)	(16)	(113,673)
5	CIAC		(45,740)	0		(45,740)	0	(45,740)
6	AMORTIZATION OF CIAC		29,264	0		29,264	0	29,264
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,079)	0		(1,079)	0	(1,079)
10	DEFERRED INCOME TAXES		(7,999)	0		(7,999)	(405)	(8,404)
11	WORKING CAPITAL ALLOWANCE		6,252	0		6,252	(2,148)	4,104
12	OTHER		0	0		0	0	0
	RATE BASE	$	242,941	0	$	242,941	(2,646)	240,295

SSU/FISHERMAN'S HAVEN
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(94)	(98)
3 Realloc of River Park common plant S-1	50	21
Total	(44)	(77)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	9	10
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(25)	(26)
Total	(16)	(16)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	(552)	0
2 Credit Deferred Taxes on Depreciation	(95)	(405)
Total	(647)	(405)
WORKING CAPITAL		
To reflect the plant specific allocation	(2,073)	(2,148)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/FISHERMAN'S HAVEN
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	23,627	19,943 $	43,570	(18,308)	25,262	16,806	42,068
	OPERATING EXPENSES:						66.53%	
2	OPERATION AND MAINTENANCE	29,160	1,147 $	30,307	(561)	29,746 $		29,746
3	DEPRECIATION	3,782	0	3,782	12	3,794		3,794
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	2,302	964	3,266	(858)	2,408	756	3,164
6	INCOME TAXES	(5,637)	6,879	1,242	(6,493)	(5,251)	6,191	940
7	TOTAL OPERATING EXPENSES	29,607	8,990 $	38,597	(7,901)	30,696	6,947	37,644
8	OPERATING INCOME	(5,980)	10,953 $	4,973	(10,407)	(5,434)	9,858	4,424
9	RATE BASE	48,198	$	48,198		45,418		45,418
	RATE OF RETURN	-12.41%		10.32%		-11.96%		9.74%

SSU/FISHERMAN'S HAVEN
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	46,624	64,505 $	111,129	(59,427)	51,702	55,839	107,541
	OPERATING EXPENSES						108.00%	
2	OPERATION AND MAINTENANCE	48,178	1,746 $	49,924	(1,491)	48,433 $		48,433
3	DEPRECIATION	18,652	0	18,652	11	18,663		18,663
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	10,179	2,154	12,333	(2,818)	9,515	2,513	12,028
6	INCOME TAXES	(17,413)	22,569	5,156	(20,716)	(15,560)	20,571	5,011
7	TOTAL OPERATING EXPENSES	59,596	26,469 $	86,065	(25,014)	61,051	23,084	84,135
8	OPERATING INCOME	(12,972)	38,036 $	25,064	(34,413)	(9,349)	32,756	23,407
9	RATE BASE	242,941	$	242,941		240,295		240,295
	RATE OF RETURN	-5.34%		10.32%		-3.89%		9.74%

SSU/FISHERMAN'S HAVEN
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(19,943)	(64,505)
2 Billing determinants I-75	1,628	5,071
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	7	7
Total	(18,308)	(59,427)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(44)	(45)
2 Correct attrition rate from 5.87% to 5.75% S-10	(14)	(15)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(198)	(294)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(298)	(309)
6 Hepatitis Amortization Adjustment I-86	(8)	(8)
7 Budgeted overtime to rate case expense S-11	(34)	(36)
8 Remove SSU proposed repression adjustment I-74	303	0
9 OAP Amortization I-86a	(40)	(41)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(9)	(9)
12 Conservation Expense I-92	(153)	(159)
13 Current rate case expense I-93	97	100
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(13)	(13)
15 Jurisdiction Docket Expense I-95	(25)	(26)
16 920199 rate case expense I-96	216	218
17 True-up budget adjustment I-99	(268)	(778)
18 Emply recognition normalization I-100	(12)	(13)
19 Gains/Losses I-105	(61)	(63)
Total	(561)	(1,491)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(9)	(10)
3 Reallocate Common Plant River Park S-1	21	21
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	12	11
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(824)	(2,674)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(34)	(144)
Total	(858)	(2,818)
INCOME TAXES		
To adjust to test year income tax expense	(6,493)	(20,716)

SSU/FLORIDA CENTRAL COMMERCE PARK
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	1,241,287	0	$ 1,241,287	(14)	1,241,273
2	LAND		130,123	0	130,123	0	130,123
3	NON-USED & USEFUL COMPONENTS		(44,992)	0	(44,992)	(66,199)	(111,191)
4	ACCUMULATED DEPRECIATION		(356,206)	0	(356,206)	0	(356,206)
5	CIAC		(543,346)	0	(543,346)	(68,880)	(612,226)
6	AMORTIZATION OF CIAC		117,781	0	117,781	1,657	119,438
7	ACQUISITION ADJUSTMENTS - NET		0	0	0	0	0
8	ADVANCES FOR CONSTRUCTION		(194,565)	0	(194,565)	0	(194,565)
9	UNFUNDED POST-RETIRE. BENEFITS		(322)	0	(322)	0	(322)
10	DEFERRED INCOME TAXES		(4,478)	0	(4,478)	(4,276)	(8,754)
11	WORKING CAPITAL ALLOWANCE		1,867	0	1,867	(641)	1,226
12	OTHER		0	0	0	0	0
	RATE BASE	$	347,149	0	$ 347,149	(138,353)	208,796

SSU/FLORIDA CENTRAL COMMERCE PARK
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-12	0	(29)
3 Realloc of River Park common plant S-1	0	15
Total	0	(14)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	(66,199)
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	0	4
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	0	(8)
Total	0	(4)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	(68,880)
3 Marco ASR Cost Share I-51	0	0
Total	0	(68,880)
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	1,657
5 Marco ASR Cost Share I-51	0	0
Total	0	1,657
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	0	(4,276)
2 Credit Deferred Taxes on Depreciation	0	(1,206)
Total	0	(5,482)
WORKING CAPITAL		
To reflect the plant specific allocation	0	(641)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/FLORIDA CENTRAL COMMERCE PARK
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	109,301	113,082 $	222,383	(27,454)	194,929	5,519	200,448
	OPERATING EXPENSES						2.83%	
2	OPERATION AND MAINTENANCE	107,444	3,478 $	110,922	(331)	110,591 $		110,591
3	DEPRECIATION	38,168	0	38,168	(3,770)	34,398		34,398
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	28,823	4,346	33,169	(2,335)	30,834	248	31,082
6	INCOME TAXES	(34,396)	38,706	4,310	(2,305)	2,005	2,033	4,038
7	TOTAL OPERATING EXPENSES	140,039	46,530 $	186,569	(8,741)	177,828	2,281	180,109
8	OPERATING INCOME	(30,738)	66,552 $	35,814	(18,713)	17,101	3,237	20,338
9	RATE BASE	347,149	$	347,149		208,796		208,796
	RATE OF RETURN	-8.85%		10.32%		8.19%		9.74%

SSU/FLORIDA CENTRAL COMMERCE PARK
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	0	(113,082)
2 Billing determinants I-75	0	85,626
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	0	2
Total	0	(27,454)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	0	(14)
2 Correct attrition rate from 5.87% to 5.75% S-10	0	(4)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	0	(88)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	0	(92)
6 Hepatitis Amortization Adjustment I-86	0	(6)
7 Budgeted overtime to rate case expense S-11	0	(11)
8 Remove SSU proposed repression adjustment I-74	0	0
9 OAP Amortization I-86a	0	(12)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	0	(6)
12 Conservation Expense I-92	0	(47)
13 Current rate case expense I-93	0	68
14 Uniform Rate Docket-Reg. Comm. Exp I-94	0	(4)
15 Jurisdiction Docket Expense I-95	0	(9)
16 920199 rate case expense I-96	0	149
17 True-up budget adjustment I-99	0	(232)
18 Emply recognition normalization I-100	0	(4)
19 Gains/Losses I-105	0	(19)
Total	0	(331)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	0	(3)
3 Reallocate Common Plant River Park S-1	0	6
4 Imputation of CIAC-MR I-48	0	(3,313)
5 Net used and useful adjustment	0	(460)
6 Marco ASR Cost Share I-51	0	0
Total	0	(3,770)
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	0	(1,235)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	(670)
4 Discounts received on property taxes S-14	0	(430)
Total	0	(2,335)
INCOME TAXES		
To adjust to test year income tax expense	0	(2,305)

SSU/FOUNTAINS
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	317,864	0	$	317,864	(446)	317,418
2	LAND & LAND RIGHTS		93	0		93	0	93
3	NON-USED & USEFUL COMPONENTS		(10,873)	0		(10,873)	581	(10,292)
4	ACCUMULATED DEPRECIATION		(58,923)	0		(58,923)	23	(58,900)
5	CIAC		(130,551)	0		(130,551)	(10,232)	(140,783)
6	AMORTIZATION OF CIAC		18,712	0		18,712	207	18,919
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(217)	0		(217)	0	(217)
10	DEFERRED INCOME TAXES		(562)	0		(562)	27,449	26,887
11	WORKING CAPITAL ALLOWANCE		1,259	0		1,259	(433)	826
12	OTHER		0	0		0	0	0
	RATE BASE	$	136,802	0	$	136,802	17,149	153,951

SSU/FOUNTAINS
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(456)	0
3 Realloc of River Park common plant S-1	10	0
Total	(446)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	581	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	28	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(5)	0
Total	23	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	(10,232)	0
3 Marco ASR Cost Share I-51	0	0
Total	(10,232)	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	35	0
4 Imputation of CIAC-MR I-48	172	0
5 Marco ASR Cost Share I-51	0	0
Total	207	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	27,757	0
2 Credit Deferred Taxes on Depreciation	(308)	0
Total	27,449	0
WORKING CAPITAL		
To reflect the plant specific allocation	(433)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/FOUNTAINS
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	4,621	46,380 $	51,001	(21,784)	29,217	21,943	51,160
	OPERATING EXPENSES:						75.10%	
2	OPERATION AND MAINTENANCE	19,940	640 $	20,580	(61)	20,519 $		20,519
3	DEPRECIATION	7,954	0	7,954	(346)	7,608		7,608
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	2,919	2,026	4,945	(1,087)	3,858	987	4,845
6	INCOME TAXES	(13,455)	16,863	3,408	(8,299)	(4,891)	8,084	3,192
7	TOTAL OPERATING EXPENSES	17,358	19,529 $	36,887	(9,794)	27,093	9,071	36,164
8	OPERATING INCOME	(12,737)	26,851 $	14,114	(11,990)	2,124	12,872	14,996
9	RATE BASE	136,802	$	136,802		153,951		153,951
	RATE OF RETURN	-9.31%		10.32%		1.38%		9.74%

SSU/FOUNTAINS
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(46,380)	0
2 Billing determinants I-75	24,595	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	1	0
Total	(21,784)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(9)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(3)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(41)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(62)	0
6 Hepatitis Amortization Adjustment I-86	(2)	0
7 Budgeted overtime to rate case expense S-11	(7)	0
8 Remove SSU proposed repression adjustment I-74	120	0
9 OAP Amortization I-86a	(8)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(2)	0
12 Conservation Expense I-92	(32)	0
13 Current rate case expense I-93	20	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(3)	0
15 Jurisdiction Docket Expense I-95	(5)	0
16 920199 rate case expense I-96	45	0
17 True-up budget adjustment I-99	(56)	0
18 Emply recognition normalization I-100	(3)	0
19 Gains/Losses I-105	(13)	0
Total	(61)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(19)	0
3 Reallocate Common Plant River Park S-1	4	0
4 Imputation of CIAC-MR I-48	(344)	0
5 Net used and useful adjustment	12	0
6 Marco ASR Cost Share I-51	0	0
Total	(346)	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(980)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	3	0
4 Discounts received on property taxes S-14	(110)	0
Total	(1,087)	0
INCOME TAXES		
To adjust to test year income tax expense	(8,299)	0

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SSU/FOX RUN
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	653,898	0	$	653,898	(1,147)	652,751
2	LAND & LAND RIGHTS		3,306	0		3,306	0	3,306
3	NON-USED & USEFUL COMPONENTS		(172,747)	0		(172,747)	0	(172,747)
4	ACCUMULATED DEPRECIATION		(131,365)	0		(131,365)	49	(131,316)
5	CIAC		(114,070)	0		(114,070)	0	(114,070)
6	AMORTIZATION OF CIAC		37,330	0		37,330	0	37,330
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(749)	0		(749)	0	(749)
10	DEFERRED INCOME TAXES		(9,669)	0		(9,669)	675	(8,994)
11	WORKING CAPITAL ALLOWANCE		4,342	0		4,342	(1,492)	2,850
12	OTHER		0	0		0	0	0
	RATE BASE	$	270,276	0	$	270,276	(1,915)	268,361

SSU/FOX RUN
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	493,712	0	$	493,712	(32)	493,680
2	LAND		3,609	0		3,609	0	3,609
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(131,123)	0		(131,123)	(18)	(131,141)
5	CIAC		(197,069)	0		(197,069)	0	(197,069)
6	AMORTIZATION OF CIAC		74,821	0		74,821	0	74,821
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(734)	0		(734)	0	(734)
10	DEFERRED INCOME TAXES		(2,588)	0		(2,588)	(2,069)	(4,657)
11	WORKING CAPITAL ALLOWANCE		4,255	0		4,255	(1,462)	2,793
12	OTHER		0	0		0	0	0
	RATE BASE	$	244,883	0	$	244,883	(3,581)	241,302

SSU/FOX RUN
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(1,183)	(67)
3 Realloc of River Park common plant S-1	36	35
Total	(1,147)	(32)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	67	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(18)	(18)
Total	49	(18)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	19	(1,611)
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	19	(1,611)
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	675	(2,069)
2 Credit Deferred Taxes on Depreciation	(634)	(480)
Total	41	(2,549)
WORKING CAPITAL		
To reflect the plant specific allocation	(1,492)	(1,462)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/FOX RUN
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	21,220	79,025 $	100,245	(36,656)	63,589	33,283	96,872
	OPERATING EXPENSES:						52.34%	
2	OPERATION AND MAINTENANCE	35,696	896 $	36,592	(95)	36,497 $		36,497
3	DEPRECIATION	14,630	0	14,630	(30)	14,600		14,600
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	15,126	(643)	14,483	(1,876)	12,607	1,498	14,105
6	INCOME TAXES	(23,730)	30,386	6,656	(13,388)	(6,732)	12,261	5,529
7	TOTAL OPERATING EXPENSES	41,722	30,639 $	72,361	(15,388)	56,973	13,759	70,732
8	OPERATING INCOME	(20,502)	48,386 $	27,884	(21,268)	6,616	19,524	26,141
9	RATE BASE	270,276	$	270,276		268,361		268,361
	RATE OF RETURN	-7.59%		10.32%		2.47%		9.74%

SSU/FOX RUN
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	39,857	91,257 $	131,114	(67,474)	63,640	64,211	127,851
	OPERATING EXPENSES						100.90%	
2	OPERATION AND MAINTENANCE	70,396	858 $	71,254	(1,013)	70,241 $		70,241
3	DEPRECIATION	13,937	0	13,937	10	13,947		13,947
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	11,324	4,148	15,472	(3,207)	12,265	2,890	15,154
6	INCOME TAXES	(27,392)	32,579	5,187	(23,837)	(18,650)	23,655	5,005
7	TOTAL OPERATING EXPENSES	68,265	37,585 $	105,850	(28,048)	77,802	26,544	104,347
8	OPERATING INCOME	(28,408)	53,672 $	25,264	(39,426)	(14,162)	37,667	23,505
9	RATE BASE	244,883	$	244,883		241,302		241,302
	RATE OF RETURN	-11.60%		10.32%		-5.87%		9.74%

SSU/FOX RUN
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(79,025)	(91,257)
2 Billing determinants I-75	42,364	23,778
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	5	5
Total	(36,656)	(67,474)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(32)	(31)
2 Correct attrition rate from 5.87% to 5.75% S-10	(10)	(10)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(142)	(200)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(215)	(210)
6 Hepatitis Amortization Adjustment I-86	(6)	(5)
7 Budgeted overtime to rate case expense S-11	(25)	(24)
8 Remove SSU proposed repression adjustment I-74	527	0
9 OAP Amortization I-86a	(28)	(28)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(6)	(6)
12 Conservation Expense I-92	(110)	(108)
13 Current rate case expense I-93	69	68
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(9)	(9)
15 Jurisdiction Docket Expense I-95	(18)	(18)
16 920199 rate case expense I-96	156	149
17 True-up budget adjustment I-99	(193)	(529)
18 Emply recognition normalization I-100	(9)	(9)
19 Gains/Losses I-105	(44)	(43)
Total	(95)	(1,013)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(45)	(4)
3 Reallocate Common Plant River Park S-1	15	14
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	(30)	10
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(1,650)	(3,036)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(226)	(171)
Total	(1,876)	(3,207)
INCOME TAXES		
To adjust to test year income tax expense	(13,388)	(23,837)

SSU/FRIENDLY CENTER
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	15,888	0	$	15,888	(7)	15,881
2	LAND & LAND RIGHTS		191	0		191	0	191
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(8,049)	0		(8,049)	(5)	(8,054)
5	CIAC		(2,843)	0		(2,843)	0	(2,843)
6	AMORTIZATION OF CIAC		1,331	0		1,331	0	1,331
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(150)	0		(150)	0	(150)
10	DEFERRED INCOME TAXES		(254)	0		(254)	619	365
11	WORKING CAPITAL ALLOWANCE		868	0		868	(298)	570
12	OTHER		0	0		0	0	0
	RATE BASE	$	6,982	0	$	6,982	309	7,291

SSU/FRIENDLY CENTER
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(14)	0
3 Realloc of River Park common plant S-1	7	0
Total	(7)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	(1)	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(4)	0
Total	(5)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	634	0
2 Credit Deferred Taxes on Depreciation	(15)	0
Total	619	0
WORKING CAPITAL		
To reflect the plant specific allocation	(298)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/FRIENDLY CENTER
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	3,210	5,747 $	8,957	(1,820)	7,137	1,715	8,852
	OPERATING EXPENSES:						24.02%	
2	OPERATION AND MAINTENANCE	6,059	321 $	6,380	(79)	6,301 $		6,301
3	DEPRECIATION	776	0	776	17	793		793
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	636	271	907	(87)	820	77	897
6	INCOME TAXES	(1,814)	1,989	175	(657)	(482)	632	150
7	TOTAL OPERATING EXPENSES	5,657	2,581 $	8,238	(805)	7,433	709	8,141
8	OPERATING INCOME	(2,447)	3,166 $	719	(1,015)	(296)	1,006	710
9	RATE BASE	6,982	$	6,982		7,291		7,291
	RATE OF RETURN	-35.05%		10.30%		-4.05%		9.74%

SSU/FRIENDLY CENTER
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(5,747)	0
2 Billing determinants I-75	3,926	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	1	0
Total	(1,820)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(6)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(2)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(28)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(43)	0
6 Hepatitis Amortization Adjustment I-86	(1)	0
7 Budgeted overtime to rate case expense S-11	(5)	0
8 Remove SSU proposed repression adjustment I-74	46	0
9 OAP Amortization I-86a	(6)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(1)	0
12 Conservation Expense I-92	(22)	0
13 Current rate case expense I-93	14	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(2)	0
15 Jurisdiction Docket Expense I-95	(4)	0
16 920199 rate case expense I-96	31	0
17 True-up budget adjustment I-99	(39)	0
18 Emply recognition normalization I-100	(2)	0
19 Gains/Losses I-105	(9)	0
Total	(79)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(1)	0
3 Reallocate Common Plant River Park S-1	18	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	17	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(82)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(5)	0
Total	(87)	0
INCOME TAXES		
To adjust to test year income tax expense	(657)	0

SSU/GENEVA LAKE ESTATES
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	111,115	0	$	111,115	(28)	111,087
2	LAND & LAND RIGHTS		1,268	0		1,268	0	1,268
3	NON-USED & USEFUL COMPONENTS		(5,713)	0		(5,713)	(12)	(5,725)
4	ACCUMULATED DEPRECIATION		(27,910)	0		(27,910)	(22)	(27,932)
5	CIAC		(15,675)	(72)		(15,747)	0	(15,747)
6	AMORTIZATION OF CIAC		4,188	0		4,188	0	4,188
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(652)	0		(652)	0	(652)
10	DEFERRED INCOME TAXES		(852)	0		(852)	2,812	1,960
11	WORKING CAPITAL ALLOWANCE		3,777	0		3,777	(1,298)	2,479
12	OTHER		0	0		0	0	0
	RATE BASE	$	69,546	(72)	$	69,474	1,452	70,926

SSU/GENEVA LAKE ESTATES
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(59)	0
3 Realloc of River Park common plant S-1	31	0
Total	(28)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(12)	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	(6)	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(16)	0
Total	(22)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	2,920	0
2 Credit Deferred Taxes on Depreciation	(108)	0
Total	2,812	0
WORKING CAPITAL		
To reflect the plant specific allocation	(1,298)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/GENEVA LAKE ESTATES
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	30,590	8,377 $	38,967	(7,114)	31,853	5,764	37,617
	OPERATING EXPENSES:						18.09%	
2	OPERATION AND MAINTENANCE	20,870	697 $	21,567	(607)	20,960 $		20,960
3	DEPRECIATION	4,058	0	4,058	8	4,066		4,066
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	4,011	289	4,300	(360)	3,940	259	4,199
6	INCOME TAXES	(978)	2,853	1,875	(2,516)	(641)	2,123	1,483
7	TOTAL OPERATING EXPENSES	27,961	3,839 $	31,800	(3,475)	28,325	2,383	30,708
8	OPERATING INCOME	2,629	4,538 $	7,167	(3,639)	3,528	3,381	6,909
9	RATE BASE	69,546	$	69,474		70,926		70,926
	RATE OF RETURN	3.78%		10.32%		4.97%		9.74%

SSU/GENEVA LAKE ESTATES
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(8,377)	0
2 Billing determinants I-75	1,259	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	4	0
Total	(7,114)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(27)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(9)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(124)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(187)	0
6 Hepatitis Amortization Adjustment I-86	(5)	0
7 Budgeted overtime to rate case expense S-11	(21)	0
8 Remove SSU proposed repression adjustment I-74	248	0
9 OAP Amortization I-86a	(25)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(5)	0
12 Conservation Expense I-92	(96)	0
13 Current rate case expense I-93	60	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(75)	0
15 Jurisdiction Docket Expense I-95	(16)	0
16 920199 rate case expense I-96	(149)	0
17 True-up budget adjustment I-99	(168)	0
18 Emply recognition normalization I-100	(8)	0
19 Gains/Losses I-105	0	0
Total	(607)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(4)	0
3 Reallocate Common Plant River Park S-1	13	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	(1)	0
6 Marco ASR Cost Share I-51	0	0
Total	8	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(320)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	(2)	0
4 Discounts received on property taxes S-14	(38)	0
Total	(360)	0
INCOME TAXES		
To adjust to test year income tax expense	(2,516)	0

10055

SSU/GOLDEN TERRACE
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	155,406	0	$	155,406	(34)	155,372
2	LAND & LAND RIGHTS		331	0		331	0	331
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(44,923)	0		(44,923)	(12)	(44,935)
5	CIAC		(8,670)	0		(8,670)	0	(8,670)
6	AMORTIZATION OF CIAC		2,730	0		2,730	0	2,730
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(794)	0		(794)	0	(794)
10	DEFERRED INCOME TAXES		(2,799)	0		(2,799)	2,022	(777)
11	WORKING CAPITAL ALLOWANCE		4,602	0		4,602	(1,581)	3,021
12	OTHER		0	0		0	0	0
	RATE BASE	$	105,883	0	$	105,883	395	106,278

10056

SSU/GOLDEN TERRACE
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-12	(72)	0
3 Realloc of River Park common plant S-1	38	0
Total	(34)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	7	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(19)	0
Total	(12)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	6	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	6	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	2,022	0
2 Credit Deferred Taxes on Depreciation	(151)	0
Total	1,871	0
WORKING CAPITAL		
To reflect the plant specific allocation	(1,581)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/GOLDEN TERRACE
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	13,479	32,287 $	45,766	(17,730)	28,036	16,400	44,436
	OPERATING EXPENSES:						58.50%	
2	OPERATION AND MAINTENANCE	22,482	260 $	22,742	13	22,755 $		22,755
3	DEPRECIATION	5,768	0	5,768	11	5,779		5,779
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	1,941	1,495	3,436	(852)	2,584	738	3,322
6	INCOME TAXES	(8,881)	11,778	2,897	(6,711)	(3,814)	6,042	2,227
7	TOTAL OPERATING EXPENSES	21,310	13,533 $	34,843	(7,539)	27,304	6,780	34,083
8	OPERATING INCOME	(7,831)	18,754 $	10,923	(10,191)	732	9,620	10,352
9	RATE BASE	105,883	$	105,883		106,278		106,278
	RATE OF RETURN	-7.40%		10.32%		0.69%		9.74%

SSU/GOLDEN TERRACE
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(32,287)	0
2 Billing determinants I-75	14,552	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	5	0
Total	(17,730)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(33)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(11)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(151)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(228)	0
6 Hepatitis Amortization Adjustment I-86	(6)	0
7 Budgeted overtime to rate case expense S-11	(26)	0
8 Remove SSU proposed repression adjustment I-74	672	0
9 OAP Amortization I-86a	(30)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(7)	0
12 Conservation Expense I-92	(117)	0
13 Current rate case expense I-93	74	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(10)	0
15 Jurisdiction Docket Expense I-95	(19)	0
16 920199 rate case expense I-96	165	0
17 True-up budget adjustment I-99	(205)	0
18 Emply recognition normalization I-100	(9)	0
19 Gains/Losses I-105	(46)	0
Total	13	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(5)	0
3 Reallocate Common Plant River Park S-1	16	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	11	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(798)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(54)	0
Total	(852)	0
INCOME TAXES		
To adjust to test year income tax expense	(6,711)	0

SSU/GOSPEL ISLAND ESTATES
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	24,875	0	$	24,875	(2)	24,873
2	LAND & LAND RIGHTS		1,044	0		1,044	0	1,044
3	NON-USED & USEFUL COMPONENTS		(3,027)	0		(3,027)	955	(2,072)
4	ACCUMULATED DEPRECIATION		(11,917)	0		(11,917)	(0)	(11,917)
5	CIAC		(20,785)	0		(20,785)	0	(20,785)
6	AMORTIZATION OF CIAC		12,496	0		12,496	0	12,496
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(60)	0		(60)	0	(60)
10	DEFERRED INCOME TAXES		353	0		353	(615)	(262)
11	WORKING CAPITAL ALLOWANCE		347	0		347	(119)	228
12	OTHER		0	0		0	0	0
	RATE BASE	$	3,326	0	$	3,326	218	3,544

SSU/GOSPEL ISLAND ESTATES
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(5)	0
3 Realloc of River Park common plant S-1	3	0
Total	(2)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	955	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	1	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(1)	0
Total	(0)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	(591)	0
2 Credit Deferred Taxes on Depreciation	(24)	0
Total	(615)	0
WORKING CAPITAL		
To reflect the plant specific allocation	(119)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/GOSPEL ISLAND ESTATES
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	1,412	6,555 $	7,967	(2,954)	5,013	3,025	8,038
	OPERATING EXPENSES:						60.34%	
2	OPERATION AND MAINTENANCE	6,476	272 $	6,748	(26)	6,722 $		6,722
3	DEPRECIATION	(183)	0	(183)	38	(145)		(145)
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	807	219	1,026	(112)	914	136	1,050
6	INCOME TAXES	(2,306)	2,339	33	(1,081)	(1,048)	1,114	66
7	TOTAL OPERATING EXPENSES	4,794	2,830 $	7,624	(1,182)	6,442	1,251	7,693
8	OPERATING INCOME	(3,382)	3,725 $	343	(1,772)	(1,429)	1,775	345
9	RATE BASE	3,326	$	3,326		3,544		3,544
	RATE OF RETURN	-101.68%		10.31%		-40.33%		9.74%

SSU/GOSPEL ISLAND ESTATES
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(6,555)	0
2 Billing determinants I-75	3,601	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	0	0
Total	(2,954)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(3)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(2)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(11)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(17)	0
6 Hepatitis Amortization Adjustment I-86	0	0
7 Budgeted overtime to rate case expense S-11	(2)	0
8 Remove SSU proposed repression adjustment I-74	24	0
9 OAP Amortization I-86a	(2)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(9)	0
12 Conservation Expense I-92	0	0
13 Current rate case expense I-93	6	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(1)	0
15 Jurisdiction Docket Expense I-95	(1)	0
16 920199 rate case expense I-96	12	0
17 True-up budget adjustment I-99	(15)	0
18 Emply recognition normalization I-100	(1)	0
19 Gains/Losses I-105	(4)	0
Total	(26)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	0	0
3 Reallocate Common Plant River Park S-1	1	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	37	0
6 Marco ASR Cost Share I-51	0	0
Total	38	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(133)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	30	0
4 Discounts received on property taxes S-14	(9)	0
Total	(112)	0
INCOME TAXES		
To adjust to test year income tax expense	(1,081)	0

SSU/GRAND TERRACE
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	126,318	0	$	126,318	(471)	125,847
2	LAND & LAND RIGHTS		5,920	0		5,920	0	5,920
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(27,811)	0		(27,811)	14	(27,797)
5	CIAC		(42,657)	0		(42,657)	0	(42,657)
6	AMORTIZATION OF CIAC		5,949	0		5,949	0	5,949
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(824)	0		(824)	0	(824)
10	DEFERRED INCOME TAXES		12,790	0		12,790	(4,135)	8,655
11	WORKING CAPITAL ALLOWANCE		4,776	0		4,776	(1,641)	3,135
12	OTHER		0	0		0	0	0
	RATE BASE	$	84,461	0	$	84,461	(6,233)	78,228

SSU/GRAND TERRACE
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(511)	0
3 Realloc of River Park common plant S-1	40	0
Total	(471)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	34	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(20)	0
Total	14	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	(4,013)	0
2 Credit Deferred Taxes on Depreciation	(122)	0
Total	(4,135)	0
WORKING CAPITAL		
To reflect the plant specific allocation	(1,641)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/GRAND TERRACE
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	18,759	18,939 $	37,698	(1,815)	35,883	(647)	35,236
	OPERATING EXPENSES:						-1.80%	
2	OPERATION AND MAINTENANCE	18,332	908 $	19,240	(537)	18,703 $		18,703
3	DEPRECIATION	3,669	0	3,669	(6)	3,663		3,663
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	2,881	890	3,771	(126)	3,645	(29)	3,616
6	INCOME TAXES	(4,308)	6,612	2,304	(431)	1,873	(238)	1,634
7	TOTAL OPERATING EXPENSES	20,574	8,410 $	28,984	(1,100)	27,884	(267)	27,616
8	OPERATING INCOME	(1,815)	10,529 $	8,714	(715)	7,999	(379)	7,620
9	RATE BASE	84,461	$	84,461		78,228		78,228
	RATE OF RETURN	-2.15%		10.32%		10.23%		9.74%

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SSU/GRAND TERRACE
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(5,747)	0
2 Billing determinants I-75	3,926	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	6	0
Total	(1,815)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(35)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(11)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(157)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(236)	0
6 Hepatitis Amortization Adjustment I-86	(6)	0
7 Budgeted overtime to rate case expense S-11	(27)	0
8 Remove SSU proposed repression adjustment I-74	152	0
9 OAP Amortization I-86a	(31)	0
10 Purchased power Deltona Lakes I-88	(7)	0
11 Amortize Hurricane Preparedness Program S-13	(5)	0
12 Conservation Expense I-92	(121)	0
13 Current rate case expense I-93	76	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(10)	0
15 Jurisdiction Docket Expense I-95	(20)	0
16 920199 rate case expense I-96	171	0
17 True-up budget adjustment I-99	(212)	0
18 Emply recognition normalization I-100	(10)	0
19 Gains/Losses I-105	(48)	0
Total	(537)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(22)	0
3 Reallocate Common Plant River Park S-1	16	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	(6)	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(82)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(44)	0
Total	(126)	0
INCOME TAXES		
To adjust to test year income tax expense	(431)	0

SSU/HARMONY HOMES
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	116,649	0	$	116,649	(1,051)	115,598
2	LAND & LAND RIGHTS		944	0		944	0	944
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(36,188)	0		(36,188)	30	(36,158)
5	CIAC		(1,125)	0		(1,125)	0	(1,125)
6	AMORTIZATION OF CIAC		726	0		726	0	726
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(472)	0		(472)	0	(472)
10	DEFERRED INCOME TAXES		(2,159)	0		(2,159)	235	(1,924)
11	WORKING CAPITAL ALLOWANCE		2,735	0		2,735	(940)	1,795
12	OTHER		0	0		0	0	0
	RATE BASE	$	81,110	0	$	81,110	(1,726)	79,384

SSU/HARMONY HOMES
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-12	(1,074)	0
3 Realloc of River Park common plant S-1	23	0
Total	(1,051)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	41	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park common plant S-1	(11)	0
Total	30	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	347	0
2 Credit Deferred Taxes on Depreciation	(112)	0
Total	235	0
WORKING CAPITAL		
To reflect the plant specific allocation	(940)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/HARMONY HOMES
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	14,189	24,084 $	38,273	(19,015)	19,258	17,573	36,831
	OPERATING EXPENSES:						91.25%	
2	OPERATION AND MAINTENANCE	19,044	627 $	19,671	(137)	19,534 $		19,534
3	DEPRECIATION	4,462	0	4,462	0	4,462		4,462
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	2,422	1,123	3,545	(896)	2,649	791	3,440
6	INCOME TAXES	(6,389)	8,615	2,226	(7,037)	(4,811)	6,474	1,663
7	TOTAL OPERATING EXPENSES	19,539	10,365 $	29,904	(8,070)	21,834	7,265	29,099
8	OPERATING INCOME	(5,350)	13,719 $	8,369	(10,945)	(2,576)	10,309	7,733
9	RATE BASE	81,110	$	81,110		79,384		79,384
	RATE OF RETURN	-6.60%		10.32%		-3.25%		9.74%

SSU/HARMONY HOMES
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(24,084)	0
2 Billing determinants I-75	5,066	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	3	0
Total	(19,015)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(20)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(6)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(90)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(135)	0
6 Hepatitis Amortization Adjustment I-86	(4)	0
7 Budgeted overtime to rate case expense S-11	(16)	0
8 Remove SSU proposed repression adjustment I-74	255	0
9 OAP Amortization I-86a	(18)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(4)	0
12 Conservation Expense I-92	(69)	0
13 Current rate case expense I-93	44	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(6)	0
15 Jurisdiction Docket Expense I-95	(11)	0
16 920199 rate case expense I-96	98	0
17 True-up budget adjustment I-99	(122)	0
18 Emply recognition normalization I-100	(5)	0
19 Gains/Losses I-105	(28)	0
Total	(137)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(27)	0
3 Reallocate Common Plant River Park S-1	9	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	(18)	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(856)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(40)	0
Total	(896)	0
INCOME TAXES		
To adjust to test year income tax expense	(7,037)	0

SSU/HERMITS COVE
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	298,020	0	$	298,020	(2,683)	295,337
2	LAND & LAND RIGHTS		1,148	0		1,148	0	1,148
3	NON-USED & USEFUL COMPONENTS		(29,717)	0		(29,717)	(554)	(30,271)
4	ACCUMULATED DEPRECIATION		(88,243)	0		(88,243)	92	(88,151)
5	CIAC		(8,642)	0		(8,642)	0	(8,642)
6	AMORTIZATION OF CIAC		3,257	0		3,257	0	3,257
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,304)	0		(1,304)	0	(1,304)
10	DEFERRED INCOME TAXES		(5,471)	0		(5,471)	917	(4,554)
11	WORKING CAPITAL ALLOWANCE		7,554	0		7,554	(2,595)	4,959
12	OTHER		0	0		0	0	0
	RATE BASE	$	176,602	0	$	176,602	(4,823)	171,779

SSU/HERMITS COVE
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(2,746)	0
3 Realloc of River Park common plant S-1	63	0
Total	(2,683)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(554)	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	124	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(32)	0
Total	92	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	1,204	0
2 Credit Deferred Taxes on Depreciation	(287)	0
Total	917	0
WORKING CAPITAL		
To reflect the plant specific allocation	(2,595)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/HERMITS COVE
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	18,598	58,132 $	76,730	(30,104)	46,626	25,776	72,402
	OPERATING EXPENSES:						55.28%	
2	OPERATION AND MAINTENANCE	30,210	1,385 $	31,595	(1,293)	30,302 $		30,302
3	DEPRECIATION	11,683	0	11,683	(99)	11,584		11,584
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	8,679	1,833	10,512	(1,472)	9,040	1,160	10,200
6	INCOME TAXES	(16,463)	21,183	4,720	(10,632)	(5,912)	9,496	3,583
7	TOTAL OPERATING EXPENSES	34,109	24,401 $	58,510	(13,496)	45,014	10,656	55,670
8	OPERATING INCOME	(15,511)	33,731 $	18,220	(16,608)	1,612	15,121	16,733
9	RATE BASE	176,602	$	176,602		171,779		171,779
	RATE OF RETURN	-8.78%		10.32%		0.94%		9.74%

SSU/HERMITS COVE
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(58,132)	0
2 Billing determinants I-75	28,019	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	9	0
Total	(30,104)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(55)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(18)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(248)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(374)	0
6 Hepatitis Amortization Adjustment I-86	(10)	0
7 Budgeted overtime to rate case expense S-11	(43)	0
8 Remove SSU proposed repression adjustment I-74	(213)	0
9 OAP Amortization I-86a	(50)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(11)	0
12 Conservation Expense I-92	(192)	0
13 Current rate case expense I-93	121	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(16)	0
15 Jurisdiction Docket Expense I-95	(31)	0
16 920199 rate case expense I-96	271	0
17 True-up budget adjustment I-99	(336)	0
18 Emply recognition normalization I-100	(15)	0
19 Gains/Losses I-105	(73)	0
Total	(1,293)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(83)	0
3 Reallocate Common Plant River Park S-1	26	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	(42)	0
6 Marco ASR Cost Share I-51	0	0
Total	(99)	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(1,355)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	(15)	0
4 Discounts received on property taxes S-14	(102)	0
Total	(1,472)	0
INCOME TAXES		
To adjust to test year income tax expense	(10,632)	0

SSU/ HOBBY HILLS
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	80,778	0	$ 80,778	(30)	80,748
2	LAND & LAND RIGHTS		844	0	844	0	844
3	NON-USED & USEFUL COMPONENTS		(5,340)	0	(5,340)	(3,405)	(8,745)
4	ACCUMULATED DEPRECIATION		(33,939)	0	(33,939)	(4)	(33,943)
5	CIAC		(2,622)	0	(2,622)	0	(2,622)
6	AMORTIZATION OF CIAC		1,227	0	1,227	0	1,227
7	ACQUISITION ADJUSTMENTS - NET		0	0	0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(720)	0	(720)	0	(720)
10	DEFERRED INCOME TAXES		(1,311)	0	(1,311)	69	(1,242)
11	WORKING CAPITAL ALLOWANCE		4,168	0	4,168	0	4,168
12	OTHER		0	0	0	0	0
	RATE BASE	$	43,085	0	$ 43,085	(3,370)	39,715

SSU/ HOBBY HILLS
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-13	(65)	0
3 Realloc of River Park common plant S-1	35	0
Total	(30)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(3,405)	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	13	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(17)	0
Total	(4)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	69	0
2 Credit Deferred Taxes on Depreciation	(79)	0
Total	(10)	0
WORKING CAPITAL		
To reflect the plant specific allocation	(1,432)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ HOBBY HILLS
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	14,297	14,309 $	28,606	25,541	54,147	(27,505)	26,642
	OPERATING EXPENSES:						-50.80%	
2	OPERATION AND MAINTENANCE	15,403	828 $	16,231	(502)	15,729 $		15,729
3	DEPRECIATION	3,768	0	3,768	(349)	3,419		3,419
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	2,483	552	3,035	1,005	4,040	(1,238)	2,802
6	INCOME TAXES	(3,859)	4,987	1,128	9,828	10,956	(10,133)	824
7	TOTAL OPERATING EXPENSES	17,795	6,367 $	24,162	9,982	34,144	(11,370)	22,773
8	OPERATING INCOME	(3,498)	7,942 $	4,444	15,559	20,003	(16,135)	3,869
9	RATE BASE	43,085	$	43,085		39,715		39,715
	RATE OF RETURN	-8.12%		10.31%		50.37%		9.74%

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SSU/ HOBBY HILLS
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	14,309	0
2 Billing determinants I-75	11,227	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	5	0
Total	25,541	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(30)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(10)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(137)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(206)	0
6 Hepatitis Amortization Adjustment I-86	(5)	0
7 Budgeted overtime to rate case expense S-11	(24)	0
8 Remove SSU proposed repression adjustment I-74	94	0
9 OAP Amortization I-86a	(27)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(6)	0
12 Conservation Expense I-92	(106)	0
13 Current rate case expense I-93	67	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(9)	0
15 Jurisdiction Docket Expense I-95	(17)	0
16 920199 rate case expense I-96	149	0
17 True-up budget adjustment I-99	(185)	0
18 Emply recognition normalization I-100	(8)	0
19 Gains/Losses I-105	(42)	0
Total	(502)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(7)	0
3 Reallocate Common Plant River Park S-1	14	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	(357)	0
6 Marco ASR Cost Share I-51	0	0
Total	(349)	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	1,149	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	(116)	0
4 Discounts received on property taxes S-14	(28)	0
Total	1,005	0
INCOME TAXES		
To adjust to test year income tax expense	9,828	0

SSU/ HOLIDAY HAVEN
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	68,581	0	$	68,581	(35)	68,546
2	LAND & LAND RIGHTS		577	0		577	0	577
3	NON-USED & USEFUL COMPONENTS		(1,832)	0		(1,832)	1,479	(353)
4	ACCUMULATED DEPRECIATION		(31,398)	0		(31,398)	(5)	(31,403)
5	CIAC		(34,335)	0		(34,335)	0	(34,335)
6	AMORTIZATION OF CIAC		16,438	0		16,438	0	16,438
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(832)	0		(832)	0	(832)
10	DEFERRED INCOME TAXES		(176)	0		(176)	(276)	(452)
11	WORKING CAPITAL ALLOWANCE		4,819	0		4,819	0	4,819
12	OTHER		0	0		0	0	0
	RATE BASE	$	21,842	0	$	21,842	1,163	23,005

SSU/ HOLIDAY HAVEN
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	731,694	0	$	731,694	(30)	731,664
2	LAND		3,793	0		3,793	0	3,793
3	NON-USED & USEFUL COMPONENTS		(143,463)	0		(143,463)	(122,656)	(266,119)
4	ACCUMULATED DEPRECIATION		(134,069)	0		(134,069)	(4)	(134,073)
5	CIAC		(70,700)	0		(70,700)	0	(70,700)
6	AMORTIZATION OF CIAC		37,199	0		37,199	0	37,199
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(690)	0		(690)	0	(690)
10	DEFERRED INCOME TAXES		(14,615)	0		(14,615)	617	(13,998)
11	WORKING CAPITAL ALLOWANCE		3,994	0		3,994	0	3,994
12	OTHER		0	0		0	0	0
	RATE BASE	$	413,143	0	$	413,143	(122,074)	291,069

SSU/ HOLIDAY HAVEN
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-13	(75)	(63)
3 Realloc of River Park common plant S-1	40	33
Total	(35)	(30)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	1,479	(122,656)
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	15	13
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(20)	(17)
Total	(5)	(4)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	(75)	(19)
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	(75)	(19)
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	(276)	617
2 Credit Deferred Taxes on Depreciation	(67)	(711)
Total	(343)	(94)
WORKING CAPITAL		
To reflect the plant specific allocation	(1,656)	(1,372)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ HOLIDAY HAVEN
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	12,484	29,116 $	41,600	45,662	87,262	(44,726)	42,536
	OPERATING EXPENSES:						-51.25%	
2	OPERATION AND MAINTENANCE	33,123	(567) $	32,556	845	33,401 $		33,401
3	DEPRECIATION	2,434	0	2,434	104	2,538		2,538
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	2,684	1,182	3,866	2,034	5,900	(2,013)	3,887
6	INCOME TAXES	(10,502)	10,994	492	16,454	16,946	(16,477)	470
7	TOTAL OPERATING EXPENSES	27,739	11,609 $	39,348	19,437	58,785	(18,489)	40,295
8	OPERATING INCOME	(15,255)	17,507 $	2,252	26,225	28,477	(26,236)	2,241
9	RATE BASE	21,842	$	21,842		23,005		23,005
	RATE OF RETURN	-69.84%		10.31%		123.79%		9.74%

SSU/ HOLIDAY HAVEN
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	25,660	109,824 $	135,484	124,158	259,642	(153,199)	106,443
	OPERATING EXPENSES						-59.00%	
2	OPERATION AND MAINTENANCE	44,648	1,345 $	45,993	(950)	45,043 $		45,043
3	DEPRECIATION	28,118	0	28,118	(7,872)	20,246		20,246
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	3,886	4,644	8,530	5,178	13,708	(6,894)	6,814
6	INCOME TAXES	(29,390)	39,609	10,219	52,206	62,425	(56,437)	5,987
7	TOTAL OPERATING EXPENSES	47,262	45,598 $	92,860	48,561	141,421	(63,331)	78,090
8	OPERATING INCOME	(21,602)	64,226 $	42,624	75,597	118,221	(89,868)	28,353
9	RATE BASE	413,143	$	413,143		291,069		291,069
	RATE OF RETURN	-5.23%		10.32%		40.62%		9.74%

SSU/ HOLIDAY HAVEN
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	29,116	109,824
2 Billing determinants I-75	16,540	14,329
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	6	5
Total	45,662	124,158
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(35)	(29)
2 Correct attrition rate from 5.87% to 5.75% S-10	(11)	(9)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(158)	(188)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(238)	(198)
6 Hepatitis Amortization Adjustment I-86	(6)	(5)
7 Budgeted overtime to rate case expense S-11	(27)	(23)
8 Remove SSU proposed repression adjustment I-74	1,508	0
9 OAP Amortization I-86a	(32)	(26)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(7)	(6)
12 Conservation Expense I-92	(122)	(101)
13 Current rate case expense I-93	77	64
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(10)	(8)
15 Jurisdiction Docket Expense I-95	(20)	(16)
16 920199 rate case expense I-96	173	140
17 True-up budget adjustment I-99	(214)	(497)
18 Emply recognition normalization I-100	(10)	(8)
19 Gains/Losses I-105	(23)	(40)
Total	845	(950)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	0	(6)
3 Reallocate Common Plant River Park S-1	16	14
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	88	(7,880)
6 Marco ASR Cost Share I-51	0	0
Total	104	(7,872)
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	2,055	5,587
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	3	(156)
4 Discounts received on property taxes S-14	(24)	(253)
Total	2,034	5,178
INCOME TAXES		
To adjust to test year income tax expense	16,454	52,206

SSU/ HOLIDAY HEIGHTS
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	112,316	0	$	112,316	(17)	112,299
2	LAND & LAND RIGHTS		4,059	0		4,059	0	4,059
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(35,441)	0		(35,441)	(3)	(35,444)
5	CIAC		(15,600)	0		(15,600)	0	(15,600)
6	AMORTIZATION OF CIAC		9,678	0		9,678	28	9,706
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(397)	0		(397)	0	(397)
10	DEFERRED INCOME TAXES		(2,106)	0		(2,106)	(109)	(2,215)
11	WORKING CAPITAL ALLOWANCE		2,301	0		2,301	(791)	1,510
12	OTHER		0	0		0	0	0
	RATE BASE	$	74,810	0	$	74,810	(892)	73,918

SSU/ HOLIDAY HEIGHTS
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(36)	0
3 Realloc of River Park common plant S-1	19	0
Total	(17)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	7	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(10)	0
Total	(3)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	28	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	28	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	0	0
2 Credit Deferred Taxes on Depreciation	(109)	0
Total	(109)	0
WORKING CAPITAL		
To reflect the plant specific allocation	(791)	0
OTHER		
Marco Island deferred debit-water I-62	0	

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SSU/ HOLIDAY HEIGHTS
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	10,573	20,975 $	31,548	28,628	60,176	(30,047)	30,129
	OPERATING EXPENSES:						-49.93%	
2	OPERATION AND MAINTENANCE	14,365	671 $	15,036	(311)	14,725 $		14,725
3	DEPRECIATION	3,972	0	3,972	4	3,976		3,976
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	1,810	973	2,783	1,249	4,032	(1,352)	2,680
6	INCOME TAXES	(5,417)	7,457	2,040	10,576	12,616	(11,069)	1,547
7	TOTAL OPERATING EXPENSES	14,730	9,101 $	23,831	11,519	35,350	(12,421)	22,928
8	OPERATING INCOME	(4,157)	11,874 $	7,717	17,109	24,826	(17,626)	7,200
9	RATE BASE	74,810	$	74,810		73,918		73,918
	RATE OF RETURN	-5.56%		10.32%		33.59%		9.74%

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SSU/ HOLIDAY HEIGHTS
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	20,975	0
2 Billing determinants I-75	7,650	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	3	0
Total	28,628	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(17)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(5)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(75)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(114)	0
6 Hepatitis Amortization Adjustment I-86	(3)	0
7 Budgeted overtime to rate case expense S-11	(13)	0
8 Remove SSU proposed repression adjustment I-74	69	0
9 OAP Amortization I-86a	(15)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(3)	0
12 Conservation Expense I-92	(58)	0
13 Current rate case expense I-93	37	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(5)	0
15 Jurisdiction Docket Expense I-95	(9)	0
16 920199 rate case expense I-96	83	0
17 True-up budget adjustment I-99	(102)	0
18 Emply recognition normalization I-100	(5)	0
19 Gains/Losses I-105	(76)	0
Total	(311)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(4)	0
3 Reallocate Common Plant River Park S-1	8	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	4	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	1,288	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(39)	0
Total	1,249	0
INCOME TAXES		
To adjust to test year income tax expense	10,576	0

SSU/ IMERIAL TERRACE
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	238,285	0	$	238,285	(80,935)	157,350
2	LAND & LAND RIGHTS		8,232	0		8,232	0	8,232
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(67,950)	0		(67,950)	1,722	(66,228)
5	CIAC		(52,160)	0		(52,160)	0	(52,160)
6	AMORTIZATION OF CIAC		30,684	0		30,684	71	30,755
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,806)	0		(1,806)	0	(1,806)
10	DEFERRED INCOME TAXES		(3,183)	0		(3,183)	(513)	(3,696)
11	WORKING CAPITAL ALLOWANCE		10,463	0		10,463	(3,595)	6,868
12	OTHER		0	0		0	0	0
	RATE BASE	$	162,565	0	$	162,565	(83,250)	79,315

SSU/ IMERIAL TERRACE
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-13	0	0
2 To adjust for plant slippage I-12	(81,022)	0
3 Realloc of River Park common plant S-1	87	0
Total	(80,935)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	1,678	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	44	0
Total	1,722	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	71	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	71	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	(360)	0
2 Credit Deferred Taxes on Depreciation	(153)	0
Total	(513)	0
WORKING CAPITAL		
To reflect the plant specific allocation	(3,595)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ IMERIAL TERRACE
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	33,956	43,446 $	77,402	(36,692)	40,710	20,836	61,546
	OPERATING EXPENSES:						51.18%	
2	OPERATION AND MAINTENANCE	36,475	1,845 $	38,320	(3,276)	35,044 $		35,044
3	DEPRECIATION	9,736	0	9,736	36	9,772		9,772
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	6,084	2,042	8,126	(1,706)	6,420	938	7,357
6	INCOME TAXES	(10,812)	15,260	4,448	(10,477)	(6,029)	7,676	1,646
7	TOTAL OPERATING EXPENSES	41,483	19,147 $	60,630	(15,423)	45,207	8,613	53,820
8	OPERATING INCOME	(7,527)	24,299 $	16,772	(21,269)	(4,497)	12,222	7,726
9	RATE BASE	162,565	$	162,565		79,315		79,315
	RATE OF RETURN	-4.63%		10.32%		-5.67%		9.74%

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SSU/ IMERIAL TERRACE
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(43,446)	0
2 Billing determinants I-75	6,742	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	12	0
Total	(36,692)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(76)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(25)	0
3 Keystone Heights APT expenses I-58	(1,990)	0
4 Hewitt study I-82	(343)	0
5 Lobbying/Acquisition salaries & miscellaneous expenses I-83 & I-84	(517)	0
6 Hepatitis Amortization Adjustment	(13)	0
7 Budgeted overtime to rate case expense S-11	(60)	0
8 Remove SSU proposed repression adjustment I-74	223	0
9 OAP Amortization I-86a	(69)	0
10 Purchased power Deltona Lakes I-88	(15)	0
11 Amortize Hurricane Preparedness Program S-13	(11)	0
12 Conservation Expense I-92	(265)	0
13 Current rate case expense I-93	167	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(22)	0
15 Jurisdiction Docket Expense I-95	(43)	0
16 920199 rate case expense I-96	375	0
17 True-up budget adjustment I-99	(465)	0
18 Emply recognition normalization I-100	(21)	0
19 Gains/Losses I-105	(106)	0
Total	(3,276)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	0	0
3 Reallocate Common Plant River Park S-1	36	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	36	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(1,651)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(55)	0
Total	(1,706)	0
INCOME TAXES		
To adjust to test year income tax expense	(10,477)	0

SSU/ INTERCESSION CITY
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	347,157	0	$	347,157	(81)	347,076
2	LAND & LAND RIGHTS		843	0		843	0	843
3	NON-USED & USEFUL COMPONENTS		(43,854)	0		(43,854)	57	(43,797)
4	ACCUMULATED DEPRECIATION		(93,697)	0		(93,697)	34	(93,663)
5	CIAC		(18,236)	0		(18,236)	0	(18,236)
6	AMORTIZATION OF CIAC		4,156	0		4,156	(79)	4,077
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,896)	0		(1,896)	0	(1,896)
10	DEFERRED INCOME TAXES		(1,202)	0		(1,202)	(648)	(1,850)
11	WORKING CAPITAL ALLOWANCE		10,984	0		10,984	(3,774)	7,210
12	OTHER		0	0		0	0	0
	RATE BASE	$	204,255	0	$	204,255	(4,491)	199,764

SSU/ INTERCESSION CITY
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-13	0	0
2 To adjust for plant slippage I-12	(172)	0
3 Realloc of River Park common plant S-1	91	0
Total	(81)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	57	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	34	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	0	0
Total	34	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	(79)	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	(79)	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	(311)	0
2 Credit Deferred Taxes on Depreciation	(337)	0
Total	(648)	0
WORKING CAPITAL		
To reflect the plant specific allocation	(3,774)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ INTERCESSION CITY
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	36,129	68,370 $	104,499	5,859	110,358	(10,450)	99,908
	OPERATING EXPENSES:						-9.47%	
2	OPERATION AND MAINTENANCE	49,681	2,392 $	52,073	(1,402)	50,671 $		50,671
3	DEPRECIATION	13,268	0	13,268	21	13,289		13,289
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	10,375	2,258	12,633	162	12,795	(470)	12,324
6	INCOME TAXES	(19,128)	24,581	5,453	2,562	8,015	(3,850)	4,165
7	TOTAL OPERATING EXPENSES	54,196	29,231 $	83,427	1,342	84,769	(4,320)	80,449
8	OPERATING INCOME	(18,067)	39,139 $	21,072	4,517	25,589	(6,130)	19,459
9	RATE BASE	204,255	$	204,255		199,764		199,764
	RATE OF RETURN	-8.85%		10.32%		12.81%		9.74%

SSU/ INTERCESSION CITY
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(68,370)	0
2 Billing determinants I-75	74,216	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	13	0
Total	5,859	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(80)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(26)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(360)	0
5 Lobbying/Acquisition salaries & misc. expenses I-83 & I-84	(543)	0
6 Hepatitis Amrotization Adjustment I-86	(14)	0
7 Budgeted overtime to rate case expense S-11	(63)	0
8 Remove SSU proposed repression adjustment I-74	170	0
9 OAP Amortization I-86a	(72)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(16)	0
12 Conservation Expense I-92	(278)	0
13 Current rate case expense I-93	176	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(23)	0
15 Jurisdiction Docket Expense I-95	(45)	0
16 920199 rate case expense I-96	394	0
17 True-up budget adjustment I-99	(489)	0
18 Emply recognition normalization I-100	(22)	0
19 Gains/Losses I-105	(111)	0
Total	(1,402)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(17)	0
3 Reallocate Common Plant River Park S-1	37	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	1	0
6 Marco ASR Cost Share I-51	0	0
Total	21	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	264	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	18	0
4 Discounts received on property taxes S-14	(120)	0
Total	162	0
INCOME TAXES		
To adjust to test year income tax expense	2,562	0

SSU/ INTERLACHAN LAKES/PARK MANOR
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	COMMISSION ADJUSTMENTS	COMMISSION ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	234,788	(4,898)	$ 229,890	(5,860)	224,030
2	LAND & LAND RIGHTS		4,193	0	4,193	0	4,193
3	NON-USED & USEFUL COMPONENTS		(32,044)	0	(32,044)	5,395	(26,649)
4	ACCUMULATED DEPRECIATION		(64,670)	5,838	(58,832)	109	(58,723)
5	CIAC		(44,622)	(181)	(44,803)	(900)	(45,703)
6	AMORTIZATION OF CIAC		21,830	0	21,830	85	21,915
7	ACQUISITION ADJUSTMENTS - NET		0	0	0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,844)	0	(1,844)	0	(1,844)
10	DEFERRED INCOME TAXES		(1,329)	0	(1,329)	8,489	7,160
11	WORKING CAPITAL ALLOWANCE		10,680	0	10,680	0	10,680
12	OTHER		0	0	0	0	0
	RATE BASE	$	126,982	759	$ 127,741	7,317	135,058

SSU/ INTERLACHAN LAKES/PARK MANOR
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-13	0	0
2 To adjust for plant slippage/double bookings I-12	(5,949)	0
3 Realloc of River Park common plant S-1	89	0
Total	(5,860)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	5,395	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	154	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(45)	0
Total	109	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	(900)	0
3 Marco ASR Cost Share I-51	0	0
Total	(900)	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	85	0
5 Marco ASR Cost Share I-51	0	0
Total	85	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	8,707	0
2 Credit Deferred Taxes on Depreciation	(218)	0
Total	8,489	0
WORKING CAPITAL		
To reflect the plant specific allocation	(3,669)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ INTERLACHAN LAKES/PARK MANOR
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	COMMISSION ADJUSTMENTS	COMMISSION ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	31,871	44,714 $	76,585	(15,345)	61,240	14,241	75,481
	OPERATING EXPENSES:						23.25%	
2	OPERATION AND MAINTENANCE	41,495	1,766 $	43,261	(1,131)	42,130 $		42,130
3	DEPRECIATION	8,765	0	8,765	(101)	8,664		8,664
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	6,531	1,474	8,005	66	8,071	641	8,712
6	INCOME TAXES	(12,609)	15,983	3,374	(5,801)	(2,427)	5,246	2,819
7	TOTAL OPERATING EXPENSES	44,182	19,223 $	63,405	(6,967)	56,438	5,887	62,325
8	OPERATING INCOME	(12,311)	25,491 $	13,180	(8,378)	4,802	8,354	13,156
9	RATE BASE	126,982	$	127,741		135,058		135,058
	RATE OF RETURN	-9.70%		10.32%		3.56%		9.74%

SSU/ INTERLACHAN LAKES/PARK MANOR
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(44,714)	0
2 Billing determinants I-75	29,357	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	12	0
Total	(15,345)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(78)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(25)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(350)	0
5 Lobbying/Acquisition salaries & misc. expenses I-83 & I-84	(528)	0
6 Hepatitis Amortization Adjustment I-86	(14)	0
7 Budgeted overtime to rate case expense S-11	(61)	0
8 Remove SSU proposed repression adjustment I-74	398	0
9 OAP Amortization I-86a	(70)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(15)	0
12 Conservation Expense I-92	(271)	0
13 Current rate case expense I-93	171	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(23)	0
15 Jurisdiction Docket Expense I-95	(44)	0
16 920199 rate case expense I-96	383	0
17 True-up budget adjustment I-99	(475)	0
18 Emply recognition normalization I-100	(21)	0
19 Gains/Losses I-105	(108)	0
Total	(1,131)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(258)	0
3 Reallocate Common Plant River Park S-1	36	0
4 Imputation of CIAC-MR I-48	(170)	0
5 Net used and useful adjustment	291	0
6 Marco ASR Cost Share I-51	0	0
Total	(101)	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(691)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	144	0
4 Discounts received on property taxes S-14	(78)	0
Total	66	0
INCOME TAXES		
To adjust to test year income tax expense	(5,801)	0

SSU/ JUNGLE DEN
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	46,308	0	$	46,308	(36)	46,272
2	LAND & LAND RIGHTS		583	0		583	0	583
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(19,950)	0		(19,950)	(8)	(19,958)
5	CIAC		(13,864)	0		(13,864)	0	(13,864)
6	AMORTIZATION OF CIAC		6,878	0		6,878	(57)	6,821
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(847)	0		(847)	0	(847)
10	DEFERRED INCOME TAXES		(547)	0		(547)	103	(444)
11	WORKING CAPITAL ALLOWANCE		4,906	0		4,906	(1,685)	3,221
12	OTHER		0	0		0	0	0
	RATE BASE	$	23,467	0	$	23,467	(1,683)	21,784

SSU/ JUNGLE DEN
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	383,244	0	$	383,244	(37)	383,207
2	LAND		119,878	0		119,878	0	119,878
3	NON-USED & USEFUL COMPONENTS		(23,975)	0		(23,975)	(2,758)	(26,733)
4	ACCUMULATED DEPRECIATION		(107,099)	0		(107,099)	(9)	(107,108)
5	CIAC		(136,881)	0		(136,881)	0	(136,881)
6	AMORTIZATION OF CIAC		35,835	0		35,835	(725)	35,110
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(869)	0		(869)	0	(869)
10	DEFERRED INCOME TAXES		(7,416)	0		(7,416)	27,860	20,444
11	WORKING CAPITAL ALLOWANCE		5,036	0		5,036	(1,730)	3,306
12	OTHER		0	0		0	0	0
	RATE BASE	$	267,753	0	$	267,753	22,601	290,354

SSU/ JUNGLE DEN
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-13	0	0
2 To adjust for plant slippage I-12	(77)	(79)
3 Realloc of River Park common plant S-1	41	42
Total	(36)	(37)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	(2,758)
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	12	12
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(20)	(21)
Total	(8)	(9)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	(57)	(725)
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	(57)	(725)
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	148	28,232
2 Credit Deferred Taxes on Depreciation	(45)	(372)
Total	103	27,860
WORKING CAPITAL		
To reflect the plant specific allocation	(1,685)	(1,730)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ JUNGLE DEN
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	10,772	18,880 $	29,652	(3,304)	26,348	2,867	29,215
	OPERATING EXPENSES:						10.88%	
2	OPERATION AND MAINTENANCE	22,022	143 $	22,165	33	22,198 $		22,198
3	DEPRECIATION	2,488	0	2,488	22	2,510		2,510
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	1,083	886	1,969	(165)	1,804	129	1,933
6	INCOME TAXES	(6,278)	6,886	608	(1,213)	(605)	1,056	452
7	TOTAL OPERATING EXPENSES	19,315	7,915 $	27,230	(1,322)	25,908	1,185	27,093
8	OPERATING INCOME	(8,543)	10,965 $	2,422	(1,982)	440	1,682	2,122
9	RATE BASE	23,467	$	23,467		21,784		21,784
	RATE OF RETURN	-36.40%		10.32%		2.02%		9.74%

SSU/ JUNGLE DEN
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	27,727	72,539 $	100,266	(35,129)	65,137	32,508	97,645
	OPERATING EXPENSES						49.91%	
2	OPERATION AND MAINTENANCE	43,499	1,440 $	44,939	(1,200)	43,739 $		43,739
3	DEPRECIATION	9,940	0	9,940	(1,447)	8,493		8,493
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	8,393	2,799	11,192	(1,622)	9,570	1,463	11,033
6	INCOME TAXES	(19,296)	25,867	6,571	(12,449)	(5,878)	11,976	6,097
7	TOTAL OPERATING EXPENSES	42,536	30,106 $	72,642	(16,718)	55,924	13,438	69,362
8	OPERATING INCOME	(14,809)	42,433 $	27,624	(18,411)	9,213	19,069	28,283
9	RATE BASE	267,753	$	267,753		290,354		290,354
	RATE OF RETURN	-5.53%		10.32%		3.17%		9.74%

SSU/ JUNGLE DEN
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(18,880)	(72,539)
2 Billing determinants I-75	15,570	37,404
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	6	6
Total	(3,304)	(35,129)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(36)	(37)
2 Correct attrition rate from 5.87% to 5.75% S-10	(12)	(12)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(161)	(237)
5 Lobbying/Acquisition salaries & misc. expenses I-83 & I-84	(243)	(249)
6 Hepatitis Amortization Adjustment I-86	(6)	(6)
7 Budgeted overtime to rate case expense S-11	(28)	(29)
8 Remove SSU proposed repression adjustment I-74	735	0
9 OAP Amortization I-86a	(32)	(33)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(7)	(7)
12 Conservation Expense I-92	(124)	(128)
13 Current rate case expense I-93	78	81
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(10)	(11)
15 Jurisdiction Docket Expense I-95	(20)	(21)
16 920199 rate case expense I-96	176	176
17 True-up budget adjustment I-99	(218)	(626)
18 Emply recognition normalization I-100	(10)	(10)
19 Gains/Losses I-105	(49)	(51)
Total	33	(1,200)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	0	0
3 Reallocate Common Plant River Park S-1	22	17
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	(1,464)
6 Marco ASR Cost Share I-51	0	0
Total	22	(1,447)
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(149)	(1,581)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	91
4 Discounts received on property taxes S-14	(16)	(133)
Total	(165)	(1,622)
INCOME TAXES		
To adjust to test year income tax expense	(1,213)	(12,449)

SSU/ KEYSTONE CLUB ESTATES
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	312,579	0	$	312,579	(48)	312,531
2	LAND & LAND RIGHTS		12,833	0		12,833	0	12,833
3	NON-USED & USEFUL COMPONENTS		(72,076)	0		(72,076)	(1,825)	(73,901)
4	ACCUMULATED DEPRECIATION		(66,165)	0		(66,165)	43	(66,122)
5	CIAC		(10,387)	(36)		(10,423)	0	(10,423)
6	AMORTIZATION OF CIAC		1,583	0		1,583	0	1,583
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,139)	0		(1,139)	0	(1,139)
10	DEFERRED INCOME TAXES		(4,459)	0		(4,459)	983	(3,476)
11	WORKING CAPITAL ALLOWANCE		6,599	0		6,599	(2,267)	4,332
12	OTHER		0	0		0	0	0
	RATE BASE	$	179,368	(36)	$	179,332	(3,114)	176,218

SSU/ KEYSTONE CLUB ESTATES
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-13	0	0
2 To adjust for plant slippage I-12	(103)	0
3 Realloc of River Park common plant S-1	55	0
Total	(48)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(1,825)	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	15	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	28	0
Total	43	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	1,287	0
2 Credit Deferred Taxes on Depreciation	(304)	0
Total	983	0
WORKING CAPITAL		
To reflect the plant specific allocation	(2,267)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ KEYSTONE CLUB ESTATES
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	30,981	35,536 $	66,517	(30,953)	35,564	27,676	63,240
	OPERATING EXPENSES:						77.82%	
2	OPERATION AND MAINTENANCE	26,143	1,249 $	27,392	(512)	26,880 $		26,880
3	DEPRECIATION	8,554	0	8,554	(79)	8,475		8,475
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	6,837	468	7,305	(1,503)	5,802	1,245	7,048
6	INCOME TAXES	(8,282)	13,046	4,764	(11,287)	(6,523)	10,196	3,672
7	TOTAL OPERATING EXPENSES	33,252	14,763 $	48,015	(13,381)	34,634	11,441	46,075
8	OPERATING INCOME	(2,271)	20,773 $	18,502	(17,572)	930	16,235	17,165
9	RATE BASE	179,368	$	179,332		176,218		176,218
	RATE OF RETURN	-1.27%		10.32%		0.53%		9.74%

SSU/ KEYSTONE CLUB ESTATES
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(35,536)	0
2 Billing determinants I-75	4,575	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	8	0
Total	(30,953)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(48)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(15)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(216)	0
5 Lobbying/Acquisition salaries & misc. expenses I-83 & I-84	(326)	0
6 Hepatitis Amrotization Adjustment I-86	(9)	0
7 Budgeted overtime to rate case expense S-11	(38)	0
8 Remove SSU proposed repression adjustment I-74	173	0
9 OAP Amortization I-86a	(43)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(9)	0
12 Conservation Expense I-92	(167)	0
13 Current rate case expense I-93	685	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(90)	0
15 Jurisdiction Docket Expense I-95	(27)	0
16 920199 rate case expense I-96	1,535	0
17 True-up budget adjustment I-99	(1,904)	0
18 Emply recognition normalization I-100	(13)	0
19 Gains/Losses I-105	0	0
Total	(512)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(10)	0
3 Reallocate Common Plant River Park S-1	22	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	(91)	0
6 Marco ASR Cost Share I-51	0	0
Total	(79)	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(1,393)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	(2)	0
4 Discounts received on property taxes S-14	(108)	0
Total	(1,503)	0
INCOME TAXES		
To adjust to test year income tax expense	(11,287)	0

SSU/ KEYSTONE HEIGHTS
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	1,515,049	0	$	1,515,049	(51,831)	1,463,218
2	LAND & LAND RIGHTS		4,854	0		4,854	0	4,854
3	NON-USED & USEFUL COMPONENTS		(185,075)	0		(185,075)	38,970	(146,105)
4	ACCUMULATED DEPRECIATION		(532,189)	0		(532,189)	2,014	(530,175)
5	CIAC		(137,792)	(925)		(138,717)	0	(138,717)
6	AMORTIZATION OF CIAC		84,330	0		84,330	0	84,330
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(7,390)	0		(7,390)	0	(7,390)
10	DEFERRED INCOME TAXES		(20,796)	0		(20,796)	22,812	2,016
11	WORKING CAPITAL ALLOWANCE		42,808	0		42,808	0	42,808
12	OTHER		0	0		0	0	0
	RATE BASE	$	763,799	(925)	$	762,874	11,966	774,840

SSU/ KEYSTONE HEIGHTS
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-13	0	0
2 To adjust for plant slippage/double bookings I-13	(52,186)	0
3 Realloc of River Park common plant S-1	355	0
Total	(51,831)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	38,970	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	2,193	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(179)	0
Total	2,014	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	24,234	0
2 Credit Deferred Taxes on Depreciation	(1,422)	0
Total	22,812	0
WORKING CAPITAL		
To reflect the plant specific allocation	(14,707)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ KEYSTONE HEIGHTS
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	212,549	139,721 $	352,270	(89,466)	262,804	78,250	341,054
	OPERATING EXPENSES:						29.77%	
2	OPERATION AND MAINTENANCE	152,697	5,893 $	158,590	(6,192)	152,398 $		152,398
3	DEPRECIATION	47,655	0	47,655	1,438	49,093		49,093
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	46,901	681	47,582	(3,129)	44,453	3,521	47,974
6	INCOME TAXES	(31,642)	51,380	19,738	(32,451)	(12,713)	28,827	16,114
7	TOTAL OPERATING EXPENSES	215,611	57,954 $	273,565	(40,335)	233,230	32,348	265,578
8	OPERATING INCOME	(3,062)	81,767 $	78,705	(49,131)	29,574	45,902	75,476
9	RATE BASE	763,799	$	762,874		774,840		774,840
	RATE OF RETURN	-0.40%		10.32%		3.82%		9.74%

SSU/ KEYSTONE HEIGHTS
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	(139,721)	0
2	Billing determinants I-75	50,205	0
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	50	0
	Total	(89,466)	0
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(311)	0
2	Correct attrition rate from 5.87% to 5.75% S-10	(101)	0
3	Keystone Heights APT expenses I-58	(1,990)	0
4	Hewitt study I-82	(1,403)	0
5	Lobbying/Acquisition salaries & misc. expenses I-83 & I-84	(2,117)	0
6	Hepatitis Amrotization Adjustment I-86	(55)	0
7	Budgeted overtime to rate case expense S-11	(244)	0
8	Remove SSU proposed repression adjustment I-74	1,924	0
9	OAP Amortization I-86a	(281)	0
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(61)	0
12	Conservation Expense I-92	(1,085)	0
13	Current rate case expense I-93	685	0
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(90)	0
15	Jurisdiction Docket Expense I-95	(176)	0
16	920199 rate case expense I-96	1,535	0
17	True-up budget adjustment I-99	(1,904)	0
18	Emply recognition normalization I-100	(86)	0
19	Gains/Losses I-105	(432)	0
	Total	(6,192)	0
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage\double booking adjustment I-13	(1,267)	0
3	Reallocate Common Plant River Park S-1	146	0
4	Imputation of CIAC-MR I-48	0	0
5	Net used and useful adjustment	2,559	0
6	Marco ASR Cost Share I-51	0	0
	Total	1,438	0
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	(4,026)	0
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	1,404	0
4	Discounts received on property taxes S-14	(507)	0
	Total	(3,129)	0
	INCOME TAXES		
	To adjust to test year income tax expense	(32,451)	0

SSU/ KINGSWOOD
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	20,885	0	$	20,885	(20)	20,865
2	LAND & LAND RIGHTS		1,253	0		1,253	0	1,253
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(11,176)	0		(11,176)	(9)	(11,185)
5	CIAC		(280)	0		(280)	0	(280)
6	AMORTIZATION OF CIAC		57	0		57	(4)	53
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(465)	0		(465)	0	(465)
10	DEFERRED INCOME TAXES		(208)	0		(208)	52	(156)
11	WORKING CAPITAL ALLOWANCE		2,692	0		2,692	0	2,692
12	OTHER		0	0		0	0	0
	RATE BASE	$	12,758	0	$	12,758	19	12,777

SSU/ KINGSWOOD
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-13	0	0
2 To adjust for plant slippage/double bookings I-13	(42)	0
3 Realloc of River Park common plant S-1	22	0
Total	(20)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	2	0
3 Reverse Depr on prior N-U/U assets I-46	(11)	0
4 Realloc of River Park Common Plant S-1	0	0
Total	(9)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	(4)	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	(4)	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	72	0
2 Credit Deferred Taxes on Depreciation	(20)	0
Total	52	0
WORKING CAPITAL		
To reflect the plant specific allocation	0	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ KINGSWOOD
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	8,751	8,369	$	17,120	366	17,486	(343)	17,143
	OPERATING EXPENSES:		0					-1.96%	
2	OPERATION AND MAINTENANCE	12,883	(51)	$	12,832	172	13,004	$	13,004
3	DEPRECIATION	1,474	0		1,474	5	1,479		1,479
4	AMORTIZATION	0	0		0	0	0		0
5	TAXES OTHER THAN INCOME	761	394		1,155	9	1,164	(15)	1,149
6	INCOME TAXES	(2,753)	3,096		343	50	393	(126)	266
7	TOTAL OPERATING EXPENSES	12,365	3,439	$	15,804	236	16,040	(142)	15,898
8	OPERATING INCOME	(3,614)	4,930	$	1,316	130	1,446	(201)	1,245
9	RATE BASE	12,758		$	12,758		12,777		12,777
	RATE OF RETURN	-28.33%			10.32%		11.32%		9.74%

SSU/ KINGSWOOD
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(8,369)	0
2 Billing determinants I-75	8,732	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	3	0
Total	366	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	20	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(6)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(88)	0
5 Lobbying/Acquisition salaries & miscellaneous expenses I-83 & I-84	(133)	0
6 Hepatitis Immunization Adjustment I-86	(3)	0
7 Budgeted overtime to rate case expense S-11	(15)	0
8 Remove SSU proposed repression adjustment I-74	516	0
9 OAP Amortization I-86a	(18)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(4)	0
12 Conservation Expense I-92	(68)	0
13 Current rate case expense I-93	43	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(6)	0
15 Jurisdiction Docket Expense I-95	(11)	0
16 920199 rate case expense I-96	97	0
17 True-up budget adjustment I-99	(120)	0
18 Emply recognition normalization I-100	(5)	0
19 Gains/Losses I-105	(27)	0
Total	172	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment/double bookings I-13	(4)	0
3 Reallocate Common Plant River Park S-1	9	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	5	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	16	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(7)	0
Total	9	0
INCOME TAXES		
To adjust to test year income tax expense	50	0

SSU/ LAKE AJAY ESTATES
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	360,810	0	$	360,810	(27)	360,783
2	LAND & LAND RIGHTS		3,046	0		3,046	0	3,046
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(82,141)	0		(82,141)	15	(82,126)
5	CIAC		(97,124)	0		(97,124)	0	(97,124)
6	AMORTIZATION OF CIAC		35,354	0		35,354	4	35,358
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(637)	0		(637)	0	(637)
10	DEFERRED INCOME TAXES		6,249	0		6,249	(8,066)	(1,817)
11	WORKING CAPITAL ALLOWANCE		3,690	0		3,690	0	3,690
12	OTHER		0	0		0	0	0
	RATE BASE	$	229,247	0	$	229,247	(8,074)	221,173

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SSU/ LAKE AJAY ESTATES
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-13	0	0
2 To adjust for plant slippage\double bookings I-13	(58)	0
3 Realloc of River Park common plant S-1	31	0
Total	(27)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	12	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(15)	0
Total	15	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	4	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	4	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	(7,715)	0
2 Credit Deferred Taxes on Depreciation	(351)	0
Total	(8,066)	0
WORKING CAPITAL		
To reflect the plant specific allocation	0	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ LAKE AJAY ESTATES
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	19,704	77,909 $	97,613	(8,350)	89,263	4,632	93,895
	OPERATING EXPENSES:						5.19%	
2	OPERATION AND MAINTENANCE	46,253	893 $	47,146	256	47,402 $		47,402
3	DEPRECIATION	9,496	0	9,496	7	9,503		9,503
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	7,512	3,606	11,118	(501)	10,617	208	10,826
6	INCOME TAXES	(22,116)	28,318	6,202	(3,288)	2,914	1,706	4,620
7	TOTAL OPERATING EXPENSES	41,145	32,817 $	73,962	(3,526)	70,436	1,915	72,351
8	OPERATING INCOME	(21,441)	45,092 $	23,651	(4,824)	18,827	2,717	21,544
9	RATE BASE	229,247	$	229,247		221,173		221,173
	RATE OF RETURN	-9.35%		10.32%		8.51%		9.74%

SSU/ LAKE AJAY ESTATES
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(77,909)	0
2 Billing determinants I-75	69,555	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	4	0
Total	(8,350)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(27)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(9)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(121)	0
5 Lobbying/Acquisition salaries & misc. expenses I-83 & I-84	(183)	0
6 Hepatitis Amrotization Adjustment I-86	(5)	0
7 Budgeted overtime to rate case expense S-11	(21)	0
8 Remove SSU proposed repression adjustment I-74	785	0
9 OAP Amortization I-86a	(24)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(5)	0
12 Conservation Expense I-92	(94)	0
13 Current rate case expense I-93	59	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(8)	0
15 Jurisdiction Docket Expense I-95	(15)	0
16 920199 rate case expense I-96	132	0
17 True-up budget adjustment I-99	(164)	0
18 Emply recognition normalization I-100	(7)	0
19 Gains/Losses I-105	(37)	0
Total	256	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage/double booking adjustment I-13	(6)	0
3 Reallocate Common Plant River Park S-1	13	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	7	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(376)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(125)	0
Total	(501)	0
INCOME TAXES		
To adjust to test year income tax expense	(3,288)	0

SSU/ LAKE BRANTLEY
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	192,370	0	$	192,370	(21)	192,349
2	LAND & LAND RIGHTS		2,865	0		2,865	0	2,865
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(36,593)	0		(36,593)	(3)	(36,596)
5	CIAC		(15,706)	0		(15,706)	0	(15,706)
6	AMORTIZATION OF CIAC		9,358	0		9,358	0	9,358
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(495)	0		(495)	0	(495)
10	DEFERRED INCOME TAXES		(2,863)	0		(2,863)	2,956	93
11	WORKING CAPITAL ALLOWANCE		2,865	0		2,865	(984)	1,881
12	OTHER		0	0		0	0	0
	RATE BASE	$	151,801	0	$	151,801	1,948	153,749

SSU/ LAKE BRANTLEY
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-13	0	0
2 To adjust for plant slippage/double bookings I-13	(45)	0
3 Realloc of River Park common plant S-1	24	0
Total	(21)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	9	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(12)	0
Total	(3)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	3,143	0
2 Credit Deferred Taxes on Depreciation	(187)	0
Total	2,956	0
WORKING CAPITAL		
To reflect the plant specific allocation	(984)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ LAKE BRANTLEY
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	13,284	35,994 $	49,278	(30,989)	18,289	28,727	47,016
	OPERATING EXPENSES:						157.07%	
2	OPERATION AND MAINTENANCE	16,841	653 $	17,494	(405)	17,089 $		17,089
3	DEPRECIATION	8,043	0	8,043	6	8,049		8,049
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	2,188	1,651	3,839	(1,462)	2,377	1,293	3,670
6	INCOME TAXES	(8,755)	12,996	4,241	(11,592)	(7,351)	10,583	3,232
7	TOTAL OPERATING EXPENSES	18,317	15,300 $	33,617	(13,453)	20,164	11,876	32,040
8	OPERATING INCOME	(5,033)	20,694 $	15,661	(17,536)	(1,875)	16,852	14,976
9	RATE BASE	151,801	$	151,801		153,749		153,749
	RATE OF RETURN	-3.32%		10.32%		-1.22%		9.74%

SSU/ LAKE BRANTLEY
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(35,994)	0
2 Billing determinants I-75	5,002	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	3	0
Total	(30,989)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(4)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(7)	0
3 Keystone Heights APT expenses I-58	(94)	0
4 Hewitt study I-82	(142)	0
5 Lobbying/Acquisition salaries & misc. expenses I-83 & I-84	0	0
6 Hepatitis Amrotization Adjustment I-86	(4)	0
7 Budgeted overtime to rate case expense S-11	(16)	0
8 Remove SSU proposed repression adjustment I-74	140	0
9 OAP Amortization I-86a	(19)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(4)	0
12 Conservation Expense I-92	(73)	0
13 Current rate case expense I-93	(48)	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(6)	0
15 Jurisdiction Docket Expense I-95	(12)	0
16 920199 rate case expense I-96	103	0
17 True-up budget adjustment I-99	(184)	0
18 Emply recognition normalization I-100	(6)	0
19 Gains/Losses I-105	(29)	0
Total	(405)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage/double bookings adjustment I-13	(5)	0
3 Reallocate Common Plant River Park S-1	10	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	6	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(1,395)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(67)	0
Total	(1,462)	0
INCOME TAXES		
To adjust to test year income tax expense	(11,592)	0

SSU/ LAKE CONWAY PARK
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	67,194	(19,240)	$	47,954	(27)	47,927
2	LAND & LAND RIGHTS		2,017	0		2,017	0	2,017
3	NON-USED & USEFUL COMPONENTS		(370)	0		(370)	(6,820)	(7,190)
4	ACCUMULATED DEPRECIATION		(28,406)	6,975		(21,431)	(3)	(21,434)
5	CIAC		(19,107)	18,667		(440)	0	(440)
6	AMORTIZATION OF CIAC		12,948	(12,783)		165	32	197
7	ACQUISITION ADJUSTMENTS - NET		4,419	0		4,419	0	4,419
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(637)	0		(637)	0	(637)
10	DEFERRED INCOME TAXES		(679)	0		(679)	66	(613)
11	WORKING CAPITAL ALLOWANCE		3,690	0		3,690	(1,268)	2,422
12	OTHER		0	0		0	0	0
	RATE BASE	$	41,069	(6,381)	$	34,688	(8,020)	26,668

SSU/ LAKE CONWAY PARK
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
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EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-13	(58)	0
3 Realloc of River Park common plant S-1	31	0
Total	(27)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(6,820)	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	12	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(15)	0
Total	(3)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	32	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	32	0
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	113	0
2 Credit Deferred Taxes on Depreciation	(47)	0
Total	66	0
WORKING CAPITAL		
To reflect the plant specific allocation	(1,268)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ LAKE CONWAY PARK
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	16,319	18,812 $	35,131	(11,505)	23,626	9,719	33,345
	OPERATING EXPENSES:						41.14%	
2	OPERATION AND MAINTENANCE	24,549	(57) $	24,492	(24)	24,468 $		24,468
3	DEPRECIATION	2,496	0	2,496	(231)	2,265		2,265
4	AMORTIZATION	200	0	200	0	200		200
5	TAXES OTHER THAN INCOME	2,534	872	3,406	(583)	2,823	437	3,260
6	INCOME TAXES	(6,115)	7,073	958	(3,984)	(3,026)	3,580	555
7	TOTAL OPERATING EXPENSES	23,664	7,888 $	31,552	(4,822)	26,730	4,018	30,747
8	OPERATING INCOME	(7,345)	10,924 $	3,579	(6,683)	(3,104)	5,701	2,598
9	RATE BASE	41,069	$	34,688		26,668		26,668
	RATE OF RETURN	-17.88%		10.32%		-11.64%		9.74%

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SSU/ LAKE CONWAY PARK
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(18,812)	0
2 Billing determinants I-75	7,303	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	4	0
Total	(11,505)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(27)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(9)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(121)	0
5 Lobbying/Acquisition salaries & misc. expenses I-83 & I-84	(183)	0
6 Hepatitis Amrotization Adjustment I-86	(5)	0
7 Budgeted overtime to rate case expense S-11	(21)	0
8 Remove SSU proposed repression adjustment I-74	886	0
9 OAP Amortization I-86a	(24)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(5)	0
12 Conservation Expense I-92	(94)	0
13 Current rate case expense I-93	59	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(8)	0
15 Jurisdiction Docket Expense I-95	(15)	0
16 920199 rate case expense I-96	132	0
17 True-up budget adjustment I-99	(545)	0
18 Emply recognition normalization I-100	(7)	0
19 Gains/Losses I-105	(37)	0
Total	(24)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(6)	0
3 Reallocate Common Plant River Park S-1	13	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	(239)	0
6 Marco ASR Cost Share I-51	0	0
Total	(231)	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(518)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	(49)	0
4 Discounts received on property taxes S-14	(17)	0
Total	(583)	0
INCOME TAXES		
To adjust to test year income tax expense	(3,984)	0

SSU/ LAKE HARRIET ESTATES
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	222,374	0	$	222,374	(90)	222,284
2	LAND & LAND RIGHTS		4,663	0		4,663	0	4,663
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(95,484)	0		(95,484)	(41)	(95,525)
5	CIAC		(64,408)	(174)		(64,582)	0	(64,582)
6	AMORTIZATION OF CIAC		34,342	0		34,342	0	34,342
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(2,114)	0		(2,114)	0	(2,114)
10	DEFERRED INCOME TAXES		(1,881)	0		(1,881)	14,794	12,913
11	WORKING CAPITAL ALLOWANCE		12,243	0		12,243	(4,206)	8,037
12	OTHER		0	0		0	0	0
	RATE BASE	$	109,735	(174)	$	109,561	10,457	120,018

SSU/ LAKE HARRIET ESTATES
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage/double bookings I-13	(192)	0
3 Realloc of River Park common plant S-1	102	0
Total	(90)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	10	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(51)	0
Total	(41)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	15,010	0
2 Credit Deferred Taxes on Depreciation	(216)	0
Total	14,794	0
WORKING CAPITAL		
To reflect the plant specific allocation	(4,206)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ LAKE HARRIET ESTATES
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	52,194	31,610 $	83,804	(33,869)	49,935	34,055	83,990
	OPERATING EXPENSES:						68.20%	
2	OPERATION AND MAINTENANCE	50,312	2,307 $	52,619	(1,355)	51,264 $		51,264
3	DEPRECIATION	8,897	0	8,897	23	8,920		8,920
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	6,618	1,544	8,162	(77)	8,085	1,532	9,617
6	INCOME TAXES	(7,890)	10,712	2,822	(12,870)	(10,048)	12,545	2,498
7	TOTAL OPERATING EXPENSES	57,937	14,563 $	72,500	(14,279)	58,221	14,078	72,299
8	OPERATING INCOME	(5,743)	17,047 $	11,304	(19,590)	(8,286)	19,977	11,691
9	RATE BASE	109,735	$	109,561		120,018		120,018
	RATE OF RETURN	-5.23%		10.32%		-6.90%		9.74%

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SSU/ LAKE HARRIET ESTATES
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(31,610)	0
2 Billing determinants I-75	(2,273)	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	14	0
Total	(33,869)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(89)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(29)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(401)	0
5 Lobbying/Acquisition salaries & misc. expenses I-83 & I-84	(605)	0
6 Hepatitis Amrotization Adjustment I-86	(16)	0
7 Budgeted overtime to rate case expense S-11	(70)	0
8 Remove SSU proposed repression adjustment I-74	407	0
9 OAP Amortization I-86a	(80)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(17)	0
12 Conservation Expense I-92	(310)	0
13 Current rate case expense I-93	196	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(26)	0
15 Jurisdiction Docket Expense I-95	(50)	0
16 920199 rate case expense I-96	439	0
17 True-up budget adjustment I-99	(545)	0
18 Emply recognition normalization I-100	(25)	0
19 Gains/Losses I-105	(134)	0
Total	(1,355)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage/double bookings adjustment I-13	(19)	0
3 Reallocate Common Plant River Park S-1	42	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	23	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(1,524)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(77)	0
Total	(77)	0
INCOME TAXES		
To adjust to test year income tax expense	(12,870)	0

SSU/ LAKESIDE
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1 UTILITY PLANT IN SERVICE	$	356,974	0	$ 356,974	(28)	356,946
2 LAND & LAND RIGHTS		3,417	0	3,417	0	3,417
3 NON-USED & USEFUL COMPONENTS		(37,478)	0	(37,478)	(14)	(37,492)
4 ACCUMULATED DEPRECIATION		(69,131)	0	(69,131)	(13)	(69,144)
5 CIAC		(9,050)	0	(9,050)	0	(9,050)
6 AMORTIZATION OF CIAC		2,618	0	2,618	0	2,618
7 ACQUISITION ADJUSTMENTS - NET		0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS		(652)	0	(652)	0	(652)
10 DEFERRED INCOME TAXES		(6,981)	0	(6,981)	(347)	(7,328)
11 WORKING CAPITAL ALLOWANCE		3,777	0	3,777	(1,298)	2,479
12 OTHER		0	0	0	0	0
RATE BASE	$	243,494	0	$ 243,494	(1,700)	241,794

SSU/ LAKESIDE
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage/double bookings I-13	(59)	0
3 Realloc of River Park common plant S-1	31	0
Total	(28)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(14)	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	3	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(16)	0
Total	(13)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	0	0
2 Credit Deferred Taxes on Depreciation	(347)	0
Total	(347)	0
WORKING CAPITAL		
To reflect the plant specific allocation	(1,298)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ LAKESIDE
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	14,455	47,968 $	62,423	(48,269)	14,154	44,188	58,342
	OPERATING EXPENSES:						312.19%	
2	OPERATION AND MAINTENANCE	14,133	364 $	14,497	(629)	13,868 $		13,868
3	DEPRECIATION	12,953	0	12,953	7	12,960		12,960
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	1,018	2,171	3,189	(2,281)	908	1,988	2,896
6	INCOME TAXES	(10,863)	17,526	6,663	(17,877)	(11,214)	16,278	5,064
7	TOTAL OPERATING EXPENSES	17,241	20,061 $	37,302	(20,780)	16,522	18,267	34,789
8	OPERATING INCOME	(2,786)	27,907 $	25,121	(27,489)	(2,368)	25,921	23,553
9	RATE BASE	243,494	$	243,494		241,794		241,794
	RATE OF RETURN	-1.14%		10.32%		-0.98%		9.74%

SSU/ LAKESIDE
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(47,968)	0
2 Billing determinants I-75	(305)	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	4	0
Total	(48,269)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(27)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(9)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(124)	0
5 Lobbying/Acquisition salaries & misc. expenses I-83 & I-84	(187)	0
6 Hepatitis Amrotization Adjustment I-86	(5)	0
7 Budgeted overtime to rate case expense S-11	(21)	0
8 Remove SSU proposed repression adjustment I-74	226	0
9 OAP Amortization I-86a	(25)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(5)	0
12 Conservation Expense I-92	(96)	0
13 Current rate case expense I-93	60	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(75)	0
15 Jurisdiction Docket Expense I-95	(16)	0
16 920199 rate case expense I-96	(149)	0
17 True-up budget adjustment I-99	(168)	0
18 Emply recognition normalization I-100	(8)	0
19 Gains/Losses I-105	0	0
Total	(629)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(6)	0
3 Reallocate Common Plant River Park S-1	13	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	7	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(2,172)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	15	0
4 Discounts received on property taxes S-14	(124)	0
Total	(2,281)	0
INCOME TAXES		
To adjust to test year income tax expense	(17,877)	0

SSU/ LAKEVIEW VILLLAS
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	21,740	0	$	21,740	(4)	21,736
2	LAND & LAND RIGHTS		47	0		47	0	47
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(8,615)	0		(8,615)	6	(8,609)
5	CIAC		0	0		0	0	0
6	AMORTIZATION OF CIAC		0	0		0	0	0
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(90)	0		(90)	0	(90)
10	DEFERRED INCOME TAXES		(402)	0		(402)	(21)	(423)
11	WORKING CAPITAL ALLOWANCE		521	0		521	(179)	342
12	OTHER		0	0		0	0	0
	RATE BASE	$	13,201	0	$	13,201	(198)	13,003

SSU/ LAKEVIEW VILLLAS
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage/double bookings I-13	(8)	0
3 Realloc of River Park common plant S-1	4	0
Total	(4)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	8	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(2)	0
Total	6	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	0	0
2 Credit Deferred Taxes on Depreciation	(21)	0
Total	(21)	0
WORKING CAPITAL		
To reflect the plant specific allocation	(179)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ LAKEVIEW VILLLAS
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	1,672	7,321 $	8,993	(2,487)	6,506	2,238	8,744
	OPERATING EXPENSES:						34.40%	
2	OPERATION AND MAINTENANCE	5,124	192 $	5,316	(52)	5,264 $		5,264
3	DEPRECIATION	903	0	903	1	904		904
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	716	341	1,057	(120)	937	101	1,038
6	INCOME TAXES	(2,264)	2,618	354	(907)	(553)	824	271
7	TOTAL OPERATING EXPENSES	4,479	3,151 $	7,630	(1,078)	6,552	925	7,477
8	OPERATING INCOME	(2,807)	4,170 $	1,363	(1,409)	(46)	1,313	1,267
9	RATE BASE	13,201	$	13,201		13,003		13,003
	RATE OF RETURN	-21.26%		10.32%		-0.35%		9.74%

SSU/ LAKEVIEW VILLLAS
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(7,321)	0
2 Billing determinants I-75	4,833	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	1	0
Total	(2,487)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(4)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(1)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(17)	0
5 Lobbying/Acquisition salaries & misc. expenses I-83 & I-84	(26)	0
6 Hepatitis Amrotization Adjustment I-86	(1)	0
7 Budgeted overtime to rate case expense S-11	(3)	0
8 Remove SSU proposed repression adjustment I-74	22	0
9 OAP Amortization I-86a	(3)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(1)	0
12 Conservation Expense I-92	(13)	0
13 Current rate case expense I-93	8	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(1)	0
15 Jurisdiction Docket Expense I-95	(2)	0
16 920199 rate case expense I-96	19	0
17 True-up budget adjustment I-99	(23)	0
18 Emply recognition normalization I-100	(1)	0
19 Gains/Losses I-105	(5)	0
Total	(52)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage/double bookings adjustment I-13	(1)	0
3 Reallocate Common Plant River Park S-1	2	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	1	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(112)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(8)	0
Total	(120)	0
INCOME TAXES		
To adjust to test year income tax expense	(907)	0

SSU/ LEHIGH
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	15,014,790	93,077	$ 15,107,867	(37,088)	15,070,779
2	LAND & LAND RIGHTS		212,065	0	212,065	(149,851)	62,214
3	NON-USED & USEFUL COMPONENTS		322,725	0	322,725	(992,781)	(670,056)
4	ACCUMULATED DEPRECIATION		(4,437,608)	0	(4,437,608)	417	(4,437,191)
5	CIAC		(4,365,337)	0	(4,365,337)	(96,332)	(4,461,669)
6	AMORTIZATION OF CIAC		1,415,443	0	1,415,443	1,340	1,416,783
7	ACQUISITION ADJUSTMENTS - NET		0	0	0	0	0
8	ADVANCES FOR CONSTRUCTION		(1,903,990)	0	(1,903,990)	0	(1,903,990)
9	UNFUNDED POST-RETIRE. BENEFITS		(64,343)	0	(64,343)	0	(64,343)
10	DEFERRED INCOME TAXES		419,709	0	419,709	(376,725)	42,984
11	WORKING CAPITAL ALLOWANCE		372,726	0	372,726	(128,053)	244,673
12	OTHER		0	0	0	0	0
	RATE BASE	$	6,986,180	93,077	$ 7,079,257	(1,779,073)	5,300,184

SSU/ LEHIGH
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	16,820,639	191,019	$ 17,011,658	(166,548)	16,845,110
2	LAND		346,220	0	346,220	(260,562)	85,658
3	NON-USED & USEFUL COMPONENTS		869,825	0	869,825	(1,159,222)	(289,397)
4	ACCUMULATED DEPRECIATION		(4,970,406)	0	(4,970,406)	2,838	(4,967,568)
5	CIAC		(4,591,714)	0	(4,591,714)	(131,040)	(4,722,754)
6	AMORTIZATION OF CIAC		1,813,412	0	1,813,412	1,841	1,815,253
7	ACQUISITION ADJUSTMENTS - NET		0	0	0	0	0
8	ADVANCES FOR CONSTRUCTION		(1,595,969)	0	(1,595,969)	0	(1,595,969)
9	UNFUNDED POST-RETIRE. BENEFITS		(50,898)	0	(50,898)	0	(50,898)
10	DEFERRED INCOME TAXES		251,933	0	251,933	(224,176)	27,757
11	WORKING CAPITAL ALLOWANCE		294,838	0	294,838	(101,294)	193,544
12	OTHER		0	0	0	0	0
	RATE BASE	$	9,187,880	191,019	$ 9,378,899	(2,038,163)	7,340,736

SSU/ LEHIGH
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage/double bookings I-13	(40,182)	(168,995)
3 Realloc of River Park common plant S-1	3,094	2,447
Total	(37,088)	(166,548)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	(120,840)	(260,562)
2 Lehigh land, Parcel 4, Tract C PHFU and Tract D I-6	(29,011)	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	(149,851)	(260,562)
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(992,781)	(1,159,222)
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	1,973	4,069
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(1,556)	(1,231)
Total	417	2,838
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	(96,332)	(131,040)
3 Marco ASR Cost Share I-51	0	0
Total	(96,332)	(131,040)
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	1,340	1,841
5 Marco ASR Cost Share I-51	0	0
Total	1,340	1,841
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	(362,078)	(207,807)
2 Credit Deferred Taxes on Depreciation	(14,647)	(16,369)
Total	(376,725)	(224,176)
WORKING CAPITAL		
To reflect the plant specific allocation	(128,053)	(101,294)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ LEHIGH
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	2,089,666	794,843 $	2,884,509	(817,547)	2,066,962	426,658	2,493,620
	OPERATING EXPENSES:						20.64%	
2	OPERATION AND MAINTENANCE	1,289,249	55,416 $	1,344,665	(32,455)	1,312,210 $		1,312,210
3	DEPRECIATION	324,022	0	324,022	(37,848)	286,174		286,174
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	287,276	18,022	305,298	(53,946)	251,352	19,200	270,552
6	INCOME TAXES	(96,226)	276,382	180,156	(228,930)	(48,774)	157,177	108,403
7	TOTAL OPERATING EXPENSES	1,804,321	349,820 $	2,154,141	(353,178)	1,800,963	176,377	1,977,339
8	OPERATING INCOME	285,345	445,023 $	730,368	(464,369)	265,999	250,282	516,281
9	RATE BASE	6,986,180	$	7,079,257		5,300,184		5,300,184
	RATE OF RETURN	4.08%		10.32%		5.02%		9.74%

SSU/ LEHIGH
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	2,588,705	698,008 $	3,286,713	(683,145)	2,603,568	218,245	2,821,813
	OPERATING EXPENSES						8.38%	
2	OPERATION AND MAINTENANCE	1,209,627	60,055 $	1,269,682	(70,896)	1,198,786 $		1,198,786
3	DEPRECIATION	443,977	0	443,977	(43,977)	400,000		400,000
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	413,356	17,939	431,295	(84,726)	346,569	9,821	356,390
6	INCOME TAXES	(16,198)	190,335	174,137	(102,947)	71,190	80,399	151,589
7	TOTAL OPERATING EXPENSES	2,050,762	268,329 $	2,319,091	(302,546)	2,016,545	90,220	2,106,765
8	OPERATING INCOME	537,943	429,679 $	967,622	(380,599)	587,023	128,024	715,047
9	RATE BASE	9,187,880	$	9,378,899		7,340,736		7,340,736
	RATE OF RETURN	5.85%		10.32%		8.00%		9.74%

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SSU/ LEHIGH
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(794,843)	(698,008)
2 Billing determinants I-75	(23,140)	14,518
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	436	345
Total	(817,547)	(683,145)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(2,707)	(2,141)
2 Correct attrition rate from 5.87% to 5.75% S-10	(875)	(692)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(12,219)	(13,883)
5 Lobbying/Acquisition salaries & misc. expenses I-83 & I-84	(18,433)	(14,581)
6 Hepatitis Amrotization Adjustment I-86	(481)	(380)
7 Budgeted overtime to rate case expense S-11	(2,122)	(1,678)
8 Remove SSU proposed repression adjustment I-74	14,621	0
9 OAP Amortization I-86a	(2,446)	(7,043)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(532)	(421)
12 Conservation Expense I-92	(9,450)	(7,475)
13 Current rate case expense I-93	5,962	4,716
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(7,431)	(5,878)
15 Jurisdiction Docket Expense I-95	(1,535)	(1,214)
16 920199 rate case expense I-96	22,519	17,037
17 True-up budget adjustment I-99	(16,577)	(36,671)
18 Emply recognition normalization I-100	(749)	(592)
19 Gains/Losses I-105	0	0
Total	(32,455)	(70,896)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage/double bookings adjustment I-13	(2,195)	(6,387)
3 Reallocate Common Plant River Park S-1	1,270	1,005
4 Imputation of CIAC-MR I-48	(2,680)	(3,682)
5 Net used and useful adjustment	(34,242)	(34,913)
6 Marco ASR Cost Share I-51	0	0
Total	(37,848)	(43,977)
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(36,790)	(30,742)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	(11,935)	(48,149)
4 Discounts received on property taxes S-14	(5,221)	(5,835)
Total	(53,946)	(84,726)
INCOME TAXES		
To adjust to test year income tax expense	(228,930)	(102,947)

SSU/ LEILANI HEIGHTS
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	433,057	0	$	433,057	(125)	432,932
2	LAND & LAND RIGHTS		4,087	0		4,087	0	4,087
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(153,773)	0		(153,773)	(58)	(153,831)
5	CIAC		(125,958)	(72)		(126,030)	0	(126,030)
6	AMORTIZATION OF CIAC		57,545	0		57,545	0	57,545
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(2,930)	0		(2,930)	0	(2,930)
10	DEFERRED INCOME TAXES		(5,798)	0		(5,798)	5,915	117
11	WORKING CAPITAL ALLOWANCE		16,976	0		16,976	(5,832)	11,144
12	OTHER		0	0		0	0	0
	RATE BASE	$	223,206	(72)	$	223,134	(100)	223,034

SSU/ LEILANI HEIGHTS
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	645,751	0	$	645,751	(17,654)	628,097
2	LAND		9,700	0		9,700	0	9,700
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(321,420)	0		(321,420)	670	(320,750)
5	CIAC		(139,438)	(112)		(139,550)	0	(139,550)
6	AMORTIZATION OF CIAC		77,930	0		77,930	0	77,930
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(2,915)	0		(2,915)	0	(2,915)
10	DEFERRED INCOME TAXES		(11,812)	0		(11,812)	8,006	(3,806)
11	WORKING CAPITAL ALLOWANCE		16,889	0		16,889	(5,802)	11,087
12	OTHER		0	0		0	0	0
	RATE BASE	$	274,685	(112)	$	274,573	(14,780)	259,793

SSU/ LEILANI HEIGHTS
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage/double bookings I-13	(266)	(17,794)
3 Realloc of River Park common plant S-1	141	140
Total	(125)	(17,654)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	13	741
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(71)	(71)
Total	(58)	670
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	6,335	8,617
2 Credit Deferred Taxes on Depreciation	(420)	(611)
Total	5,915	8,006
WORKING CAPITAL		
To reflect the plant specific allocation	(5,832)	(5,802)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ LEILANI HEIGHTS
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	83,160	41,507 $	124,667	(47,624)	77,043	43,035	120,078
	OPERATING EXPENSES:						55.86%	
2	OPERATION AND MAINTENANCE	64,438	2,784 $	67,222	(1,799)	65,423 $		65,423
3	DEPRECIATION	16,704	0	16,704	31	16,735		16,735
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	9,900	2,017	11,917	(2,293)	9,624	1,937	11,560
6	INCOME TAXES	(8,358)	14,161	5,803	(17,023)	(11,220)	15,854	4,634
7	TOTAL OPERATING EXPENSES	82,684	18,962 $	101,646	(21,084)	80,562	17,790	98,353
8	OPERATING INCOME	476	22,545 $	23,021	(26,540)	(3,519)	25,245	21,725
9	RATE BASE	223,206	$	223,134		223,034		223,034
	RATE OF RETURN	0.21%		10.32%		-1.58%		9.74%

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SSU/ LEILANI HEIGHTS
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	152,288	39,645 $	191,933	(21,372)	170,561	23,431	193,992
	OPERATING EXPENSES						13.74%	
2	OPERATION AND MAINTENANCE	111,555	4,082 $	115,637	3,073	118,710 $		118,710
3	DEPRECIATION	26,705	0	26,705	(707)	25,998		25,998
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	16,765	1,985	18,750	(1,180)	17,570	1,054	18,625
6	INCOME TAXES	(7,799)	10,312	2,513	(5,791)	(3,278)	8,632	5,353
7	TOTAL OPERATING EXPENSES	147,226	16,379 $	163,605	(4,605)	159,000	9,686	168,686
8	OPERATING INCOME	5,062	23,266 $	28,328	(16,767)	11,561	13,745	25,306
9	RATE BASE	274,685	$	274,573		259,793		259,793
	RATE OF RETURN	1.84%		10.32%		4.45%		9.74%

SSU/ LEILANI HEIGHTS
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(41,507)	(39,645)
2 Billing determinants I-75	(6,137)	18,253
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	20	20
Total	(47,624)	(21,372)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(123)	(123)
2 Correct attrition rate from 5.87% to 5.75% S-10	(40)	(40)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(557)	(795)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(840)	(835)
6 Hepatitis Amortization Adjustment I-86	(22)	(22)
7 Budgeted overtime to rate case expense S-11	(97)	(96)
8 Remove SSU proposed repression adjustment I-74	630	0
9 OAP Amortization I-86a	(111)	(1,073)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(24)	(24)
12 Conservation Expense I-92	(430)	(428)
13 Current rate case expense I-93	272	270
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(36)	(36)
15 Jurisdiction Docket Expense I-95	(70)	(70)
16 920199 rate case expense I-96	609	8,650
17 True-up budget adjustment I-99	(755)	(2,101)
18 Emply recognition normalization I-100	(34)	(34)
19 Gains/Losses I-105	(171)	(170)
Total	(1,799)	3,073
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(27)	(765)
3 Reallocate Common Plant River Park S-1	58	58
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	31	(707)
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(2,143)	(962)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(150)	(218)
Total	(2,293)	(1,180)
INCOME TAXES		
To adjust to test year income tax expense	(17,023)	(5,791)

SSU/ LEISURE LAKES
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	255,959	0	$	255,959	(77)	255,882
2	LAND & LAND RIGHTS		1,252	0		1,252	0	1,252
3	NON-USED & USEFUL COMPONENTS		(9,931)	0		(9,931)	1	(9,931)
4	ACCUMULATED DEPRECIATION		(104,216)	0		(104,216)	(11)	(104,227)
5	CIAC		(100,635)	0		(100,635)	(150)	(100,785)
6	AMORTIZATION OF CIAC		45,437	0		45,437	0	45,437
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,821)	0		(1,821)	0	(1,821)
10	DEFERRED INCOME TAXES		(1,557)	0		(1,557)	(1,810)	(3,367)
11	WORKING CAPITAL ALLOWANCE		10,550	0		10,550	(3,625)	6,925
12	OTHER		0	0		0	0	0
	RATE BASE	$	95,038	0	$	95,038	(5,673)	89,366

SSU/ LEISURE LAKES
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	304,079	0	$	304,079	(73)	304,006
2	LAND		2,862	0		2,862	0	2,862
3	NON-USED & USEFUL COMPONENTS		(41,041)	0		(41,041)	(6,830)	(47,871)
4	ACCUMULATED DEPRECIATION		(163,925)	0		(163,925)	(11)	(163,936)
5	CIAC		(198,121)	0		(198,121)	20	(198,101)
6	AMORTIZATION OF CIAC		104,676	0		104,676	160	104,836
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,716)	0		(1,716)	0	(1,716)
10	DEFERRED INCOME TAXES		(3,033)	0		(3,033)	(1,322)	(4,355)
11	WORKING CAPITAL ALLOWANCE		9,942	0		9,942	(3,416)	6,526
12	OTHER		0	0		0	0	0
	RATE BASE	$	13,723	0	$	13,723	(11,472)	2,251

SSU/ LEISURE LAKES
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage/double bookings I-13	(165)	(156)
3 Realloc of River Park common plant S-1	88	83
Total	(77)	(73)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	1	(6,830)
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	33	31
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(44)	(42)
Total	(11)	(11)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	(150)	20
3 Marco ASR Cost Share I-51	0	0
Total	(150)	20
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	160
5 Marco ASR Cost Share I-51	0	0
Total	0	160
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	(1,561)	(1,027)
2 Credit Deferred Taxes on Depreciation	(249)	(295)
Total	(1,810)	(1,322)
WORKING CAPITAL		
To reflect the plant specific allocation	(3,625)	(3,416)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ LEISURE LAKES
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	25,098	55,708 $	80,806	(31,689)	49,117	28,673	77,790
	OPERATING EXPENSES:						58.38%	
2	OPERATION AND MAINTENANCE	51,053	1,875 $	52,928	(1,276)	51,652 $		51,652
3	DEPRECIATION	8,897	0	8,897	20	8,917		8,917
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	4,428	2,482	6,910	(1,510)	5,400	1,290	6,691
6	INCOME TAXES	(17,542)	19,808	2,266	(11,003)	(8,737)	10,563	1,826
7	TOTAL OPERATING EXPENSES	46,836	24,165 $	71,001	(13,769)	57,232	11,853	69,086
8	OPERATING INCOME	(21,738)	31,543 $	9,805	(17,920)	(8,115)	16,820	8,705
9	RATE BASE	95,038	$	95,038		89,366		89,366
	RATE OF RETURN	-22.87%		10.32%		-9.08%		9.74%

SSU/ LEISURE LAKES
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	59,551	3,832 $	63,383	(29,447)	33,936	27,137	61,073
	OPERATING EXPENSES						79.97%	
2	OPERATION AND MAINTENANCE	51,313	2,090 $	53,403	(2,924)	50,479 $		50,479
3	DEPRECIATION	5,280	0	5,280	(64)	5,216		5,216
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	5,632	(226)	5,406	(1,407)	3,999	1,221	5,220
6	INCOME TAXES	(1,847)	(274)	(2,121)	(7,937)	(10,058)	9,997	(61)
7	TOTAL OPERATING EXPENSES	60,378	1,590 $	61,968	(12,332)	49,636	11,218	60,854
8	OPERATING INCOME	(827)	2,242 $	1,415	(17,115)	(15,700)	15,919	219
9	RATE BASE	13,723	$	13,723		2,251		2,251
	RATE OF RETURN	-6.03%		10.31%		-697.58%		9.74%

SSU/ LEISURE LAKES
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(55,708)	(3,832)
2 Billing determinants I-75	24,007	(25,627)
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	12	12
Total	(31,689)	(29,447)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(77)	(72)
2 Correct attrition rate from 5.87% to 5.75% S-10	(25)	(23)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(346)	(468)
5 Lobbying/Acquisition salaries & misc. expenses I-83 & I-84	(522)	(492)
6 Hepatitis Amrotization Adjustment I-86	(14)	(13)
7 Budgeted overtime to rate case expense S-11	(60)	(57)
8 Remove SSU proposed repression adjustment I-74	233	0
9 OAP Amortization I-86a	(69)	(65)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(15)	(14)
12 Conservation Expense I-92	(267)	(252)
13 Current rate case expense I-93	169	159
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(22)	(21)
15 Jurisdiction Docket Expense I-95	(43)	(41)
16 920199 rate case expense I-96	378	(208)
17 True-up budget adjustment I-99	(469)	(1,237)
18 Emply recognition normalization I-100	(21)	(20)
19 Gains/Losses I-105	(106)	(100)
Total	(1,276)	(2,924)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage/double bookings adjustment I-13	(17)	(16)
3 Reallocate Common Plant River Park S-1	36	34
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	(82)
6 Marco ASR Cost Share I-51	0	0
Total	20	(64)
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(1,426)	(1,325)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	5	23
4 Discounts received on property taxes S-14	(89)	(105)
Total	(1,510)	(1,407)
INCOME TAXES		
To adjust to test year income tax expense	(11,003)	(7,937)

SSU/ MARCO ISLAND
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	41,059,172	0	$	41,059,172	(878,880)	40,180,292
2	LAND & LAND RIGHTS		9,566,674	220,855		9,787,529	0	9,787,529
3	NON-USED & USEFUL COMPONENTS		(251,848)	0		(251,848)	251,848	0
4	ACCUMULATED DEPRECIATION		(11,483,826)	138,520		(11,345,306)	(3,845)	(11,349,151)
5	CIAC		(6,062,393)	0		(6,062,393)	(225,100)	(6,287,493)
6	AMORTIZATION OF CIAC		1,571,147	0		1,571,147	4,907	1,576,054
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(43,493)	0		(43,493)	0	(43,493)
10	DEFERRED INCOME TAXES		196,578	0		196,578	(442,671)	(246,093)
11	WORKING CAPITAL ALLOWANCE		251,943	0		251,943	(86,557)	165,386
12	OTHER		1,319,227	0		1,319,227	(5,093)	1,314,134
	RATE BASE	$	36,123,181	359,375	$	36,482,556	(1,385,391)	35,097,165

SSU/ MARCO ISLAND
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	22,910,735	0	$	22,910,735	(115,170)	22,795,565
2	LAND		19,559	0		19,559	0	19,559
3	NON-USED & USEFUL COMPONENTS		(1,622,236)	0		(1,622,236)	(1,265,897)	(2,888,133)
4	ACCUMULATED DEPRECIATION		(7,238,003)	48,729		(7,189,274)	(14,691)	(7,203,965)
5	CIAC		(4,210,285)	0		(4,210,285)	0	(4,210,285)
6	AMORTIZATION OF CIAC		1,854,093	0		1,854,093	0	1,854,093
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(14,390)	0		(14,390)	0	(14,390)
10	DEFERRED INCOME TAXES		(424,780)	0		(424,780)	104,754	(320,026)
11	WORKING CAPITAL ALLOWANCE		83,359	0		83,359	(28,639)	54,720
12	OTHER		0	0		0	0	0
	RATE BASE	$	11,358,052	48,729	$	11,406,781	(1,319,643)	10,087,138

SSU/ MARCO ISLAND
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL Transfer	0	0
2 To adjust for plant slippage I-12	(880,971)	(115,862)
3 Realloc of River Park common plant S-1	2,091	692
Total	(878,880)	(115,170)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	251,848	(1,265,897)
ACCUMULATED DEPRECIATION		
1 BVL Transfer	0	0
2 Plant Slippage/Double Bookings I-13	19,643	34,386
3 Reverse Depr on prior N-U/U assets I-46	(22,436)	(48,729)
4 Realloc of River Park Common Plant S-1	(1,052)	(348)
Total	(3,845)	(14,691)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	(225,100)	0
Total	(225,100)	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	4,907	0
Total	4,907	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	(403,634)	127,008
2 Credit Deferred Taxes on Depreciation	(39,037)	(22,254)
Total	(442,671)	104,754
WORKING CAPITAL		
To reflect the plant specific allocation	(86,557)	(28,639)
OTHER		
Marco Island deferred debit-water I-62	(5,093)	

SSU/ MARCO ISLAND
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	7,822,468	2,853,529 $	10,675,997	(2,586,777)	8,089,220	1,528,455	9,617,675
	OPERATING EXPENSES:						18.89%	
2	OPERATION AND MAINTENANCE	2,680,565	37,235 $	2,717,800	(69,557)	2,648,243 $		2,648,243
3	DEPRECIATION	1,625,322	0	1,625,322	(49,099)	1,576,223		1,576,223
4	AMORTIZATION	0	293,162	293,162	(239,341)	53,821		53,821
5	TAXES OTHER THAN INCOME	1,107,645	134,190	1,241,835	(129,283)	1,112,552	68,780	1,181,332
6	INCOME TAXES	119,773	914,201	1,033,974	(857,737)	176,237	563,069	739,307
7	TOTAL OPERATING EXPENSES	5,533,305	1,378,788 $	6,912,093	(1,345,017)	5,567,076	631,850	6,198,926
8	OPERATING INCOME	2,289,163	1,474,741 $	3,763,904	(1,241,760)	2,522,144	896,605	3,418,749
9	RATE BASE	36,123,181	$	36,482,556		35,097,165		35,097,165
	RATE OF RETURN	6.34%		10.32%		7.19%		9.74%

SSU/ MARCO ISLAND
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	3,008,167	616,679 $	3,624,846	(616,581)	3,008,265	261,588	3,269,853
	OPERATING EXPENSES						8.70%	
2	OPERATION AND MAINTENANCE	862,759	25,795 $	888,554	(19,914)	868,640 $		868,640
3	DEPRECIATION	752,455	0	752,455	(82,675)	669,780		669,780
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	604,963	(7,348)	597,615	(68,914)	528,701	11,771	540,472
6	INCOME TAXES	31,829	177,555	209,384	(97,359)	112,025	96,367	208,392
7	TOTAL OPERATING EXPENSES	2,252,006	196,002 $	2,448,008	(268,862)	2,179,146	108,138	2,287,284
8	OPERATING INCOME	756,161	420,677 $	1,176,838	(347,719)	829,119	153,450	982,569
9	RATE BASE	11,358,052	$	11,406,781		10,087,138		10,087,138
	RATE OF RETURN	6.66%		10.32%		8.22%		9.74%

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SSU/ MARCO ISLAND
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(2,853,529)	(616,679)
2 Billing determinants I-75	0	0
3 Imputed revenue for discounted service I-77	266,457	0
4 Miscellaneous non-utility income I-77	295	98
Total	(2,586,777)	(616,581)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(1,830)	(605)
2 Correct attrition rate from 5.87% to 5.75% S-10	(592)	(196)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(8,259)	(3,925)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(12,460)	(4,122)
6 Hepatitis Amortization Adjustment I-86	(325)	(108)
7 Budgeted overtime to rate case expense S-11	(1,434)	(473)
8 Remove SSU proposed repression adjustment I-74	0	0
9 OAP Amortization I-86a	(1,653)	(8,090)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(360)	(119)
12 Conservation Expense I-92	(30,289)	(2,113)
13 Current rate case expense I-93	4,030	1,333
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(5,023)	(1,662)
15 Jurisdiction Docket Expense I-95	(1,038)	(343)
16 920199 rate case expense I-96	30,723	11,044
17 True-up budget adjustment I-99	(40,541)	(10,368)
18 Emply recognition normalization I-100	(506)	(167)
19 Gains/Losses I-105	0	0
Total	(69,557)	(19,914)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer	0	0
2 Plant slippage adjustment I-13	(39,285)	(6,500)
3 Reallocate Common Plant River Park S-1	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	(76,175)
6 Marco ASR Cost Share I-51	(9,814)	0
Total	(49,099)	(82,675)
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	(239,341)	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(116,405)	(27,746)
2 Reg Fees Marco Island I-107	(3,118)	0
3 Non-used and useful property taxes I-108	4,155	(33,235)
4 Discounts received on property taxes S-14	(13,915)	(7,933)
Total	(129,283)	(68,914)
INCOME TAXES		
To adjust to test year income tax expense	(857,737)	(97,359)

SSU/MARCO SHORES
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	1,585,338	0	$	1,585,338	(76,814)	1,508,524
2	LAND & LAND RIGHTS		57,328	0		57,328	0	57,328
3	NON-USED & USEFUL COMPONENTS		0	0		0	(27,916)	(27,916)
4	ACCUMULATED DEPRECIATION		(655,809)	0		(655,809)	3,700	(652,109)
5	CIAC		(267,154)	0		(267,154)	(30,023)	(297,177)
6	AMORTIZATION OF CIAC		67,442	0		67,442	659	68,101
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(2,174)	0		(2,174)	0	(2,174)
10	DEFERRED INCOME TAXES		(31,345)	0		(31,345)	23,969	(7,376)
11	WORKING CAPITAL ALLOWANCE		12,591	0		12,591	(4,326)	8,265
12	OTHER		0	0		0	0	0
	RATE BASE	$	766,217	0	$	766,217	(110,751)	655,466

SSU/MARCO SHORES
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	1,040,926	0	$	1,040,926	108,330	1,149,256
2	LAND		204,068	0		204,068	0	204,068
3	NON-USED & USEFUL COMPONENTS		(28,608)	0		(28,608)	(271,720)	(300,328)
4	ACCUMULATED DEPRECIATION		(389,419)	0		(389,419)	(33,832)	(423,251)
5	CIAC		(445,555)	0		(445,555)	(74,028)	(519,583)
6	AMORTIZATION OF CIAC		115,755	0		115,755	6,709	122,464
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,896)	0		(1,896)	0	(1,896)
10	DEFERRED INCOME TAXES		65,086	0		65,086	(28,883)	36,203
11	WORKING CAPITAL ALLOWANCE		10,984	0		10,984	(3,774)	7,210
12	OTHER		0	0		0	0	0
	RATE BASE	$	571,341	0	$	571,341	(297,197)	274,144

SSU/MARCO SHORES ADJUSTMENTS TO RATE BASE TEST YEAR ENDED 12/31/96	SCHEDULE NO. 3-C DOCKET NO. 950495-WS PAGE 1 OF 1	
EXPLANATION	**WATER**	**WASTEWATER**
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-12	(76,919)	108,239
3 Realloc of River Park common plant S-1	105	91
Total	(76,814)	108,330
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(27,916)	(271,720)
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	3,700	(33,832)
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(53)	(46)
Total	3,700	(33,832)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	(30,023)	(74,028)
3 Marco ASR Cost Share I-51	0	0
Total	(30,023)	(74,028)
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	65	5,177
4 Imputation of CIAC-MR I-48	594	1,532
5 Marco ASR Cost Share I-51	0	0
Total	659	6,709
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	25,434	(27,875)
2 Credit Deferred Taxes on Depreciation	(1,465)	(1,008)
Total	23,969	(28,883)
WORKING CAPITAL		
To reflect the plant specific allocation	(4,326)	(3,774)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/MARCO SHORES
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	68,398	298,294 $	366,692	(298,279)	68,413	273,217	341,630
	OPERATING EXPENSES:						399.36%	
2	OPERATION AND MAINTENANCE	117,082	63,428 $	180,510	4,543	185,053 $		185,053
3	DEPRECIATION	51,792	0	51,792	(6,102)	45,690		45,690
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	21,066	14,631	35,697	(14,486)	21,211	12,295	33,506
6	INCOME TAXES	(65,313)	84,955	19,642	(106,759)	(87,117)	100,651	13,534
7	TOTAL OPERATING EXPENSES	124,627	163,014 $	287,641	(122,804)	164,837	112,946	277,783
8	OPERATING INCOME	(56,229)	135,280 $	79,051	(175,475)	(96,424)	160,272	63,848
9	RATE BASE	766,217	$	766,217		655,466		655,466
	RATE OF RETURN	-7.34%		10.32%		-14.71%		9.74%

SSU/MARCO SHORES
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	101,019	90,822 $	191,841	(90,809)	101,032	35,053	136,085
	OPERATING EXPENSES						34.70%	
2	OPERATION AND MAINTENANCE	77,813	3,189 $	81,002	(2,616)	78,386 $		78,386
3	DEPRECIATION	26,345	0	26,345	(11,442)	14,903		14,903
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	9,204	4,149	13,353	(4,352)	9,001	1,577	10,579
6	INCOME TAXES	(18,254)	30,450	12,196	(19,596)	(7,400)	12,913	5,513
7	TOTAL OPERATING EXPENSES	95,108	37,788 $	132,896	(38,005)	94,891	14,491	109,381
8	OPERATING INCOME	5,911	53,034 $	58,945	(52,804)	6,141	20,563	26,704
9	RATE BASE	571,341	$	571,341		274,144		274,144
	RATE OF RETURN	1.03%		10.32%		2.24%		9.74%

SSU/MARCO SHORES
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(298,294)	(90,822)
2 Billing determinants I-75	0	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	15	13
Total	(298,279)	(90,809)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(91)	(80)
2 Correct attrition rate from 5.87% to 5.75% S-10	(30)	(26)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(413)	(517)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(623)	(543)
6 Hepatitis Amortization Adjustment I-86	(16)	(14)
7 Budgeted overtime to rate case expense S-11	(72)	(63)
8 Remove SSU proposed repression adjustment I-74	6,346	0
9 OAP Amortization I-86a	(83)	(72)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(18)	(16)
12 Conservation Expense I-92	(319)	(278)
13 Current rate case expense I-93	201	176
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(52)	(23)
15 Jurisdiction Docket Expense I-95	(27)	(45)
16 920199 rate case expense I-96	452	384
17 True-up budget adjustment I-99	(560)	(1,366)
18 Emply recognition normalization I-100	(25)	(22)
19 Gains/Losses I-105	(127)	(111)
Total	4,543	(2,616)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(1,815)	6,062
3 Reallocate Common Plant River Park S-1	43	37
4 Imputation of CIAC-MR I-48	(1,189)	(3,065)
5 Net used and useful adjustment	(3,141)	(14,476)
6 Marco ASR Cost Share I-51	0	0
Total	(6,102)	(11,442)
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(13,423)	(4,086)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	(542)	94
4 Discounts received on property taxes S-14	(522)	(359)
Total	(14,486)	(4,352)
INCOME TAXES		
To adjust to test year income tax expense	(106,759)	(19,596)

SSU/MARION OAKS
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	8,643,087	0	$	8,643,087	(5,139)	8,637,948
2	LAND & LAND RIGHTS		111,121	9,900		121,021	0	121,021
3	NON-USED & USEFUL COMPONENTS		(1,423,378)	0		(1,423,378)	(2,387,151)	(3,810,529)
4	ACCUMULATED DEPRECIATION		(1,670,703)	135,262		(1,535,441)	390	(1,535,051)
5	CIAC		(1,293,960)	0		(1,293,960)	(48,793)	(1,342,753)
6	AMORTIZATION OF CIAC		225,033	0		225,033	9,949	234,982
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		(1,805,211)	0		(1,805,211)	0	(1,805,211)
9	UNFUNDED POST-RETIRE. BENEFITS		(18,842)	0		(18,842)	0	(18,842)
10	DEFERRED INCOME TAXES		211,071	0		211,071	(174,154)	36,917
11	WORKING CAPITAL ALLOWANCE		109,148	0		109,148	(37,499)	71,649
12	OTHER		0	0		0	0	0
	RATE BASE	$	3,087,366	145,162	$	3,232,528	(2,642,397)	590,131

SSU/MARION OAKS
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	3,710,792	0	$	3,710,792	(3,599)	3,707,193
2	LAND		7,602	0		7,602	0	7,602
3	NON-USED & USEFUL COMPONENTS		(289,167)	0		(289,167)	(202,988)	(492,155)
4	ACCUMULATED DEPRECIATION		(1,165,331)	0		(1,165,331)	269	(1,165,062)
5	CIAC		(312,339)	0		(312,339)	(14,707)	(327,046)
6	AMORTIZATION OF CIAC		82,263	0		82,263	7,744	90,007
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(9,983)	0		(9,983)	0	(9,983)
10	DEFERRED INCOME TAXES		(16,690)	0		(16,690)	(38,975)	(55,665)
11	WORKING CAPITAL ALLOWANCE		57,830	0		57,830	(19,868)	37,962
12	OTHER		0	0		0	0	0
	RATE BASE	$	2,064,977	0	$	2,064,977	(272,124)	1,792,853

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SSU/MARION OAKS
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-12	(6,045)	(4,079)
3 Realloc of River Park common plant S-1	906	480
Total	(5,139)	(3,599)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(2,387,151)	(202,988)
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	390	269
3 Reverse Depr on prior N-U/U assets I-46	(135,262)	0
4 Realloc of River Park Common Plant S-1	(456)	(241)
Total	390	269
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	(48,793)	(14,707)
3 Marco ASR Cost Share I-51	0	0
Total	(48,793)	(14,707)
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	9,383	7,484
4 Imputation of CIAC-MR I-48	566	260
5 Marco ASR Cost Share I-51	0	0
Total	9,949	7,744
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	(165,762)	(35,374)
2 Credit Deferred Taxes on Depreciation	(8,392)	(3,601)
Total	(174,154)	(38,975)
WORKING CAPITAL		
To reflect the plant specific allocation	(37,499)	(19,868)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/MARION OAKS
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	406,541	741,445 $	1,147,986	(741,317)	406,669	243,769	650,438
	OPERATING EXPENSES:						59.94%	
2	OPERATION AND MAINTENANCE	348,634	18,335 $	366,969	(13,265)	353,704 $		353,704
3	DEPRECIATION	167,659	0	167,659	(66,602)	101,057		101,057
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	160,774	41,825	202,599	(84,939)	117,660	10,970	128,629
6	INCOME TAXES	(182,584)	259,843	77,259	(157,497)	(80,238)	89,802	9,565
7	TOTAL OPERATING EXPENSES	494,483	320,003 $	814,486	(322,304)	492,182	100,772	592,954
8	OPERATING INCOME	(87,942)	421,442 $	333,500	(419,013)	(85,513)	142,997	57,484
9	RATE BASE	3,087,366	$	3,232,528		590,131		590,131
	RATE OF RETURN	-2.85%		10.32%		-14.49%		9.74%

SSU/MARION OAKS
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	437,003	396,970 $	833,973	(396,902)	437,071	314,781	751,852
	OPERATING EXPENSES						72.02%	
2	OPERATION AND MAINTENANCE	338,982	14,451 $	353,433	(14,727)	338,706 $		338,706
3	DEPRECIATION	121,115	0	121,115	(14,507)	106,608		106,608
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	85,487	18,697	104,184	(23,619)	80,565	14,165	94,730
6	INCOME TAXES	(90,561)	132,758	42,197	(120,990)	(78,793)	115,963	37,170
7	TOTAL OPERATING EXPENSES	455,023	165,906 $	620,929	(173,843)	447,086	130,128	577,213
8	OPERATING INCOME	(18,020)	231,064 $	213,044	(223,059)	(10,015)	184,653	174,638
9	RATE BASE	2,064,977	$	2,064,977		1,792,853		1,792,853
	RATE OF RETURN	-0.87%		10.32%		-0.56%		9.74%

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SSU/MARION OAKS
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
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	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	(741,445)	(396,970)
2	Billing determinants I-75	0	0
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	128	68
	Total	(741,317)	(396,902)
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(793)	(420)
2	Correct attrition rate from 5.87% to 5.75% S-10	(256)	(136)
3	Keystone Heights APT expenses I-58	0	0
4	Hewitt study I-82	(3,578)	(2,723)
5	Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(5,398)	(2,860)
6	Hepatitis Amortization Adjustment I-86	(141)	(75)
7	Budgeted overtime to rate case expense S-11	(621)	(329)
8	Remove SSU proposed repression adjustment I-74	2,355	0
9	OAP Amortization I-86a	(716)	(379)
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(156)	(83)
12	Conservation Expense I-92	(2,767)	(1,466)
13	Current rate case expense I-93	1,746	(25)
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(230)	(122)
15	Jurisdiction Docket Expense I-95	(450)	(238)
16	920199 rate case expense I-96	3,914	2,021
17	True-up budget adjustment I-99	(4,854)	(7,193)
18	Emply recognition normalization I-100	(219)	(116)
19	Gains/Losses I-105	(1,101)	(583)
	Total	(13,265)	(14,727)
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage adjustment I-13	(267)	(267)
3	Reallocate Common Plant River Park S-1	372	197
4	Imputation of CIAC-MR I-48	(1,132)	(519)
5	Net used and useful adjustment	(65,575)	(13,918)
6	Marco ASR Cost Share I-51	0	0
	Total	(66,602)	(14,507)
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	(33,359)	(17,861)
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	(48,589)	(4,474)
4	Discounts received on property taxes S-14	(2,991)	(1,284)
	Total	(84,939)	(23,619)
	INCOME TAXES		
	To adjust to test year income tax expense	(157,497)	(120,990)

SSU/MEREDITH MANOR
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	903,705	0	$	903,705	(99,080)	804,625
2	LAND & LAND RIGHTS		5,710	0		5,710	0	5,710
3	NON-USED & USEFUL COMPONENTS		(63,662)	0		(63,662)	14,481	(49,181)
4	ACCUMULATED DEPRECIATION		(221,136)	0		(221,136)	1,122	(220,014)
5	CIAC		(80,878)	(664)		(81,542)	0	(81,542)
6	AMORTIZATION OF CIAC		30,561	0		30,561	0	30,561
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(4,879)	0		(4,879)	0	(4,879)
10	DEFERRED INCOME TAXES		(16,154)	0		(16,154)	18,583	2,429
11	WORKING CAPITAL ALLOWANCE		28,264	0		28,264	(9,710)	18,554
12	OTHER		0	0		0	0	0
	RATE BASE	$	581,531	(664)	$	580,867	(74,604)	506,263

SSU/MEREDITH MANOR
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	41,610	0	$ 41,610	(9)	41,601
2	LAND		165	0	165	0	165
3	NON-USED & USEFUL COMPONENTS		0	0	0	0	0
4	ACCUMULATED DEPRECIATION		(15,081)	0	(15,081)	(1)	(15,082)
5	CIAC		(27,351)	(56)	(27,407)	0	(27,407)
6	AMORTIZATION OF CIAC		10,296	0	10,296	0	10,296
7	ACQUISITION ADJUSTMENTS - NET		0	0	0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(210)	0	(210)	0	(210)
10	DEFERRED INCOME TAXES		(751)	0	(751)	7,654	6,903
11	WORKING CAPITAL ALLOWANCE		1,216	0	1,216	(418)	798
12	OTHER		0	0	0	0	0
	RATE BASE	$	9,894	(56)	$ 9,838	7,226	17,064

SSU/MEREDITH MANOR
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(99,315)	(19)
3 Realloc of River Park common plant S-1	235	10
Total	(99,080)	(9)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	14,481	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	1,240	4
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(118)	(5)
Total	1,122	(1)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	19,365	7,694
2 Credit Deferred Taxes on Depreciation	(782)	(40)
Total	18,583	7,654
WORKING CAPITAL		
To reflect the plant specific allocation	(9,710)	(418)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/MEREDITH MANOR
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	142,274	90,756 $	233,030	(90,723)	142,307	68,901	211,208
	OPERATING EXPENSES:						48.42%	
2	OPERATION AND MAINTENANCE	99,752	4,412 $	104,164	(2,972)	101,192 $		101,192
3	DEPRECIATION	32,123	0	32,123	(1,895)	30,228		30,228
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	17,280	3,790	21,070	(4,279)	16,791	3,101	19,892
6	INCOME TAXES	(16,113)	31,859	15,746	(30,546)	(14,800)	25,383	10,583
7	TOTAL OPERATING EXPENSES	133,042	40,061 $	173,103	(39,692)	133,411	28,483	161,894
8	OPERATING INCOME	9,232	50,695 $	59,927	(51,031)	8,896	40,418	49,314
9	RATE BASE	581,531	$	580,867		506,263		506,263
	RATE OF RETURN	1.59%		10.32%		1.76%		9.74%

SSU/MEREDITH MANOR
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	15,391	451 $	15,842	(450)	15,392	(405)	14,987
	OPERATING EXPENSES						-2.63%	
2	OPERATION AND MAINTENANCE	12,828	319 $	13,147	(2,048)	11,099 $		11,099
3	DEPRECIATION	857	0	857	2	859		859
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	1,029	38	1,067	(34)	1,033	(18)	1,015
6	INCOME TAXES	(14)	(230)	(244)	745	501	(149)	352
7	TOTAL OPERATING EXPENSES	14,700	127 $	14,827	(1,335)	13,492	(168)	13,324
8	OPERATING INCOME	691	324 $	1,015	885	1,900	(238)	1,662
9	RATE BASE	9,894	$	9,838		17,064		17,064
	RATE OF RETURN	6.98%		10.32%		11.13%		9.74%

SSU/MEREDITH MANOR
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	(90,756)	(451)
2	Billing determinants I-75	0	0
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	33	1
	Total	(90,723)	(450)
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(205)	(9)
2	Correct attrition rate from 5.87% to 5.75% S-10	(66)	(3)
3	Keystone Heights APT expenses I-58	0	0
4	Hewitt study I-82	(927)	(57)
5	Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(1,398)	(60)
6	Hepatitis Amortization Adjustment I-86	(36)	(2)
7	Budgeted overtime to rate case expense S-11	(161)	(7)
8	Remove SSU proposed repression adjustment I-74	1,072	0
9	OAP Amortization I-86a	(185)	(1,765)
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(40)	(2)
12	Conservation Expense I-92	(717)	(31)
13	Current rate case expense I-93	452	19
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(60)	(3)
15	Jurisdiction Docket Expense I-95	(116)	(5)
16	920199 rate case expense I-96	1,014	42
17	True-up budget adjustment I-99	(1,257)	(151)
18	Emply recognition normalization I-100	(57)	(2)
19	Gains/Losses I-105	(285)	(12)
	Total	(2,972)	(2,048)
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage adjustment I-13	(2,348)	(2)
3	Reallocate Common Plant River Park S-1	96	4
4	Imputation of CIAC-MR I-48	0	0
5	Net used and useful adjustment	357	0
6	Marco ASR Cost Share I-51	0	0
	Total	(1,895)	2
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	(4,083)	(20)
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	83	0
4	Discounts received on property taxes S-14	(279)	(14)
	Total	(4,279)	(34)
	INCOME TAXES		
	To adjust to test year income tax expense	(30,546)	745

SSU/ MORNINGVIEW
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	100,421	0	$	100,421	(11)	100,410
2	LAND & LAND RIGHTS		493	0		493	0	493
3	NON-USED & USEFUL COMPONENTS		0	0		0	(846)	(846)
4	ACCUMULATED DEPRECIATION		(21,890)	0		(21,890)	(6)	(21,896)
5	CIAC		(4,005)	0		(4,005)	0	(4,005)
6	AMORTIZATION OF CIAC		1,668	0		1,668	0	1,668
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(270)	0		(270)	0	(270)
10	DEFERRED INCOME TAXES		(1,923)	0		(1,923)	1,144	(779)
11	WORKING CAPITAL ALLOWANCE		1,563	0		1,563	0	1,563
12	OTHER		0	0		0	0	0
	RATE BASE	$	76,057	0	$	76,057	282	76,339

SSU/ MORNINGVIEW
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	89,425	0	$	89,425	(11)	89,414
2	LAND		1,364	0		1,364	0	1,364
3	NON-USED & USEFUL COMPONENTS		(1,378)	0		(1,378)	1	(1,377)
4	ACCUMULATED DEPRECIATION		(63,132)	0		(63,132)	(2)	(63,134)
5	CIAC		(5,830)	0		(5,830)	0	(5,830)
6	AMORTIZATION OF CIAC		3,960	0		3,960	0	3,960
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(270)	0		(270)	0	(270)
10	DEFERRED INCOME TAXES		(1,699)	0		(1,699)	1,535	(164)
11	WORKING CAPITAL ALLOWANCE		1,563	0		1,563	0	1,563
12	OTHER		0	0		0	0	0
	RATE BASE	$	24,003	0	$	24,003	1,523	25,526

SSU/ MORNINGVIEW
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-13	(24)	(24)
3 Realloc of River Park common plant S-1	13	13
Total	(11)	(11)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(846)	1
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	1	5
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(7)	(7)
Total	(6)	(2)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	1,144	1,535
2 Credit Deferred Taxes on Depreciation	(98)	(87)
Total	1,046	1,448
WORKING CAPITAL		
To reflect the plant specific allocation	(537)	(537)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ MORNINGVIEW
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	7,521	21,730 $	29,251	30,571	59,822	(31,901)	27,921
	OPERATING EXPENSES:						-53.33%	
2	OPERATION AND MAINTENANCE	12,968	532 $	13,500	(277)	13,223 $		13,223
3	DEPRECIATION	3,485	0	3,485	(31)	3,454		3,454
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	1,299	1,006	2,305	1,335	3,640	(1,436)	2,204
6	INCOME TAXES	(5,675)	7,789	2,114	11,242	13,356	(11,752)	1,604
7	TOTAL OPERATING EXPENSES	12,077	9,327 $	21,404	12,269	33,673	(13,187)	20,485
8	OPERATING INCOME	(4,556)	12,403 $	7,847	18,302	26,149	(18,713)	7,436
9	RATE BASE	76,057	$	76,057		76,339		76,339
	RATE OF RETURN	-5.99%		10.32%		34.25%		9.74%

SSU/ MORNINGVIEW
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	13,199	18,701 $	31,900	32,453	64,353	(32,454)	31,899
	OPERATING EXPENSES						-50.43%	
2	OPERATION AND MAINTENANCE	20,219	601 $	20,820	(371)	20,449 $		20,449
3	DEPRECIATION	5,859	0	5,859	3	5,862		5,862
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	1,755	861	2,616	1,430	4,046	(1,460)	2,586
6	INCOME TAXES	(6,293)	6,421	128	12,343	12,471	(11,956)	516
7	TOTAL OPERATING EXPENSES	21,540	7,883 $	29,423	13,406	42,829	(13,416)	29,412
8	OPERATING INCOME	(8,341)	10,818 $	2,477	19,047	21,524	(19,038)	2,486
9	RATE BASE	24,003	$	24,003		25,526		25,526
	RATE OF RETURN	-34.75%		10.32%		84.32%		9.74%

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SSU/ MORNINGVIEW
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	21,730	18,701
2 Billing determinants I-75	8,839	13,750
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	2	2
Total	30,571	32,453
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(11)	(11)
2 Correct attrition rate from 5.87% to 5.75% S-10	(4)	(4)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(74)	(74)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(77)	(77)
6 Hepatitis Amortization Adjustment I-86	(2)	(2)
7 Budgeted overtime to rate case expense S-11	(9)	(9)
8 Remove SSU proposed repression adjustment I-74	94	0
9 OAP Amortization I-86a	(10)	(10)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(2)	(2)
12 Conservation Expense I-92	(40)	(40)
13 Current rate case expense I-93	25	25
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(3)	(3)
15 Jurisdiction Docket Expense I-95	(6)	(6)
16 920199 rate case expense I-96	55	55
17 True-up budget adjustment I-99	(194)	(194)
18 Emply recognition normalization I-100	(3)	(3)
19 Gains/Losses I-105	(16)	(16)
Total	(277)	(371)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(2)	(2)
3 Reallocate Common Plant River Park S-1	5	5
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	(33)	0
6 Marco ASR Cost Share I-51	0	0
Total	(31)	3
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	1,376	1,460
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	(6)	1
4 Discounts received on property taxes S-14	(35)	(31)
Total	1,335	1,430
INCOME TAXES		
To adjust to test year income tax expense	11,242	12,343

SSU/OAK FOREST
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	238,326	0	$ 238,326	(45)	238,281
2	LAND & LAND RIGHTS		3,388	0	3,388	0	3,388
3	NON-USED & USEFUL COMPONENTS		(5,061)	0	(5,061)	(6)	(5,067)
4	ACCUMULATED DEPRECIATION		(66,385)	0	(66,385)	(7)	(66,392)
5	CIAC		(46,025)	(108)	(46,133)	0	(46,133)
6	AMORTIZATION OF CIAC		24,454	0	24,454	619	25,073
7	ACQUISITION ADJUSTMENTS - NET		0	0	0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,072)	0	(1,072)	0	(1,072)
10	DEFERRED INCOME TAXES		(2,697)	0	(2,697)	915	(1,782)
11	WORKING CAPITAL ALLOWANCE		6,208	0	6,208	(2,133)	4,075
12	OTHER		0	0	0	0	0
	RATE BASE	$	151,136	(108)	$ 151,028	(656)	150,372

SSU/OAK FOREST
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(97)	0
3 Realloc of River Park common plant S-1	52	0
Total	(45)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(6)	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	19	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(26)	0
Total	(7)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	619	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	619	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	1,146	0
2 Credit Deferred Taxes on Depreciation	(231)	0
Total	915	0
WORKING CAPITAL		
To reflect the plant specific allocation	(2,133)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/OAK FOREST
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	26,003	29,703 $	55,706	(29,696)	26,010	27,461	53,471
	OPERATING EXPENSES:						105.58%	
2	OPERATION AND MAINTENANCE	23,067	1,114 $	24,181	(699)	23,482 $		23,482
3	DEPRECIATION	7,276	0	7,276	516	7,792		7,792
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	3,303	1,280	4,583	(1,412)	3,171	1,236	4,406
6	INCOME TAXES	(6,452)	10,537	4,085	(11,058)	(6,973)	10,117	3,143
7	TOTAL OPERATING EXPENSES	27,194	12,931 $	40,125	(12,653)	27,472	11,352	38,824
8	OPERATING INCOME	(1,191)	16,772 $	15,581	(17,043)	(1,462)	16,109	14,647
9	RATE BASE	151,136	$	151,028		150,372		150,372
	RATE OF RETURN	-0.79%		10.32%		-0.97%		9.74%

SSU/OAK FOREST
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(29,703)	0
2 Billing determinants I-75	0	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	7	0
Total	(29,696)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(45)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(15)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(204)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(307)	0
6 Hepatitis Amortization Adjustment I-86	(8)	0
7 Budgeted overtime to rate case expense S-11	(35)	0
8 Remove SSU proposed repression adjustment I-74	190	0
9 OAP Amortization I-86a	(41)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(9)	0
12 Conservation Expense I-92	(157)	0
13 Current rate case expense I-93	99	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(13)	0
15 Jurisdiction Docket Expense I-95	(26)	0
16 920199 rate case expense I-96	223	0
17 True-up budget adjustment I-99	(276)	0
18 Emply recognition normalization I-100	(12)	0
19 Gains/Losses I-105	(63)	0
Total	(699)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(10)	0
3 Reallocate Common Plant River Park S-1	21	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	505	0
6 Marco ASR Cost Share I-51	0	0
Total	516	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(1,336)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	7	0
4 Discounts received on property taxes S-14	(83)	0
Total	(1,412)	0
INCOME TAXES		
To adjust to test year income tax expense	(11,058)	0

SSU/OAKWOOD
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	80,058	(720)	$ 79,338	(65)	79,273
2	LAND & LAND RIGHTS		2,353	0	2,353	0	2,353
3	NON-USED & USEFUL COMPONENTS		0	0	0	0	0
4	ACCUMULATED DEPRECIATION		(56,475)	1,898	(54,577)	(9)	(54,586)
5	CIAC		(3,255)	0	(3,255)	0	(3,255)
6	AMORTIZATION OF CIAC		646	0	646	38	684
7	ACQUISITION ADJUSTMENTS - NET		0	0	0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,521)	0	(1,521)	0	(1,521)
10	DEFERRED INCOME TAXES		650	0	650	(866)	(216)
11	WORKING CAPITAL ALLOWANCE		8,813	0	8,813	(3,028)	5,785
12	OTHER		0	0	0	0	0
	RATE BASE	$	31,269	1,178	$ 32,447	(3,930)	28,517

SSU/OAKWOOD
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-12	(138)	0
3 Realloc of River Park common plant S-1	73	0
Total	(65)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	28	0
3 Reverse Depr on prior N-U/U assets I-46	(37)	0
4 Realloc of River Park Common Plant S-1	0	0
Total	(9)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	38	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	38	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	0	0
2 Credit Deferred Taxes on Depreciation	(866)	0
Total	(866)	0
WORKING CAPITAL		
To reflect the plant specific allocation	(3,028)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/OAKWOOD
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	26,709	23,844 $	50,553	(23,834)	26,719	23,165	49,884
	OPERATING EXPENSES:						86.70%	
2	OPERATION AND MAINTENANCE	37,798	109 $	37,907	170	38,077 $		38,077
3	DEPRECIATION	4,983	0	4,983	0	4,983		4,983
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	2,385	1,135	3,520	(1,100)	2,420	1,042	3,463
6	INCOME TAXES	(7,898)	8,694	796	(8,747)	(7,951)	8,534	583
7	TOTAL OPERATING EXPENSES	37,268	9,938 $	47,206	(9,676)	37,530	9,576	47,106
8	OPERATING INCOME	(10,559)	13,906 $	3,347	(14,158)	(10,811)	13,589	2,778
9	RATE BASE	31,269	$	32,447		28,517		28,517
	RATE OF RETURN	-33.77%		10.32%		-37.91%		9.74%

SSU/OAKWOOD
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
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	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	(23,844)	0
2	Billing determinants I-75	0	0
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	10	0
	Total	(23,834)	0
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(64)	0
2	Correct attrition rate from 5.87% to 5.75% S-10	(21)	0
3	Keystone Heights APT expenses I-58	0	0
4	Hewitt study I-82	(289)	0
5	Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(436)	0
6	Hepatitis Amortization Adjustment I-86	(11)	0
7	Budgeted overtime to rate case expense S-11	(50)	0
8	Remove SSU proposed repression adjustment I-74	1,432	0
9	OAP Amortization I-86a	(58)	0
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(13)	0
12	Conservation Expense I-92	(223)	0
13	Current rate case expense I-93	141	0
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(19)	0
15	Jurisdiction Docket Expense I-95	(36)	0
16	920199 rate case expense I-96	316	0
17	True-up budget adjustment I-99	(392)	0
18	Emply recognition normalization I-100	(18)	0
19	Gains/Losses I-105	(89)	0
	Total	170	0
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage adjustment I-13	(14)	0
3	Reallocate Common Plant River Park S-1	(30)	0
4	Imputation of CIAC-MR I-48	0	0
5	Net used and useful adjustment	0	0
6	Marco ASR Cost Share I-51	0	0
	Total	(44)	0
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	(1,073)	0
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	0	0
4	Discounts received on property taxes S-14	(27)	0
	Total	(1,100)	0
	INCOME TAXES		
	To adjust to test year income tax expense	(8,747)	0

SSU/PALISADES COUNTRY CLUB
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	309,406	0	$	309,406	(11)	309,395
2	LAND & LAND RIGHTS		97	0		97	0	97
3	NON-USED & USEFUL COMPONENTS		(1,331)	0		(1,331)	642	(689)
4	ACCUMULATED DEPRECIATION		(51,134)	0		(51,134)	(1)	(51,135)
5	CIAC		(8,403)	0		(8,403)	0	(8,403)
6	AMORTIZATION OF CIAC		801	0		801	14	815
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(255)	0		(255)	0	(255)
10	DEFERRED INCOME TAXES		4,622	0		4,622	(8,960)	(4,338)
11	WORKING CAPITAL ALLOWANCE		1,476	0		1,476	(507)	969
12	OTHER		0	0		0	0	0
	RATE BASE	$	255,279	0	$	255,279	(8,823)	246,456

SSU/PALISADES COUNTRY CLUB
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
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EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(23)	0
3 Realloc of River Park common plant S-1	12	0
Total	(11)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	642	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	5	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(6)	0
Total	(1)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	14	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	14	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	(8,659)	0
2 Credit Deferred Taxes on Depreciation	(301)	0
Total	(8,960)	0
WORKING CAPITAL		
To reflect the plant specific allocation	(507)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/PALISADES COUNTRY CLUB
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	32,323	34,184 $	66,507	(34,182)	32,325	29,308	61,633
	OPERATING EXPENSES:						90.67%	
2	OPERATION AND MAINTENANCE	16,471	463 $	16,934	(249)	16,685 $		16,685
3	DEPRECIATION	12,136	0	12,136	19	12,155		12,155
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	2,358	1,571	3,929	(1,645)	2,284	1,319	3,603
6	INCOME TAXES	(5,230)	12,402	7,172	(12,786)	(5,614)	10,797	5,182
7	TOTAL OPERATING EXPENSES	25,735	14,436 $	40,171	(14,661)	25,510	12,116	37,626
8	OPERATING INCOME	6,588	19,748 $	26,336	(19,521)	6,815	17,192	24,007
9	RATE BASE	255,279	$	255,279		246,456		246,456
	RATE OF RETURN	2.58%		10.32%		2.77%		9.74%

SSU/PALISADES COUNTRY CLUB
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(34,184)	0
2 Billing determinants I-75	0	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	2	0
Total	(34,182)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(11)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(3)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(48)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(73)	0
6 Hepatitis Amortization Adjustment I-86	(2)	0
7 Budgeted overtime to rate case expense S-11	(8)	0
8 Remove SSU proposed repression adjustment I-74	12	0
9 OAP Amortization I-86a	(10)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(2)	0
12 Conservation Expense I-92	(88)	0
13 Current rate case expense I-93	24	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(3)	0
15 Jurisdiction Docket Expense I-95	(6)	0
16 920199 rate case expense I-96	53	0
17 True-up budget adjustment I-99	(66)	0
18 Emply recognition normalization I-100	(3)	0
19 Gains/Losses I-105	(15)	0
Total	(249)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(2)	0
3 Reallocate Common Plant River Park S-1	5	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	17	0
6 Marco ASR Cost Share I-51	0	0
Total	19	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(1,538)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	1	0
4 Discounts received on property taxes S-14	(107)	0
Total	(1,645)	0
INCOME TAXES		
To adjust to test year income tax expense	(12,786)	0

SSU/PALM PORT
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	155,033	0	$ 155,033	(467)	154,566
2	LAND & LAND RIGHTS		6,305	0	6,305	0	6,305
3	NON-USED & USEFUL COMPONENTS		(234)	0	(234)	(52)	(286)
4	ACCUMULATED DEPRECIATION		(47,582)	0	(47,582)	4	(47,578)
5	CIAC		(19,267)	(143)	(19,410)	0	(19,410)
6	AMORTIZATION OF CIAC		5,621	0	5,621	0	5,621
7	ACQUISITION ADJUSTMENTS - NET		(18,291)	0	(18,291)	0	(18,291)
8	ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(742)	0	(742)	0	(742)
10	DEFERRED INCOME TAXES		513	0	513	1,498	2,011
11	WORKING CAPITAL ALLOWANCE		4,298	0	4,298	(1,477)	2,821
12	OTHER		0	0	0	0	0
	RATE BASE	$	85,654	(143)	$ 85,511	(494)	85,017

SSU/PALM PORT
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1 UTILITY PLANT IN SERVICE	$	248,013	0	$ 248,013	(2,147)	245,866
2 LAND		10,524	0	10,524	0	10,524
3 NON-USED & USEFUL COMPONENTS		(35,244)	0	(35,244)	(13,578)	(48,822)
4 ACCUMULATED DEPRECIATION		(83,935)	0	(83,935)	54	(83,881)
5 CIAC		(23,902)	(221)	(24,123)	0	(24,123)
6 AMORTIZATION OF CIAC		7,972	0	7,972	0	7,972
7 ACQUISITION ADJUSTMENTS - NET		(38,717)	0	(38,717)	0	(38,717)
8 ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS		(742)	0	(742)	0	(742)
10 DEFERRED INCOME TAXES		645	0	645	(361)	284
11 WORKING CAPITAL ALLOWANCE		4,298	0	4,298	(1,477)	2,821
12 OTHER		0	0	0	0	0
RATE BASE	$	88,912	(221)	$ 88,691	(17,509)	71,182

SSU/PALM PORT
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
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PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(503)	(2,183)
3 Realloc of River Park common plant S-1	36	36
Total	(467)	(2,147)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(52)	(13,578)
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	22	72
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(18)	(18)
Total	4	54
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	1,648	(122)
2 Credit Deferred Taxes on Depreciation	(150)	(239)
Total	1,498	(361)
WORKING CAPITAL		
To reflect the plant specific allocation	(1,477)	(1,477)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/PALM PORT
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	13,638	27,942 $	41,580	(27,937)	13,643	26,312	39,955
	OPERATING EXPENSES:						192.86%	
2	OPERATION AND MAINTENANCE	20,898	879 $	21,777	(464)	21,313 $		21,313
3	DEPRECIATION	6,044	0	6,044	(9)	6,035		6,035
4	AMORTIZATION	(614)	0	(614)	0	(614)		(614)
5	TAXES OTHER THAN INCOME	1,996	1,300	3,296	(1,311)	1,985	1,184	3,169
6	INCOME TAXES	(7,686)	9,942	2,256	(10,179)	(7,923)	9,693	1,771
7	TOTAL OPERATING EXPENSES	20,638	12,121 $	32,759	(11,962)	20,797	10,877	31,674
8	OPERATING INCOME	(7,000)	15,821 $	8,821	(15,975)	(7,154)	15,435	8,281
9	RATE BASE	85,654	$	85,511		85,017		85,017
	RATE OF RETURN	-8.17%		10.32%		-8.41%		9.74%

SSU/PALM PORT
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	34,335	71,446 $	105,781	(71,441)	34,340	67,979	102,319
	OPERATING EXPENSES						197.96%	
2	OPERATION AND MAINTENANCE	77,650	1,237 $	78,887	(1,024)	77,863 $		77,863
3	DEPRECIATION	9,695	0	9,695	(305)	9,390		9,390
4	AMORTIZATION	(1,007)	0	(1,007)	0	(1,007)		(1,007)
5	TAXES OTHER THAN INCOME	5,398	2,539	7,937	(3,298)	4,639	3,059	7,698
6	INCOME TAXES	(24,393)	25,512	1,119	(24,721)	(23,602)	25,043	1,441
7	TOTAL OPERATING EXPENSES	67,343	29,288 $	96,631	(29,348)	67,283	28,102	95,385
8	OPERATING INCOME	(33,008)	42,158 $	9,150	(42,093)	(32,943)	39,877	6,934
9	RATE BASE	88,912	$	88,691		71,182		71,182
	RATE OF RETURN	-37.12%		10.32%		-46.28%		9.74%

SSU/PALM PORT
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	(27,942)	(71,446)
2	Billing determinants I-75	0	0
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	5	5
	Total	(27,937)	(71,441)
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(31)	(31)
2	Correct attrition rate from 5.87% to 5.75% S-10	(10)	(10)
3	Keystone Heights APT expenses I-58	0	0
4	Hewitt study I-82	(141)	(202)
5	Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(213)	(213)
6	Hepatitis Amortization Adjustment I-86	(6)	(6)
7	Budgeted overtime to rate case expense S-11	(24)	(24)
8	Remove SSU proposed repression adjustment I-74	151	0
9	OAP Amortization I-86a	(28)	(28)
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(6)	(6)
12	Conservation Expense I-92	(109)	(109)
13	Current rate case expense I-93	69	69
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(9)	(9)
15	Jurisdiction Docket Expense I-95	(18)	(18)
16	920199 rate case expense I-96	154	150
17	True-up budget adjustment I-99	(191)	(535)
18	Emply recognition normalization I-100	(9)	(9)
19	Gains/Losses I-105	(43)	(43)
	Total	(464)	(1,024)
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage adjustment I-13	(24)	(124)
3	Reallocate Common Plant River Park S-1	15	15
4	Imputation of CIAC-MR I-48	0	0
5	Net used and useful adjustment	0	(195)
6	Marco ASR Cost Share I-51	0	0
	Total	(9)	(305)
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	(1,257)	(3,215)
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	1	1
4	Discounts received on property taxes S-14	(54)	(85)
	Total	(1,311)	(3,298)
	INCOME TAXES		
	To adjust to test year income tax expense	(10,179)	(24,721)

SSU/PALM TERRACE
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	441,681	0	$	441,681	(815)	440,866
2	LAND & LAND RIGHTS		24,619	0		24,619	0	24,619
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(189,588)	0		(189,588)	170	(189,418)
5	CIAC		(148,848)	0		(148,848)	0	(148,848)
6	AMORTIZATION OF CIAC		66,612	0		66,612	279	66,891
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(8,889)	0		(8,889)	0	(8,889)
10	DEFERRED INCOME TAXES		(2,059)	0		(2,059)	(2,980)	(5,039)
11	WORKING CAPITAL ALLOWANCE		51,491	0		51,491	(17,690)	33,801
12	OTHER		0	0		0	0	0
	RATE BASE	$	235,019	0	$	235,019	(21,036)	213,983

SSU/PALM TERRACE
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	650,992	0	$	650,992	(3,502)	647,490
2	LAND		73,766	0		73,766	0	73,766
3	NON-USED & USEFUL COMPONENTS		(6,335)	0		(6,335)	677	(5,658)
4	ACCUMULATED DEPRECIATION		(247,380)	0		(247,380)	228	(247,152)
5	CIAC		(341,649)	0		(341,649)	0	(341,649)
6	AMORTIZATION OF CIAC		161,208	0		161,208	863	162,071
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(7,712)	0		(7,712)	0	(7,712)
10	DEFERRED INCOME TAXES		(7,072)	0		(7,072)	(3,128)	(10,200)
11	WORKING CAPITAL ALLOWANCE		44,675	0		44,675	(15,348)	29,327
12	OTHER		0	0		0	0	0
	RATE BASE	$	320,493	0	$	320,493	(20,210)	300,283

SSU/PALM TERRACE
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
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	EXPLANATION	WATER	WASTEWATER
	PLANT IN SERVICE		
1	BVL transfer I-11	0	0
2	To adjust for plant slippage I-12	(1,242)	(3,873)
3	Realloc of River Park common plant S-1	427	371
	Total	(815)	(3,502)
	LAND		
1	Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2	Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3	Collier pits land cost I-7	0	0
4	Section 35 PHFU I-9	0	0
5	Deltona Lakes PHFU I-10	0	0
6	BVL transfer I-11	0	0
	Total	0	0
	NON-USED AND USEFUL		
	To reflect net non-used and useful adjustment	0	677
	ACCUMULATED DEPRECIATION		
1	BVL transfer I-11	0	0
2	Plant Slippage/Double Bookings I-13	170	228
3	Reverse Depr on prior N-U/U assets I-46	0	0
4	Realloc of River Park Common Plant S-1	(215)	(187)
	Total	170	228
	CIAC		
1	BVL transfer I-11	0	0
2	Imputation of CIAC-MR I-48	0	0
3	Marco ASR Cost Share I-51	0	0
	Total	0	0
	ACCUM. AMORT. OF CIAC		
1	Deltona Lakes correction-water S-4	0	0
2	BVL transfer I-11	0	0
3	Correction for Guideline rates I-47	279	863
4	Imputation of CIAC-MR I-48	0	0
5	Marco ASR Cost Share I-51	0	0
	Total	279	863
	DEFERRED INCOME TAXES		
1	Debti Deferred Taxes on CIAC	(2,552)	(2,499)
2	Credit Deferred Taxes on Depreciation	(428)	(629)
	Total	(2,980)	(3,128)
	WORKING CAPITAL		
	To reflect the plant specific allocation	(17,690)	(15,348)
	OTHER		
	Marco Island deferred debit-water I-62	0	

SSU/PALM TERRACE
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	164,837	142,940 $	307,777	(142,880)	164,897	138,507	303,404
	OPERATING EXPENSES:						84.00%	
2	OPERATION AND MAINTENANCE	229,335	747 $	230,082	1,018	231,100 $		231,100
3	DEPRECIATION	25,142	0	25,142	77	25,219		25,219
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	15,346	6,807	22,153	(6,583)	15,570	6,233	21,803
6	INCOME TAXES	(46,072)	52,225	6,153	(52,740)	(46,587)	51,025	4,438
7	TOTAL OPERATING EXPENSES	223,751	59,779 $	283,530	(58,228)	225,302	57,257	282,560
8	OPERATING INCOME	(58,914)	83,161 $	24,247	(84,652)	(60,405)	81,249	20,844
9	RATE BASE	235,019	$	235,019		213,983		213,983
	RATE OF RETURN	-25.07%		10.32%		-28.23%		9.74%

SSU/PALM TERRACE
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	301,620	56,010 $	357,630	(55,958)	301,672	47,334	349,006
	OPERATING EXPENSES						15.69%	
2	OPERATION AND MAINTENANCE	265,572	9,587 $	275,159	(10,644)	264,515 $		264,515
3	DEPRECIATION	23,902	0	23,902	(78)	23,824		23,824
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	23,017	2,761	25,778	(2,707)	23,071	2,130	25,201
6	INCOME TAXES	(11,881)	11,607	(274)	(10,947)	(11,221)	17,437	6,216
7	TOTAL OPERATING EXPENSES	300,610	23,955 $	324,565	(24,376)	300,189	19,567	319,756
8	OPERATING INCOME	1,010	32,055 $	33,065	(31,582)	1,483	27,766	29,250
9	RATE BASE	320,493	$	320,493		300,283		300,283
	RATE OF RETURN	0.32%		10.32%		0.49%		9.74%

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SSU/PALM TERRACE
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	(142,940)	(56,010)
2	Billing determinants I-75	0	0
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	60	52
	Total	(142,880)	(55,958)
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(374)	(324)
2	Correct attrition rate from 5.87% to 5.75% S-10	(121)	(105)
3	Keystone Heights APT expenses I-58	0	0
4	Hewitt study I-82	(1,688)	(2,104)
5	Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(2,546)	(2,209)
6	Hepatitis Amortization Adjustment I-86	(66)	(58)
7	Budgeted overtime to rate case expense S-11	(293)	(254)
8	Remove SSU proposed repression adjustment I-74	8,386	0
9	OAP Amortization I-86a	(338)	(293)
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(74)	(64)
12	Conservation Expense I-92	(1,306)	(1,133)
13	Current rate case expense I-93	824	715
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(108)	(94)
15	Jurisdiction Docket Expense I-95	(212)	(184)
16	920199 rate case expense I-96	1,847	1,561
17	True-up budget adjustment I-99	(2,290)	(5,557)
18	Emply recognition normalization I-100	(103)	(90)
19	Gains/Losses I-105	(520)	(451)
	Total	1,018	(10,644)
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage adjustment I-13	(98)	(246)
3	Reallocate Common Plant River Park S-1	175	152
4	Imputation of CIAC-MR I-48	0	0
5	Net used and useful adjustment	0	16
6	Marco ASR Cost Share I-51	0	0
	Total	77	(78)
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	(6,430)	(2,518)
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	0	35
4	Discounts received on property taxes S-14	(153)	(224)
	Total	(6,583)	(2,707)
	INCOME TAXES		
	To adjust to test year income tax expense	(52,740)	(10,947)

SSU/ PALM VALLEY
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	1,296,657	(137,107)	$ 1,159,550	(66)	1,159,484
2	LAND & LAND RIGHTS		7,069	0	7,069	0	7,069
3	NON-USED & USEFUL COMPONENTS		0	0	0	0	0
4	ACCUMULATED DEPRECIATION		(148,581)	133,724	(14,857)	(9)	(14,866)
5	CIAC		(12,619)	0	(12,619)	0	(12,619)
6	AMORTIZATION OF CIAC		1,998	0	1,998	0	1,998
7	ACQUISITION ADJUSTMENTS - NET		0	0	0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,544)	0	(1,544)	0	(1,544)
10	DEFERRED INCOME TAXES		(20,729)	0	(20,729)	(1,143)	(21,872)
11	WORKING CAPITAL ALLOWANCE		8,944	0	8,944	(3,073)	5,871
12	OTHER		0	0	0	0	0
	RATE BASE	$	1,131,195	(3,383)	$ 1,127,812	(4,291)	1,123,521

SSU/ PALM VALLEY
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(140)	0
3 Realloc of River Park common plant S-1	74	0
Total	(66)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	28	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(37)	0
Total	(9)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	(16)	0
2 Credit Deferred Taxes on Depreciation	(1,127)	0
Total	(1,143)	0
WORKING CAPITAL		
To reflect the plant specific allocation	(3,073)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ PALM VALLEY
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	39,099	238,209 $	277,308	(234,227)	43,081	227,554	270,635
	OPERATING EXPENSES:						528.20%	
2	OPERATION AND MAINTENANCE	40,497	756 $	41,253	(1,060)	40,193 $		40,193
3	DEPRECIATION	31,023	0	31,023	30	31,053		31,053
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	45,609	10,789	56,398	(402)	55,996	10,240	66,236
6	INCOME TAXES	(55,226)	87,505	32,279	(92,395)	(60,116)	83,829	23,713
7	TOTAL OPERATING EXPENSES	61,903	99,050 $	160,953	(93,827)	67,126	94,069	161,195
8	OPERATING INCOME	(22,804)	139,159 $	116,355	(140,400)	(24,045)	133,485	109,440
9	RATE BASE	1,131,195	$	1,127,812		1,123,521		1,123,521
	RATE OF RETURN	-2.02%		10.32%		-2.14%		9.74%

SSU/ PALM VALLEY
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(238,209)	0
2 Billing determinants I-75	3,972	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	10	0
Total	(234,227)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(65)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(21)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(293)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(442)	0
6 Hepatitis Amortization Adjustment I-86	(12)	0
7 Budgeted overtime to rate case expense S-11	(51)	0
8 Remove SSU proposed repression adjustment I-74	963	0
9 OAP Amortization I-86a	(59)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(13)	0
12 Conservation Expense I-92	(227)	0
13 Current rate case expense I-93	143	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(178)	0
15 Jurisdiction Docket Expense I-95	(37)	0
16 920199 rate case expense I-96	(352)	0
17 True-up budget adjustment I-99	(398)	0
18 Emply recognition normalization I-100	(18)	0
19 Gains/Losses I-105	0	0
Total	(1,060)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	0	0
3 Reallocate Common Plant River Park S-1	30	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	30	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(10,540)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(402)	0
Total	(402)	0
INCOME TAXES		
To adjust to test year income tax expense	(92,395)	0

SSU/PALMS MOBILE HOME PARK
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1 UTILITY PLANT IN SERVICE	$	103,850	0	$ 103,850	(18)	103,832
2 LAND & LAND RIGHTS		677	0	677	0	677
3 NON-USED & USEFUL COMPONENTS		(1,050)	0	(1,050)	0	(1,050)
4 ACCUMULATED DEPRECIATION		(28,253)	0	(28,253)	(3)	(28,256)
5 CIAC		(3,037)	(36)	(3,073)	0	(3,073)
6 AMORTIZATION OF CIAC		1,328	0	1,328	0	1,328
7 ACQUISITION ADJUSTMENTS - NET		0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS		(435)	0	(435)	0	(435)
10 DEFERRED INCOME TAXES		(1,916)	0	(1,916)	130	(1,786)
11 WORKING CAPITAL ALLOWANCE		2,518	0	2,518	(865)	1,653
12 OTHER		0	0	0	0	0
RATE BASE	$	73,682	(36)	$ 73,646	(756)	72,890

SSU/PALMS MOBILE HOME PARK
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

	EXPLANATION	WATER	WASTEWATER
	PLANT IN SERVICE		
1	BVL transfer I-11	0	0
2	To adjust for Plant Slippage/Double Bookings I-13	(39)	0
3	Realloc of River Park common plant S-1	21	0
	Total	(18)	0
	LAND		
1	Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2	Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3	Collier pits land cost I-7	0	0
4	Section 35 PHFU I-9	0	0
5	Deltona Lakes PHFU I-10	0	0
6	BVL transfer I-11	0	0
	Total	0	0
	NON-USED AND USEFUL		
	To reflect net non-used and useful adjustment	0	0
	ACCUMULATED DEPRECIATION		
1	BVL transfer I-11	0	0
2	Plant Slippage/Double Bookings I-13	8	0
3	Reverse Depr on prior N-U/U assets I-46	0	0
4	Realloc of River Park Common Plant S-1	(11)	0
	Total	(3)	0
	CIAC		
1	BVL transfer I-11	0	0
2	Imputation of CIAC-MR I-48	0	0
3	Marco ASR Cost Share I-51	0	0
	Total	0	0
	ACCUM. AMORT. OF CIAC		
1	Deltona Lakes correction-water S-4	0	0
2	BVL transfer I-11	0	0
3	Correction for Guideline rates I-47	0	0
4	Imputation of CIAC-MR I-48	0	0
5	Marco ASR Cost Share I-51	0	0
	Total	0	0
	DEFERRED INCOME TAXES		
1	Debti Deferred Taxes on CIAC	231	0
2	Credit Deferred Taxes on Depreciation	(101)	0
	Total	130	0
	WORKING CAPITAL		
	To reflect the plant specific allocation	(865)	0
	OTHER		
	Marco Island deferred debit-water I-62	0	

SSU/PALMS MOBILE HOME PARK
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	6,057	36,641 $	42,698	(36,638)	6,060	35,239	41,299
	OPERATING EXPENSES:						581.50%	
2	OPERATION AND MAINTENANCE	23,256	1,052 $	24,308	(309)	23,999 $		23,999
3	DEPRECIATION	4,907	0	4,907	5	4,912		4,912
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	2,165	1,693	3,858	(1,684)	2,174	1,586	3,760
6	INCOME TAXES	(11,049)	13,076	2,027	(13,481)	(11,454)	12,982	1,528
7	TOTAL OPERATING EXPENSES	19,279	15,821 $	35,100	(15,469)	19,631	14,567	34,199
8	OPERATING INCOME	(13,222)	20,820 $	7,598	(21,169)	(13,571)	20,671	7,100
9	RATE BASE	73,682	$	73,646		72,890		72,890
	RATE OF RETURN	-17.94%		10.32%		-18.62%		9.74%

SSU/PALMS MOBILE HOME PARK
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(36,641)	0
2 Billing determinants I-75	0	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	3	0
Total	(36,638)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(18)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(6)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(83)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(125)	0
6 Hepatitis Amortization Adjustment I-86	(3)	0
7 Budgeted overtime to rate case expense S-11	(14)	0
8 Remove SSU proposed repression adjustment I-74	52	0
9 OAP Amortization I-86a	(17)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(4)	0
12 Conservation Expense I-92	(64)	0
13 Current rate case expense I-93	40	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(5)	0
15 Jurisdiction Docket Expense I-95	(10)	0
16 920199 rate case expense I-96	90	0
17 True-up budget adjustment I-99	(112)	0
18 Emply recognition normalization I-100	(5)	0
19 Gains/Losses I-105	(25)	0
Total	(309)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(4)	0
3 Reallocate Common Plant River Park S-1	9	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	(0)	0
6 Marco ASR Cost Share I-51	0	0
Total	5	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(1,649)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	1	0
4 Discounts received on property taxes S-14	(36)	0
Total	(1,684)	0
INCOME TAXES		
To adjust to test year income tax expense	(13,481)	0

SSU/ PARK MANOR
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1 UTILITY PLANT IN SERVICE	$	67,876	0	$	67,876	(10)	67,866
2 LAND		1,168	0		1,168	0	1,168
3 NON-USED & USEFUL COMPONENTS		0	0		0	225	225
4 ACCUMULATED DEPRECIATION		(26,063)	0		(26,063)	(4)	(26,067)
5 CIAC		(2,173)	0		(2,173)	0	(2,173)
6 AMORTIZATION OF CIAC		504	0		504	0	504
7 ACQUISITION ADJUSTMENTS - NET		(9,822)	0		(9,822)	0	(9,822)
8 ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS		(217)	0		(217)	0	(217)
10 DEFERRED INCOME TAXES		2,290	0		2,290	(3,266)	(976)
11 WORKING CAPITAL ALLOWANCE		1,259	0		1,259	(433)	826
12 OTHER		0	0		0	0	0
RATE BASE	$	34,822	0	$	34,822	(3,488)	31,334

SSU/ PARK MANOR
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-12	0	(20)
3 Realloc of River Park common plant S-1	0	10
Total	0	(10)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	225
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	0	1
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	0	(5)
Total	0	(4)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	0	(3,200)
2 Credit Deferred Taxes on Depreciation	0	(66)
Total	0	(3,266)
WORKING CAPITAL		
To reflect the plant specific allocation	0	(433)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ PARK MANOR
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	17,751	18,092 $	35,843	(2,982)	32,861	2,464	35,325
	OPERATING EXPENSES						7.50%	
2	OPERATION AND MAINTENANCE	24,936	670 $	25,606	(301)	25,305 $		25,305
3	DEPRECIATION	3,746	0	3,746	(10)	3,736		3,736
4	AMORTIZATION	(269)	0	(269)	0	(269)		(269)
5	TAXES OTHER THAN INCOME	1,921	844	2,765	(24)	2,741	111	2,852
6	INCOME TAXES	(5,685)	6,087	402	(661)	(259)	908	649
7	TOTAL OPERATING EXPENSES	24,649	7,601 $	32,250	(996)	31,254	1,019	32,273
8	OPERATING INCOME	(6,898)	10,491 $	3,593	(1,986)	1,607	1,445	3,052
9	RATE BASE	34,822	$	34,822		31,334		31,334
	RATE OF RETURN	-19.81%		10.32%		5.13%		9.74%

SSU/ PARK MANOR
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	0	(18,092)
2 Billing determinants I-75	0	15,109
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	0	1
Total	0	(2,982)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	0	(9)
2 Correct attrition rate from 5.87% to 5.75% S-10	0	(3)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	0	(59)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	0	(62)
6 Hepatitis Amortization Adjustment I-86	0	(2)
7 Budgeted overtime to rate case expense S-11	0	(7)
8 Remove SSU proposed repression adjustment I-74	0	0
9 OAP Amortization I-86a	0	(8)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	0	(2)
12 Conservation Expense I-92	0	(32)
13 Current rate case expense I-93	0	20
14 Uniform Rate Docket-Reg. Comm. Exp I-94	0	(3)
15 Jurisdiction Docket Expense I-95	0	(5)
16 920199 rate case expense I-96	0	44
17 True-up budget adjustment I-99	0	(157)
18 Emply recognition normalization I-100	0	(3)
19 Gains/Losses I-105	0	(13)
Total	0	(301)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	0	0
3 Reallocate Common Plant River Park S-1	0	4
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	(14)
6 Marco ASR Cost Share I-51	0	0
Total	0	(10)
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	0	(134)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	0	(24)
Total	0	(24)
INCOME TAXES		
To adjust to test year income tax expense	0	(661)

SSU/ PICCIOLA ISLAND
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	134,093	0	$	134,093	36,951	171,044
2	LAND & LAND RIGHTS		1,818	0		1,818	0	1,818
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(66,515)	0		(66,515)	(1,009)	(67,524)
5	CIAC		(39,556)	(305)		(39,861)	0	(39,861)
6	AMORTIZATION OF CIAC		23,112	0		23,112	0	23,112
7	ACQUISITION ADJUSTMENTS - NET		5,969	0		5,969	0	5,969
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(989)	0		(989)	0	(989)
10	DEFERRED INCOME TAXES		225	0		225	3,185	3,410
11	WORKING CAPITAL ALLOWANCE		5,731	0		5,731	(1,969)	3,762
12	OTHER		0	0		0	0	0
	RATE BASE	$	63,888	(305)	$	63,583	37,158	100,741

SSU/ PICCIOLA ISLAND
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-12	36,903	0
3 Realloc of River Park common plant S-1	48	0
Total	36,951	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	(985)	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(24)	0
Total	(1,009)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	3,351	0
2 Credit Deferred Taxes on Depreciation	(166)	0
Total	3,185	0
WORKING CAPITAL		
To reflect the plant specific allocation	(1,969)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ PICCIOLA ISLAND
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	23,241	19,463 $	42,704	(17,231)	25,473	21,259	46,732
	OPERATING EXPENSES:						83.46%	
2	OPERATION AND MAINTENANCE	23,818	1,030 $	24,848	(621)	24,227 $		24,227
3	DEPRECIATION	5,062	0	5,062	20	5,082		5,082
4	AMORTIZATION	188	0	188	0	188		188
5	TAXES OTHER THAN INCOME	3,499	924	4,423	(59)	4,364	957	5,321
6	INCOME TAXES	(5,138)	6,760	1,622	(7,352)	(5,730)	7,832	2,102
7	TOTAL OPERATING EXPENSES	27,429	8,714 $	36,143	(8,012)	28,131	8,788	36,919
8	OPERATING INCOME	(4,188)	10,749 $	6,561	(9,219)	(2,658)	12,471	9,813
9	RATE BASE	63,888	$	63,583		100,741		100,741
	RATE OF RETURN	-6.56%		10.32%		-2.64%		9.74%

SSU/ PICCIOLA ISLAND
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	(19,463)	0
2	Billing determinants I-75	2,225	0
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	7	0
	Total	(17,231)	0
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(42)	0
2	Correct attrition rate from 5.87% to 5.75% S-10	(13)	0
3	Keystone Heights APT expenses I-58	0	0
4	Hewitt study I-82	(188)	0
5	Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(283)	0
6	Hepatitis Amortization Adjustment I-86	(7)	0
7	Budgeted overtime to rate case expense S-11	(33)	0
8	Remove SSU proposed repression adjustment I-74	199	0
9	OAP Amortization I-86a	(38)	0
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(8)	0
12	Conservation Expense I-92	(145)	0
13	Current rate case expense I-93	92	0
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(12)	0
15	Jurisdiction Docket Expense I-95	(24)	0
16	920199 rate case expense I-96	206	0
17	True-up budget adjustment I-99	(255)	0
18	Emply recognition normalization I-100	(12)	0
19	Gains/Losses I-105	(58)	0
	Total	(621)	0
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage adjustment I-13	0	0
3	Reallocate Common Plant River Park S-1	20	0
4	Imputation of CIAC-MR I-48	0	0
5	Net used and useful adjustment	0	0
6	Marco ASR Cost Share I-51	0	0
	Total	20	0
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	(775)	0
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	0	0
4	Discounts received on property taxes S-14	(59)	0
	Total	(59)	0
	INCOME TAXES		
	To adjust to test year income tax expense	(7,352)	0

SSU/ PINE RIDGE UTILITIES
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	4,579,912	0	$	4,579,912	(7,572)	4,572,340
2	LAND & LAND RIGHTS		21,799	0		21,799	0	21,799
3	NON-USED & USEFUL COMPONENTS		0	0		0	(1,175,184)	(1,175,184)
4	ACCUMULATED DEPRECIATION		(642,576)	61,303		(581,273)	(54,131)	(635,404)
5	CIAC		(1,207,252)	0		(1,207,252)	(60,405)	(1,267,657)
6	AMORTIZATION OF CIAC		113,811	0		113,811	(1,078)	112,733
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		(1,374,984)	0		(1,374,984)	0	(1,374,984)
9	UNFUNDED POST-RETIRE. BENEFITS		(4,984)	0		(4,984)	0	(4,984)
10	DEFERRED INCOME TAXES		604,599	0		604,599	(416,772)	187,827
11	WORKING CAPITAL ALLOWANCE		28,872	0		28,872	(9,919)	18,953
12	OTHER		0	0		0	0	0
	RATE BASE	$	2,119,197	61,303	$	2,180,500	(1,725,061)	455,439

SSU/ PINE RIDGE UTILITIES
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-12	(7,812)	0
3 Realloc of River Park common plant S-1	240	0
Total	(7,572)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(1,175,184)	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	187	0
3 Reverse Depr on prior N-U/U assets I-46	(54,197)	
4 Realloc of River Park Common Plant S-1	(121)	
Total	(54,131)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	(60,405)	0
3 Marco ASR Cost Share I-51	0	0
Total	(60,405)	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	(1,779)	0
4 Imputation of CIAC-MR I-48	701	0
5 Marco ASR Cost Share I-51	0	0
Total	(1,078)	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	(416,349)	0
2 Credit Deferred Taxes on Depreciation	(423)	0
Total	(416,772)	0
WORKING CAPITAL		
To reflect the plant specific allocation	(9,919)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ PINE RIDGE UTILITIES
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	282,304	335,892 $	618,196	(214,905)	403,291	(132,777)	270,514
	OPERATING EXPENSES:						-32.92%	
2	OPERATION AND MAINTENANCE	119,815	4,784 $	124,599	(2,817)	121,782 $		121,782
3	DEPRECIATION	91,190	0	91,190	(60,276)	30,914		30,914
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	90,188	31,554	121,742	(51,938)	69,804	(5,975)	63,829
6	INCOME TAXES	(58,600)	114,302	55,702	2,837	58,539	(48,914)	9,625
7	TOTAL OPERATING EXPENSES	242,593	150,640 $	393,233	(112,194)	281,039	(54,889)	226,151
8	OPERATING INCOME	39,711	185,252 $	224,963	(102,711)	122,252	(77,888)	44,363
9	RATE BASE	2,119,197	$	2,180,500		455,439		455,439
	RATE OF RETURN	1.87%		10.32%		26.84%		9.74%

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SSU/ PINE RIDGE UTILITIES
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	(335,892)	0
2	Billing determinants I-75	120,953	0
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	34	0
	Total	(214,905)	0
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(210)	0
2	Correct attrition rate from 5.87% to 5.75% S-10	(68)	0
3	Keystone Heights APT expenses I-58	0	0
4	Hewitt study I-82	(947)	0
5	Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(1,428)	0
6	Hepatitis Amortization Adjustment I-86	(37)	0
7	Budgeted overtime to rate case expense S-11	(164)	0
8	Remove SSU proposed repression adjustment I-74	1,315	0
9	OAP Amortization I-86a	(189)	0
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(41)	0
12	Conservation Expense I-92	(732)	0
13	Current rate case expense I-93	462	0
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(61)	0
15	Jurisdiction Docket Expense I-95	(119)	0
16	920199 rate case expense I-96	1,035	0
17	True-up budget adjustment I-99	(1,284)	0
18	Emply recognition normalization I-100	(58)	0
19	Gains/Losses I-105	(291)	0
	Total	(2,817)	0
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage adjustment I-13	0	0
3	Reallocate Common Plant River Park S-1	98	0
4	Imputation of CIAC-MR I-48	(1,401)	0
5	Net used and useful adjustment	(58,972)	0
6	Marco ASR Cost Share I-51	0	0
	Total	(60,276)	0
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	(9,671)	0
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	(51,787)	0
4	Discounts received on property taxes S-14	(151)	0
	Total	(51,938)	0
	INCOME TAXES		
	To adjust to test year income tax expense	2,837	0

SSU/ PINE RIDGE ESTATES
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	435,918	0	$	435,918	(504)	435,414
2	LAND & LAND RIGHTS		3,061	0		3,061	0	3,061
3	NON-USED & USEFUL COMPONENTS		(10,462)	0		(10,462)	(10,519)	(20,981)
4	ACCUMULATED DEPRECIATION		(88,345)	0		(88,345)	(0)	(88,345)
5	CIAC		(228,579)	(1,300)		(229,879)	0	(229,879)
6	AMORTIZATION OF CIAC		41,589	0		41,589	(439)	41,150
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,589)	0		(1,589)	0	(1,589)
10	DEFERRED INCOME TAXES		170	0		170	23,316	23,486
11	WORKING CAPITAL ALLOWANCE		9,204	0		9,204	(3,162)	6,042
12	OTHER		0	0		0	0	0
	RATE BASE	$	160,967	(1,300)	$	159,667	8,691	168,358

SSU/ PINE RIDGE ESTATES
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-12	(580)	0
3 Realloc of River Park common plant S-1	76	0
Total	(504)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(10,519)	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	38	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(38)	0
Total	(0)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	(439)	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	(439)	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	27,758	0
2 Credit Deferred Taxes on Depreciation	(4,442)	0
Total	23,316	0
WORKING CAPITAL		
To reflect the plant specific allocation	(3,162)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ PINE RIDGE ESTATES
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	35,304	47,200 $	82,504	11,255	93,759	(16,734)	77,025
	OPERATING EXPENSES:						-17.85%	
2	OPERATION AND MAINTENANCE	42,223	1,464 $	43,687	(788)	42,899 $		42,899
3	DEPRECIATION	9,529	0	9,529	(250)	9,279		9,279
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	6,971	2,053	9,024	(1,793)	7,231	(753)	6,478
6	INCOME TAXES	(13,086)	16,877	3,791	4,343	8,134	(6,165)	1,970
7	TOTAL OPERATING EXPENSES	45,637	20,394 $	66,031	1,512	67,543	(6,918)	60,626
8	OPERATING INCOME	(10,333)	26,806 $	16,473	9,743	26,216	(9,816)	16,399
9	RATE BASE	160,967	$	159,667		168,358		168,358
	RATE OF RETURN	-6.42%		10.32%		15.57%		9.74%

SSU/ PINE RIDGE ESTATES
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
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EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(47,200)	0
2 Billing determinants I-75	58,444	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	11	0
Total	11,255	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(67)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(22)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(302)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(455)	0
6 Hepatitis Amortization Adjustment I-86	(12)	0
7 Budgeted overtime to rate case expense S-11	(52)	0
8 Remove SSU proposed repression adjustment I-74	528	0
9 OAP Amortization I-86a	(60)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(13)	0
12 Conservation Expense I-92	(233)	0
13 Current rate case expense I-93	147	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(19)	0
15 Jurisdiction Docket Expense I-95	(38)	0
16 920199 rate case expense I-96	330	0
17 True-up budget adjustment I-99	(409)	0
18 Emply recognition normalization I-100	(18)	0
19 Gains/Losses I-105	(93)	0
Total	(788)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	0	0
3 Reallocate Common Plant River Park S-1	31	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	(281)	0
6 Marco ASR Cost Share I-51	0	0
Total	(250)	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	506	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	(210)	0
4 Discounts received on property taxes S-14	(1,583)	0
Total	(1,793)	0
INCOME TAXES		
To adjust to test year income tax expense	4,343	0

SSU/ PINEY WOODS
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	335,664	0	$	335,664	(11,282)	324,382
2	LAND & LAND RIGHTS		2,344	0		2,344	0	2,344
3	NON-USED & USEFUL COMPONENTS		(9,004)	0		(9,004)	39	(8,965)
4	ACCUMULATED DEPRECIATION		(116,300)	0		(116,300)	144	(116,156)
5	CIAC		(17,851)	(45)		(17,896)	0	(17,896)
6	AMORTIZATION OF CIAC		7,269	0		7,269	0	7,269
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,252)	0		(1,252)	0	(1,252)
10	DEFERRED INCOME TAXES		(5,432)	0		(5,432)	4,014	(1,418)
11	WORKING CAPITAL ALLOWANCE		7,250	0		7,250	0	7,250
12	OTHER		0	0		0	0	0
	RATE BASE	$	202,688	(45)	$	202,643	(7,084)	195,559

SSU/ PINEY WOODS
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
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EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-13	(11,342)	0
3 Realloc of River Park common plant S-1	60	0
Total	(11,282)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	39	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	174	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(30)	0
Total	144	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	4,014	0
2 Credit Deferred Taxes on Depreciation	(315)	0
Total	3,699	0
WORKING CAPITAL		
To reflect the plant specific allocation	(2,491)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ PINEY WOODS
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	32,166	49,863 $	82,029	59,582	141,611	(64,126)	77,485
	OPERATING EXPENSES:						-45.28%	
2	OPERATION AND MAINTENANCE	34,839	1,372 $	36,211	(731)	35,480 $		35,480
3	DEPRECIATION	12,441	0	12,441	(288)	12,153		12,153
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	4,801	2,234	7,035	2,571	9,606	(2,886)	6,720
6	INCOME TAXES	(12,410)	17,845	5,435	22,271	27,706	(23,624)	4,083
7	TOTAL OPERATING EXPENSES	39,671	21,451 $	61,122	23,823	84,945	(26,509)	58,436
8	OPERATING INCOME	(7,505)	28,412 $	20,907	35,759	56,666	(37,617)	19,049
9	RATE BASE	202,688	$	202,643		195,559		195,559
	RATE OF RETURN	-3.70%		10.32%		28.98%		9.74%

SSU/ PINEY WOODS
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	49,863	0
2	Billing determinants I-75	9,711	0
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	8	0
	Total	59,582	0
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(53)	0
2	Correct attrition rate from 5.87% to 5.75% S-10	(17)	0
3	Keystone Heights APT expenses I-58	0	0
4	Hewitt study I-82	(238)	0
5	Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(359)	0
6	Hepatitis Amortization Adjustment I-86	(9)	0
7	Budgeted overtime to rate case expense S-11	(41)	0
8	Remove SSU proposed repression adjustment I-74	307	0
9	OAP Amortization I-86a	(48)	0
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(10)	0
12	Conservation Expense I-92	(184)	0
13	Current rate case expense I-93	116	0
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(15)	0
15	Jurisdiction Docket Expense I-95	(30)	0
16	920199 rate case expense I-96	260	0
17	True-up budget adjustment I-99	(322)	0
18	Empiy recognition normalization I-100	(15)	0
19	Gains/Losses I-105	(73)	0
	Total	(731)	0
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage adjustment I-13	(314)	0
3	Reallocate Common Plant River Park S-1	25	0
4	Imputation of CIAC-MR I-48	0	0
5	Net used and useful adjustment	1	0
6	Marco ASR Cost Share I-51	0	0
	Total	(288)	0
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	2,681	0
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	2	0
4	Discounts received on property taxes S-14	(112)	0
	Total	2,571	0
	INCOME TAXES		
	To adjust to test year income tax expense	22,271	0

SSU/ POINT O'WOODS
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	753,256	(35,500)	$ 717,756	(546)	717,210
2	LAND & LAND RIGHTS		3,802	0	3,802	0	3,802
3	NON-USED & USEFUL COMPONENTS		(3,107)	0	(3,107)	(22)	(3,129)
4	ACCUMULATED DEPRECIATION		(160,667)	53,264	(107,403)	(6)	(107,409)
5	CIAC		(145,229)	0	(145,229)	0	(145,229)
6	AMORTIZATION OF CIAC		49,171	0	49,171	0	49,171
7	ACQUISITION ADJUSTMENTS - NET		0	0	0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(2,578)	0	(2,578)	0	(2,578)
10	DEFERRED INCOME TAXES		(5,951)	0	(5,951)	7,992	2,041
11	WORKING CAPITAL ALLOWANCE		14,935	0	14,935	0	14,935
12	OTHER		0	0	0	0	0
	RATE BASE	$	503,632	17,764	$ 521,396	7,417	528,813

SSU/ POINT O'WOODS
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	490,894	0	$	490,894	(44)	490,850
2	LAND		2,581	0		2,581	0	2,581
3	NON-USED & USEFUL COMPONENTS		(49,952)	0		(49,952)	(62,491)	(112,443)
4	ACCUMULATED DEPRECIATION		(126,813)	0		(126,813)	(6)	(126,819)
5	CIAC		(116,933)	0		(116,933)	0	(116,933)
6	AMORTIZATION OF CIAC		22,134	0		22,134	0	22,134
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,034)	0		(1,034)	0	(1,034)
10	DEFERRED INCOME TAXES		6,544	0		6,544	10,993	17,537
11	WORKING CAPITAL ALLOWANCE		5,991	0		5,991	0	5,991
12	OTHER		0	0		0	0	0
	RATE BASE	$	233,412	0	$	233,412	(51,549)	181,863

SSU/ POINT O'WOODS
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
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EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-13	(670)	(94)
3 Realloc of River Park common plant S-1	124	50
Total	(546)	(44)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(22)	(62,491)
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	56	19
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(62)	(25)
Total	(6)	(6)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	(561)	(769)
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	(561)	(769)
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	7,992	10,993
2 Credit Deferred Taxes on Depreciation	(697)	(477)
Total	7,295	10,516
WORKING CAPITAL		
To reflect the plant specific allocation	(5,131)	(2,058)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ POINT O'WOODS
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	48,099	111,666 $	159,765	157,206	316,971	(165,170)	151,801
	OPERATING EXPENSES:						-52.11%	
2	OPERATION AND MAINTENANCE	49,886	2,646 $	52,532	(1,784)	50,748 $		50,748
3	DEPRECIATION	28,055	0	28,055	9	28,064		28,064
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	5,846	5,138	10,984	6,828	17,812	(7,433)	10,380
6	INCOME TAXES	(25,308)	39,710	14,402	57,544	71,946	(60,847)	11,098
7	TOTAL OPERATING EXPENSES	58,479	47,494 $	105,973	62,597	168,570	(68,280)	100,290
8	OPERATING INCOME	(10,380)	64,172 $	53,792	94,609	148,401	(96,890)	51,511
9	RATE BASE	503,632	$	521,396		528,813		528,813
	RATE OF RETURN	-2.06%		10.32%		28.06%		9.74%

SSU/ POINT O'WOODS
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	44,520	52,121 $	96,641	82,806	179,447	(97,328)	82,119
	OPERATING EXPENSES						-54.24%	
2	OPERATION AND MAINTENANCE	40,377	1,642 $	42,019	(1,428)	40,591 $		40,591
3	DEPRECIATION	15,206	0	15,206	(4,060)	11,146		11,146
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	8,937	1,695	10,632	2,686	13,318	(4,380)	8,939
6	INCOME TAXES	(13,343)	18,045	4,702	34,881	39,583	(35,855)	3,728
7	TOTAL OPERATING EXPENSES	51,177	21,382 $	72,559	32,079	104,638	(40,235)	64,404
8	OPERATING INCOME	(6,657)	30,739 $	24,082	50,727	74,809	(57,094)	17,715
9	RATE BASE	233,412	$	233,412		181,863		181,863
	RATE OF RETURN	-2.85%		10.32%		41.13%		9.74%

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SSU/ POINT O'WOODS
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
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	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	111,666	52,121
2	Billing determinants I-75	45,523	30,678
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	17	7
	Total	157,206	82,806
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(108)	(44)
2	Correct attrition rate from 5.87% to 5.75% S-10	(35)	(14)
3	Keystone Heights APT expenses I-58	0	0
4	Hewitt study I-82	(490)	(282)
5	Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(739)	(296)
6	Hepatitis Amortization Adjustment I-86	(19)	(8)
7	Budgeted overtime to rate case expense S-11	(85)	(34)
8	Remove SSU proposed repression adjustment I-74	353	0
9	OAP Amortization I-86a	(98)	(39)
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(21)	(9)
12	Conservation Expense I-92	(379)	(152)
13	Current rate case expense I-93	239	96
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(31)	(13)
15	Jurisdiction Docket Expense I-95	(62)	(25)
16	920199 rate case expense I-96	536	209
17	True-up budget adjustment I-99	(664)	(745)
18	Emply recognition normalization I-100	(30)	(12)
19	Gains/Losses I-105	(151)	(60)
	Total	(1,784)	(1,428)
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage adjustment I-13	(41)	(9)
3	Reallocate Common Plant River Park S-1	51	20
4	Imputation of CIAC-MR I-48	0	0
5	Net used and useful adjustment	(1)	(4,071)
6	Marco ASR Cost Share I-51	0	0
	Total	9	(4,060)
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	7,074	3,726
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	2	(870)
4	Discounts received on property taxes S-14	(248)	(170)
	Total	6,828	2,686
	INCOME TAXES		
	To adjust to test year income tax expense	57,544	34,881

SSU/ POMONA PARK
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	181,238	0	$	181,238	(53)	181,185
2	LAND & LAND RIGHTS		5,523	0		5,523	0	5,523
3	NON-USED & USEFUL COMPONENTS		(18,362)	0		(18,362)	(3)	(18,365)
4	ACCUMULATED DEPRECIATION		(60,690)	0		(60,690)	(7)	(60,697)
5	CIAC		(22,698)	(51)		(22,749)	0	(22,749)
6	AMORTIZATION OF CIAC		7,467	0		7,467	0	7,467
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,252)	0		(1,252)	0	(1,252)
10	DEFERRED INCOME TAXES		(614)	0		(614)	1,439	825
11	WORKING CAPITAL ALLOWANCE		7,250	0		7,250	(2,491)	4,759
12	OTHER		0	0		0	0	0
	RATE BASE	$	97,862	(51)	$	97,811	(1,115)	96,696

SSU/ POMONA PARK
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-12	(113)	0
3 Realloc of River Park common plant S-1	60	0
Total	(53)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(3)	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	23	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(30)	0
Total	(7)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	1,615	0
2 Credit Deferred Taxes on Depreciation	(176)	0
Total	1,439	0
WORKING CAPITAL		
To reflect the plant specific allocation	(2,491)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ POMONA PARK
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	24,062	35,696 $	59,758	(17,709)	42,049	16,446	58,495
	OPERATING EXPENSES:						39.11%	
2	OPERATION AND MAINTENANCE	31,404	1,329 $	32,733	(747)	31,986 $		31,986
3	DEPRECIATION	7,495	0	7,495	25	7,520		7,520
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	5,752	1,120	6,872	(54)	6,818	740	7,558
6	INCOME TAXES	(10,259)	12,826	2,567	(6,614)	(4,047)	6,059	2,012
7	TOTAL OPERATING EXPENSES	34,392	15,275 $	49,667	(7,389)	42,278	6,799	49,076
8	OPERATING INCOME	(10,330)	20,421 $	10,091	(10,320)	(229)	9,648	9,419
9	RATE BASE	97,862	$	97,811		96,696		96,696
	RATE OF RETURN	-10.56%		10.32%		-0.24%		9.74%

SSU/ POMONA PARK
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	(35,696)	0
2	Billing determinants I-75	17,979	0
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	8	0
	Total	(17,709)	0
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(53)	0
2	Correct attrition rate from 5.87% to 5.75% S-10	(17)	0
3	Keystone Heights APT expenses I-58	0	0
4	Hewitt study I-82	(238)	0
5	Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(359)	0
6	Hepatitis Amortization Adjustment I-86	(9)	0
7	Budgeted overtime to rate case expense S-11	(41)	0
8	Remove SSU proposed repression adjustment I-74	291	0
9	OAP Amortization I-86a	(48)	0
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(10)	0
12	Conservation Expense I-92	(184)	0
13	Current rate case expense I-93	116	0
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(15)	0
15	Jurisdiction Docket Expense I-95	(30)	0
16	920199 rate case expense I-96	260	0
17	True-up budget adjustment I-99	(322)	0
18	Empty recognition normalization I-100	(15)	0
19	Gains/Losses I-105	(73)	0
	Total	(747)	0
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage adjustment I-13	0	0
3	Reallocate Common Plant River Park S-1	25	0
4	Imputation of CIAC-MR I-48	0	0
5	Net used and useful adjustment	0	0
6	Marco ASR Cost Share I-51	0	0
	Total	25	0
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	(797)	0
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	9	0
4	Discounts received on property taxes S-14	(63)	0
	Total	(54)	0
	INCOME TAXES		
	To adjust to test year income tax expense	(6,614)	0

SSU/ POSTMASTER VILLAGE
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	375,421	0	$ 375,421	(25,730)	349,691
2	LAND & LAND RIGHTS		15,108	0	15,108	0	15,108
3	NON-USED & USEFUL COMPONENTS		(83,150)	0	(83,150)	9,345	(73,805)
4	ACCUMULATED DEPRECIATION		(68,472)	0	(68,472)	292	(68,180)
5	CIAC		(37,827)	(176)	(38,003)	0	(38,003)
6	AMORTIZATION OF CIAC		18,799	0	18,799	(707)	18,092
7	ACQUISITION ADJUSTMENTS - NET		0	0	0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,169)	0	(1,169)	0	(1,169)
10	DEFERRED INCOME TAXES		(4,618)	0	(4,618)	2,195	(2,423)
11	WORKING CAPITAL ALLOWANCE		6,773	0	6,773	(2,327)	4,446
12	OTHER		0	0	0	0	0
	RATE BASE	$	220,865	(176)	$ 220,689	(16,932)	203,757

SSU/ POSTMASTER VILLAGE
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-12	(25,786)	0
3 Realloc of River Park common plant S-1	56	0
Total	(25,730)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	9,345	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	320	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(28)	0
Total	292	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	(707)	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	(707)	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	2,535	0
2 Credit Deferred Taxes on Depreciation	(340)	0
Total	2,195	0
WORKING CAPITAL		
To reflect the plant specific allocation	(2,327)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ POSTMASTER VILLAGE
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	29,524	53,647 $	83,171	(28,536)	54,635	24,507	79,142
	OPERATING EXPENSES:						44.86%	
2	OPERATION AND MAINTENANCE	34,471	1,255 $	35,726	(594)	35,132 $		35,132
3	DEPRECIATION	10,666	0	10,666	98	10,764		10,764
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	6,579	1,543	8,122	(77)	8,045	1,103	9,148
6	INCOME TAXES	(13,729)	19,618	5,889	(10,666)	(4,777)	9,028	4,251
7	TOTAL OPERATING EXPENSES	37,987	22,416 $	60,403	(11,240)	49,163	10,131	59,294
8	OPERATING INCOME	(8,463)	31,231 $	22,768	(17,296)	5,472	14,376	19,848
9	RATE BASE	220,865	$	220,689		203,757		203,757
	RATE OF RETURN	-3.83%		10.32%		2.69%		9.74%

SSU/ POSTMASTER VILLAGE
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(53,647)	0
2 Billing determinants I-75	25,103	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	8	0
Total	(28,536)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(49)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(16)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(222)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(335)	0
6 Hepatitis Amortization Adjustment I-86	(9)	0
7 Budgeted overtime to rate case expense S-11	(39)	0
8 Remove SSU proposed repression adjustment I-74	376	0
9 OAP Amortization I-86a	(44)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(10)	0
12 Conservation Expense I-92	(172)	0
13 Current rate case expense I-93	108	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(14)	0
15 Jurisdiction Docket Expense I-95	(28)	0
16 920199 rate case expense I-96	243	0
17 True-up budget adjustment I-99	(301)	0
18 Emply recognition normalization I-100	(14)	0
19 Gains/Losses I-105	(68)	0
Total	(594)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	0	0
3 Reallocate Common Plant River Park S-1	23	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	75	0
6 Marco ASR Cost Share I-51	0	0
Total	98	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(1,284)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	44	0
4 Discounts received on property taxes S-14	(121)	0
Total	(77)	0
INCOME TAXES		
To adjust to test year income tax expense	(10,666)	0

SSU/ QUAIL RIDGE
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	114,869	0	$	114,869	(5)	114,864
2	LAND & LAND RIGHTS		3,847	0		3,847	0	3,847
3	NON-USED & USEFUL COMPONENTS		(1,715)	0		(1,715)	3	(1,712)
4	ACCUMULATED DEPRECIATION		(21,327)	0		(21,327)	0	(21,327)
5	CIAC		(2,637)	0		(2,637)	0	(2,637)
6	AMORTIZATION OF CIAC		179	0		179	0	179
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(112)	0		(112)	0	(112)
10	DEFERRED INCOME TAXES		204	0		204	(1,924)	(1,720)
11	WORKING CAPITAL ALLOWANCE		651	0		651	(224)	427
12	OTHER		0	0		0	0	0
	RATE BASE	$	93,959	0	$	93,959	(2,150)	91,809

SSU/ QUAIL RIDGE
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(10)	0
3 Realloc of River Park common plant S-1	5	0
Total	(5)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	3	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	3	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(3)	0
Total	0	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	(1,812)	0
2 Credit Deferred Taxes on Depreciation	(112)	0
Total	(1,924)	0
WORKING CAPITAL		
To reflect the plant specific allocation	(224)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ QUAIL RIDGE
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	3,693	22,905 $	26,598	(14,222)	12,376	12,572	24,948
	OPERATING EXPENSES:						101.59%	
2	OPERATION AND MAINTENANCE	8,058	333 $	8,391	(80)	8,311 $		8,311
3	DEPRECIATION	4,192	0	4,192	2	4,194		4,194
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	640	1,043	1,683	(679)	1,004	566	1,569
6	INCOME TAXES	(5,667)	8,305	2,638	(5,338)	(2,700)	4,632	1,931
7	TOTAL OPERATING EXPENSES	7,223	9,681 $	16,904	(6,096)	10,808	5,197	16,005
8	OPERATING INCOME	(3,530)	13,224 $	9,694	(8,126)	1,568	7,375	8,943
9	RATE BASE	93,959	$	93,959		91,809		91,809
	RATE OF RETURN	-3.76%		10.32%		1.71%		9.74%

SSU/ QUAIL RIDGE
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(22,905)	0
2 Billing determinants I-75	8,682	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	1	0
Total	(14,222)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(5)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(2)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(21)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(32)	0
6 Hepatitis Amortization Adjustment I-86	(1)	0
7 Budgeted overtime to rate case expense S-11	(4)	0
8 Remove SSU proposed repression adjustment I-74	42	0
9 OAP Amortization I-86a	(4)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(1)	0
12 Conservation Expense I-92	(44)	0
13 Current rate case expense I-93	10	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(1)	0
15 Jurisdiction Docket Expense I-95	(3)	0
16 920199 rate case expense I-96	23	0
17 True-up budget adjustment I-99	(29)	0
18 Emply recognition normalization I-100	(1)	0
19 Gains/Losses I-105	(7)	0
Total	(80)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	0	0
3 Reallocate Common Plant River Park S-1	2	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	2	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(640)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	1	0
4 Discounts received on property taxes S-14	(40)	0
Total	(679)	0
INCOME TAXES		
To adjust to test year income tax expense	(5,338)	0

SSU/REMINGTON FOREST
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	157,067	0	$	157,067	(20)	157,047
2	LAND & LAND RIGHTS		25,183	0		25,183	0	25,183
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(40,870)	0		(40,870)	(3)	(40,873)
5	CIAC		(76,375)	0		(76,375)	2,493	(73,882)
6	AMORTIZATION OF CIAC		19,098	0		19,098	0	19,098
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(480)	0		(480)	0	(480)
10	DEFERRED INCOME TAXES		(207)	0		(207)	(73)	(280)
11	WORKING CAPITAL ALLOWANCE		2,779	0		2,779	(955)	1,824
12	OTHER		0	0		0	0	0
	RATE BASE	$	86,195	0	$	86,195	1,441	87,636

SSU/REMINGTON FOREST
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(43)	0
3 Realloc of River Park common plant S-1	23	0
Total	(20)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	9	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(12)	0
Total	(3)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	2,493	0
3 Marco ASR Cost Share I-51	0	0
Total	2,493	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	80	0
2 Credit Deferred Taxes on Depreciation	(153)	0
Total	(73)	0
WORKING CAPITAL		
To reflect the plant specific allocation	(955)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/REMINGTON FOREST
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	21,593	18,657 $	40,250	(18,810)	21,440	17,412	38,852
	OPERATING EXPENSES:						81.21%	
2	OPERATION AND MAINTENANCE	20,593	744 $	21,337	(483)	20,854 $		20,854
3	DEPRECIATION	3,468	0	3,468	5	3,473		3,473
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	3,397	884	4,281	(900)	3,381	784	4,164
6	INCOME TAXES	(4,298)	6,569	2,271	(6,860)	(4,589)	6,415	1,825
7	TOTAL OPERATING EXPENSES	23,160	8,197 $	31,357	(8,239)	23,118	7,198	30,316
8	OPERATING INCOME	(1,567)	10,460 $	8,893	(10,571)	(1,678)	10,214	8,536
9	RATE BASE	86,195	$	86,195		87,636		87,636
	RATE OF RETURN	-1.82%		10.32%		-1.91%		9.74%

SSU/REMINGTON FOREST
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(18,657)	0
2 Billing determinants I-75	(156)	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	3	0
Total	(18,810)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(20)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(7)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(91)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(137)	0
6 Hepatitis Amortization Adjustment I-86	(4)	0
7 Budgeted overtime to rate case expense S-11	(16)	0
8 Remove SSU proposed repression adjustment I-74	146	0
9 OAP Amortization I-86a	(18)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(4)	0
12 Conservation Expense I-92	(70)	0
13 Current rate case expense I-93	44	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(55)	0
15 Jurisdiction Docket Expense I-95	(11)	0
16 920199 rate case expense I-96	(110)	0
17 True-up budget adjustment I-99	(124)	0
18 Emply recognition normalization I-100	(6)	0
19 Gains/Losses I-105	0	0
Total	(483)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(4)	0
3 Reallocate Common Plant River Park S-1	9	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	5	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(846)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(54)	0
Total	(900)	0
INCOME TAXES		
To adjust to test year income tax expense	(6,860)	0

SSU/ RIVER GROVE
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	166,157	0	$	166,157	(469)	165,688
2	LAND & LAND RIGHTS		2,333	0		2,333	0	2,333
3	NON-USED & USEFUL COMPONENTS		(6,243)	0		(6,243)	(31)	(6,274)
4	ACCUMULATED DEPRECIATION		(71,731)	0		(71,731)	4	(71,727)
5	CIAC		(32,198)	0		(32,198)	0	(32,198)
6	AMORTIZATION OF CIAC		21,867	0		21,867	0	21,867
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(787)	0		(787)	0	(787)
10	DEFERRED INCOME TAXES		(2,190)	0		(2,190)	(926)	(3,116)
11	WORKING CAPITAL ALLOWANCE		4,559	0		4,559	(1,566)	2,993
12	OTHER		0	0		0	0	0
	RATE BASE	$	81,767	0	$	81,767	(2,988)	78,779

SSU/ RIVER GROVE
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(507)	0
3 Realloc of River Park common plant S-1	38	0
Total	(469)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(31)	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	23	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(19)	0
Total	4	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	(765)	0
2 Credit Deferred Taxes on Depreciation	(161)	0
Total	(926)	0
WORKING CAPITAL		
To reflect the plant specific allocation	(1,566)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ RIVER GROVE
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	15,384	29,697 $	45,081	(5,110)	39,971	3,268	43,239
	OPERATING EXPENSES:						8.18%	
2	OPERATION AND MAINTENANCE	23,146	946 $	24,092	(484)	23,608 $		23,608
3	DEPRECIATION	5,654	0	5,654	13	5,667		5,667
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	3,584	1,211	4,795	(283)	4,512	147	4,659
6	INCOME TAXES	(8,519)	10,623	2,104	(1,676)	428	1,204	1,632
7	TOTAL OPERATING EXPENSES	23,865	12,780 $	36,645	(2,431)	34,214	1,351	35,565
8	OPERATING INCOME	(8,481)	16,917 $	8,436	(2,679)	5,757	1,917	7,674
9	RATE BASE	81,767	$	81,767		78,779		78,779
	RATE OF RETURN	-10.37%		10.32%		7.31%		9.74%

SSU/ RIVER GROVE
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(29,697)	0
2 Billing determinants I-75	24,582	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	5	0
Total	(5,110)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(33)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(11)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(149)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(225)	0
6 Hepatitis Amortization Adjustment I-86	(6)	0
7 Budgeted overtime to rate case expense S-11	(26)	0
8 Remove SSU proposed repression adjustment I-74	170	0
9 OAP Amortization I-86a	(30)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(7)	0
12 Conservation Expense I-92	(116)	0
13 Current rate case expense I-93	73	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(10)	0
15 Jurisdiction Docket Expense I-95	(19)	0
16 920199 rate case expense I-96	163	0
17 True-up budget adjustment I-99	(203)	0
18 Emply recognition normalization I-100	(9)	0
19 Gains/Losses I-105	(46)	0
Total	(484)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	0	0
3 Reallocate Common Plant River Park S-1	16	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	(3)	0
6 Marco ASR Cost Share I-51	0	0
Total	13	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(230)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	3	0
4 Discounts received on property taxes S-14	(57)	0
Total	(283)	0
INCOME TAXES		
To adjust to test year income tax expense	(1,676)	0

SSU/ ROSEMONT/ROLLING GREEN
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	390,150	0	$	390,150	(39)	390,111
2	LAND & LAND RIGHTS		7,979	0		7,979	0	7,979
3	NON-USED & USEFUL COMPONENTS		(4,173)	0		(4,173)	37	(4,136)
4	ACCUMULATED DEPRECIATION		(105,990)	0		(105,990)	(6)	(105,996)
5	CIAC		(50,465)	0		(50,465)	0	(50,465)
6	AMORTIZATION OF CIAC		19,575	0		19,575	0	19,575
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(899)	0		(899)	0	(899)
10	DEFERRED INCOME TAXES		1,612	0		1,612	(4,260)	(2,648)
11	WORKING CAPITAL ALLOWANCE		5,210	0		5,210	(1,790)	3,420
12	OTHER		0	0		0	0	0
	RATE BASE	$	262,999	0	$	262,999	(6,058)	256,941

SSU/ ROSEMONT/ROLLING GREEN
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-12	(82)	0
3 Realloc of River Park common plant S-1	43	0
Total	(39)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	37	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	16	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(22)	0
Total	(6)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debtl Deferred Taxes on CIAC	(3,881)	0
2 Credit Deferred Taxes on Depreciation	(379)	0
Total	(4,260)	0
WORKING CAPITAL		
To reflect the plant specific allocation	(1,790)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ ROSEMONT/ROLLING GREEN
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	31,377	58,591 $	89,968	(10,998)	78,970	6,361	85,331
	OPERATING EXPENSES:						8.05%	
2	OPERATION AND MAINTENANCE	27,208	997 $	28,205	(405)	27,800 $		27,800
3	DEPRECIATION	14,524	0	14,524	19	14,543		14,543
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	10,315	2,607	12,922	(627)	12,295	286	12,581
6	INCOME TAXES	(14,028)	21,211	7,183	(4,148)	3,035	2,343	5,378
7	TOTAL OPERATING EXPENSES	38,019	24,815 $	62,834	(5,161)	57,673	2,629	60,302
8	OPERATING INCOME	(6,642)	33,776 $	27,134	(5,837)	21,297	3,731	25,028
9	RATE BASE	262,999	$	262,999		256,941		256,941
	RATE OF RETURN	-2.53%		10.32%		8.29%		9.74%

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SSU/ ROSEMONT/ROLLING GREEN
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(58,591)	0
2 Billing determinants I-75	47,587	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	6	0
Total	(10,998)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(38)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(12)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(171)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(258)	0
6 Hepatitis Amortization Adjustment I-86	(7)	0
7 Budgeted overtime to rate case expense S-11	(30)	0
8 Remove SSU proposed repression adjustment I-74	341	0
9 OAP Amortization I-86a	(34)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(7)	0
12 Conservation Expense I-92	(132)	0
13 Current rate case expense I-93	83	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(11)	0
15 Jurisdiction Docket Expense I-95	(21)	0
16 920199 rate case expense I-96	187	0
17 True-up budget adjustment I-99	(232)	0
18 Emply recognition normalization I-100	(10)	0
19 Gains/Losses I-105	(53)	0
Total	(405)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	0	0
3 Reallocate Common Plant River Park S-1	18	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	1	0
6 Marco ASR Cost Share I-51	0	0
Total	19	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(495)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	3	0
4 Discounts received on property taxes S-14	(135)	0
Total	(627)	0
INCOME TAXES		
To adjust to test year income tax expense	(4,148)	0

SSU/ SALT SPRINGS
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	499,008	(8,367)	$	490,641	(37)	490,604
2	LAND & LAND RIGHTS		364	0		364	0	364
3	NON-USED & USEFUL COMPONENTS		0	0		0	(12,926)	(12,926)
4	ACCUMULATED DEPRECIATION		(147,811)	13,511		(134,300)	(5)	(134,305)
5	CIAC		(22,235)	(15)		(22,250)	0	(22,250)
6	AMORTIZATION OF CIAC		13,796	0		13,796	0	13,796
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(869)	0		(869)	0	(869)
10	DEFERRED INCOME TAXES		(8,776)	0		(8,776)	5,990	(2,786)
11	WORKING CAPITAL ALLOWANCE		5,036	0		5,036	(1,730)	3,306
12	OTHER		0	0		0	0	0
	RATE BASE	$	338,513	5,129	$	343,642	(8,709)	334,933

SSU/ SALT SPRINGS
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

COMPONENT	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1 UTILITY PLANT IN SERVICE	$ 412,714	0	$ 412,714	(2,575)	410,139
2 LAND	1,995	0	1,995	0	1,995
3 NON-USED & USEFUL COMPONENTS	(62,805)	0	(62,805)	(93)	(62,898)
4 ACCUMULATED DEPRECIATION	(196,517)	0	(196,517)	66	(196,451)
5 CIAC	(116,223)	(48)	(116,271)	0	(116,271)
6 AMORTIZATION OF CIAC	78,579	0	78,579	0	78,579
7 ACQUISITION ADJUSTMENTS - NET	0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION	0	0	0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS	(847)	0	(847)	0	(847)
10 DEFERRED INCOME TAXES	(8,028)	0	(8,028)	30,099	22,071
11 WORKING CAPITAL ALLOWANCE	4,906	0	4,906	(1,685)	3,221
12 OTHER	0	0	0	0	0
RATE BASE	$ 113,774	(48)	$ 113,726	25,812	139,538

SSU/ SALT SPRINGS
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-12	(79)	(2,616)
3 Realloc of River Park common plant S-1	42	41
Total	(37)	(2,575)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(12,926)	(93)
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	16	86
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(21)	(20)
Total	(5)	66
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	6,467	30,497
2 Credit Deferred Taxes on Depreciation	(477)	(398)
Total	5,990	30,099
WORKING CAPITAL		
To reflect the plant specific allocation	(1,730)	(1,685)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ SALT SPRINGS
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	36,776	71,704 $	108,480	60,741	169,221	(69,684)	99,537
	OPERATING EXPENSES:						-41.18%	
2	OPERATION AND MAINTENANCE	26,605	900 $	27,505	(331)	27,174 $		27,174
3	DEPRECIATION	20,651	0	20,651	(400)	20,251		20,251
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	12,150	3,279	15,429	176	15,605	(3,136)	12,470
6	INCOME TAXES	(16,501)	25,943	9,442	23,246	32,688	(25,671)	7,017
7	TOTAL OPERATING EXPENSES	42,905	30,122 $	73,027	22,692	95,719	(28,807)	66,912
8	OPERATING INCOME	(6,129)	41,582 $	35,453	38,049	73,502	(40,877)	32,625
9	RATE BASE	338,513	$	343,642		334,933		334,933
	RATE OF RETURN	-1.81%		10.32%		21.95%		9.74%

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SSU/ SALT SPRINGS
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	81,476	14,132 $	95,608	5,793	101,401	(2,646)	98,755
							-2.61%	
	OPERATING EXPENSES							
2	OPERATION AND MAINTENANCE	62,798	1,528 $	64,326	(1,169)	63,157 $		63,157
3	DEPRECIATION	9,462	0	9,462	9	9,471		9,471
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	11,049	(1,065)	9,984	(179)	9,805	(119)	9,686
6	INCOME TAXES	(3,756)	3,860	104	3,719	3,823	(975)	2,849
7	TOTAL OPERATING EXPENSES	79,553	4,323 $	83,876	2,381	86,257	(1,094)	85,163
8	OPERATING INCOME	1,923	9,809 $	11,732	3,412	15,144	(1,552)	13,592
9	RATE BASE	113,774	$	113,726		139,538		139,538
	RATE OF RETURN	1.69%		10.32%		10.85%		9.74%

SSU/ SALT SPRINGS
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(71,704)	(14,132)
2 Billing determinants I-75	132,439	19,919
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	6	6
Total	60,741	5,793
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(37)	(36)
2 Correct attrition rate from 5.87% to 5.75% S-10	(12)	(12)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(165)	(231)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(249)	(243)
6 Hepatitis Amortization Adjustment I-86	(6)	(6)
7 Budgeted overtime to rate case expense S-11	(29)	(28)
8 Remove SSU proposed repression adjustment I-74	390	0
9 OAP Amortization I-86a	(33)	(32)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(7)	(7)
12 Conservation Expense I-92	(128)	(124)
13 Current rate case expense I-93	81	78
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(11)	(10)
15 Jurisdiction Docket Expense I-95	(21)	(20)
16 920199 rate case expense I-96	181	171
17 True-up budget adjustment I-99	(224)	(610)
18 Emply recognition normalization I-100	(10)	(10)
19 Gains/Losses I-105	(51)	(49)
Total	(331)	(1,169)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	0	0
3 Reallocate Common Plant River Park S-1	17	17
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	(417)	(8)
6 Marco ASR Cost Share I-51	0	0
Total	(400)	9
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	2,733	261
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	346	(37)
4 Discounts received on property taxes S-14	(170)	(142)
Total	176	(179)
INCOME TAXES		
To adjust to test year income tax expense	23,246	3,719

SSU/ SAMIRA VILLAS
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	14,592	0	$	14,592	0	14,592
2	LAND & LAND RIGHTS		650	0		650	0	650
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(4,002)	2,090		(1,912)	0	(1,912)
5	CIAC		(7,870)	0		(7,870)	0	(7,870)
6	AMORTIZATION OF CIAC		3,268	0		3,268	0	3,268
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(15)	0		(15)	0	(15)
10	DEFERRED INCOME TAXES		(291)	0		(291)	117	(174)
11	WORKING CAPITAL ALLOWANCE		87	0		87	(30)	57
12	OTHER		0	0		0	0	0
	RATE BASE	$	6,419	2,090	$	8,509	87	8,596

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SSU/ SAMIRA VILLAS
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(1)	0
3 Realloc of River Park common plant S-1	1	0
Total	0	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	0	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	0	0
Total	0	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	131	0
2 Credit Deferred Taxes on Depreciation	(14)	0
Total	117	0
WORKING CAPITAL		
To reflect the plant specific allocation	(30)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ SAMIRA VILLAS
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	2,142	3,466 $	5,608	94	5,702	(175)	5,527
	OPERATING EXPENSES:						-3.06%	
2	OPERATION AND MAINTENANCE	3,569	102 $	3,671	16	3,687 $		3,687
3	DEPRECIATION	166	0	166	0	166		166
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	502	164	666	(1)	665	(8)	657
6	INCOME TAXES	(965)	1,192	227	17	244	(64)	180
7	TOTAL OPERATING EXPENSES	3,272	1,458 $	4,730	32	4,762	(72)	4,690
8	OPERATING INCOME	(1,130)	2,008 $	878	62	940	(102)	837
9	RATE BASE	6,419	$	8,509		8,596		8,596
	RATE OF RETURN	-17.60%		10.32%		10.93%		9.74%

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SSU/ SAMIRA VILLAS
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(3,466)	0
2 Billing determinants I-75	3,560	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	0	0
Total	94	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(1)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	0	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(3)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(4)	0
6 Hepatitis Amortization Adjustment I-86	0	0
7 Budgeted overtime to rate case expense S-11	0	0
8 Remove SSU proposed repression adjustment I-74	28	0
9 OAP Amortization I-86a	(1)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	0	0
12 Conservation Expense I-92	(2)	0
13 Current rate case expense I-93	1	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	0	0
15 Jurisdiction Docket Expense I-95	0	0
16 920199 rate case expense I-96	3	0
17 True-up budget adjustment I-99	(4)	0
18 Emply recognition normalization I-100	0	0
19 Gains/Losses I-105	(1)	0
Total	16	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	0	0
3 Reallocate Common Plant River Park S-1	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	0	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	4	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(5)	0
Total	(1)	0
INCOME TAXES		
To adjust to test year income tax expense	17	0

SSU/ SILVER LAKE ESTATES/WESTERN SHORES
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	1,769,314	0	$	1,769,314	(190,797)	1,578,517
2	LAND & LAND RIGHTS		6,278	0		6,278	0	6,278
3	NON-USED & USEFUL COMPONENTS		0	0		0	(69,222)	(69,222)
4	ACCUMULATED DEPRECIATION		(346,120)	0		(346,120)	3,902	(342,218)
5	CIAC		(439,387)	(111)		(439,498)	0	(439,498)
6	AMORTIZATION OF CIAC		137,460	0		137,460	0	137,460
7	ACQUISITION ADJUSTMENTS - NET		(11,579)	0		(11,579)	0	(11,579)
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(10,088)	0		(10,088)	0	(10,088)
10	DEFERRED INCOME TAXES		(10,569)	0		(10,569)	52,328	41,759
11	WORKING CAPITAL ALLOWANCE		58,438	0		58,438	(20,077)	38,361
12	OTHER		0	0		0	0	0
	RATE BASE	$	1,153,747	(111)	$	1,153,636	(223,866)	929,770

SSU/ SILVER LAKE ESTATES/WESTERN SHORES
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-12	(191,282)	0
3 Realloc of River Park common plant S-1	485	0
Total	(190,797)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(69,222)	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	4,146	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(244)	0
Total	3,902	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	53,861	0
2 Credit Deferred Taxes on Depreciation	(1,533)	0
Total	52,328	0
WORKING CAPITAL		
To reflect the plant specific allocation	(20,077)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ SILVER LAKE ESTATES/WESTERN SHORES
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	421,843	28,135 $	449,978	(250,219)	199,759	207,243	407,002
	OPERATING EXPENSES:						103.75%	
2	OPERATION AND MAINTENANCE	185,092	7,678 $	192,770	(6,920)	185,850 $		185,850
3	DEPRECIATION	63,605	0	63,605	(3,520)	60,085		60,085
4	AMORTIZATION	(522)	0	(522)	0	(522)		(522)
5	TAXES OTHER THAN INCOME	42,085	1,673	43,758	(1,462)	42,296	9,326	51,622
6	INCOME TAXES	24,097	7,249	31,346	(88,292)	(56,946)	76,347	19,400
7	TOTAL OPERATING EXPENSES	314,357	16,600 $	330,957	(100,194)	230,763	85,672	316,435
8	OPERATING INCOME	107,486	11,535 $	119,021	(150,025)	(31,004)	121,571	90,567
9	RATE BASE	1,153,747	$	1,153,636		929,770		929,770
	RATE OF RETURN	9.32%		10.32%		-3.33%		9.74%

SSU/ SILVER LAKE ESTATES/WESTERN SHORES
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	(28,135)	0
2	Billing determinants I-75	(222,152)	0
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	68	0
	Total	(250,219)	0
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(424)	0
2	Correct attrition rate from 5.87% to 5.75% S-10	(137)	0
3	Keystone Heights APT expenses I-58	0	0
4	Hewitt study I-82	(1,916)	0
5	Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(2,890)	0
6	Hepatitis Amortization Adjustment I-86	(75)	0
7	Budgeted overtime to rate case expense S-11	(333)	0
8	Remove SSU proposed repression adjustment I-74	2,530	0
9	OAP Amortization I-86a	(383)	0
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(83)	0
12	Conservation Expense I-92	(2,570)	0
13	Current rate case expense I-93	935	0
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(123)	0
15	Jurisdiction Docket Expense I-95	(241)	0
16	920199 rate case expense I-96	2,096	0
17	True-up budget adjustment I-99	(2,599)	0
18	Emply recognition normalization I-100	(117)	0
19	Gains/Losses I-105	(590)	0
	Total	(6,920)	0
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage adjustment I-13	0	0
3	Reallocate Common Plant River Park S-1	199	0
4	Imputation of CIAC-MR I-48	0	0
5	Net used and useful adjustment	(3,719)	0
6	Marco ASR Cost Share I-51	0	0
	Total	(3,520)	0
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	(11,260)	0
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	(915)	0
4	Discounts received on property taxes S-14	(547)	0
	Total	(1,462)	0
	INCOME TAXES		
	To adjust to test year income tax expense	(88,292)	0

SSU/ SILVER LAKE OAKS
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	100,618	0	$	100,618	(9)	100,609
2	LAND & LAND RIGHTS		1,144	0		1,144	0	1,144
3	NON-USED & USEFUL COMPONENTS		(5,917)	0		(5,917)	(22,192)	(28,109)
4	ACCUMULATED DEPRECIATION		(19,638)	0		(19,638)	(1)	(19,639)
5	CIAC		(5,115)	0		(5,115)	0	(5,115)
6	AMORTIZATION OF CIAC		1,620	0		1,620	0	1,620
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(195)	0		(195)	0	(195)
10	DEFERRED INCOME TAXES		(1,963)	0		(1,963)	(20,828)	(22,791)
11	WORKING CAPITAL ALLOWANCE		1,129	0		1,129	(388)	741
12	OTHER		0	0		0	0	0
	RATE BASE	$	71,683	0	$	71,683	(43,419)	28,264

SSU/ SILVER LAKE OAKS
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	99,073	0	$	99,073	(9)	99,064
2	LAND		6,676	0		6,676	0	6,676
3	NON-USED & USEFUL COMPONENTS		(19,709)	0		(19,709)	507	(19,202)
4	ACCUMULATED DEPRECIATION		(36,681)	0		(36,681)	(1)	(36,682)
5	CIAC		(18,375)	0		(18,375)	0	(18,375)
6	AMORTIZATION OF CIAC		7,331	0		7,331	0	7,331
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(195)	0		(195)	0	(195)
10	DEFERRED INCOME TAXES		(1,931)	0		(1,931)	(96)	(2,027)
11	WORKING CAPITAL ALLOWANCE		1,129	0		1,129	(388)	741
12	OTHER		0	0		0	0	0
	RATE BASE	$	37,318	0	$	37,318	13	37,331

SSU/ SILVER LAKE OAKS
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(18)	(18)
3 Realloc of River Park common plant S-1	9	9
Total	(9)	(9)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(22,192)	507
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	4	4
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(5)	(5)
Total	(1)	(1)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	(20,730)	0
2 Credit Deferred Taxes on Depreciation	(98)	(96)
Total	(20,828)	(96)
WORKING CAPITAL		
To reflect the plant specific allocation	(388)	(388)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ SILVER LAKE OAKS
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	4,349	22,357 $	26,706	(12,649)	14,057	5,031	19,088
	OPERATING EXPENSES:						35.79%	
2	OPERATION AND MAINTENANCE	10,422	362 $	10,784	(65)	10,719 $		10,719
3	DEPRECIATION	3,173	0	3,173	(651)	2,522		2,522
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	2,522	857	3,379	(1,083)	2,296	226	2,523
6	INCOME TAXES	(6,179)	8,154	1,975	(3,257)	(1,282)	1,853	571
7	TOTAL OPERATING EXPENSES	9,938	9,373 $	19,311	(5,056)	14,255	2,080	16,335
8	OPERATING INCOME	(5,589)	12,984 $	7,395	(7,593)	(198)	2,951	2,753
9	RATE BASE	71,683	$	71,683		28,264		28,264
	RATE OF RETURN	-7.80%		10.32%		-0.70%		9.74%

SSU/ SILVER LAKE OAKS
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	8,696	17,560 $	26,256	(9,672)	16,584	9,416	26,000
	OPERATING EXPENSES						56.78%	
2	OPERATION AND MAINTENANCE	15,335	594 $	15,929	(268)	15,661 $		15,661
3	DEPRECIATION	2,982	0	2,982	94	3,076		3,076
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	2,758	90	2,848	(411)	2,437	424	2,861
6	INCOME TAXES	(5,712)	6,359	647	(3,350)	(2,703)	3,469	766
7	TOTAL OPERATING EXPENSES	15,363	7,043 $	22,406	(3,935)	18,471	3,893	22,364
8	OPERATING INCOME	(6,667)	10,517 $	3,850	(5,737)	(1,887)	5,524	3,636
9	RATE BASE	37,318	$	37,318		37,331		37,331
	RATE OF RETURN	-17.87%		10.32%		-5.06%		9.74%

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SSU/ SILVER LAKE OAKS
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(22,357)	(17,560)
2 Billing determinants I-75	9,707	7,887
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	1	1
Total	(12,649)	(9,672)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(8)	(8)
2 Correct attrition rate from 5.87% to 5.75% S-10	(3)	(3)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(37)	(53)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(56)	(56)
6 Hepatitis Amortization Adjustment I-86	(1)	(1)
7 Budgeted overtime to rate case expense S-11	(6)	(6)
8 Remove SSU proposed repression adjustment I-74	96	0
9 OAP Amortization I-86a	(7)	(7)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(2)	(2)
12 Conservation Expense I-92	(29)	(29)
13 Current rate case expense I-93	18	18
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(2)	(2)
15 Jurisdiction Docket Expense I-95	(5)	(5)
16 920199 rate case expense I-96	40	39
17 True-up budget adjustment I-99	(50)	(140)
18 Emply recognition normalization I-100	(2)	(2)
19 Gains/Losses I-105	(11)	(11)
Total	(65)	(268)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	0	0
3 Reallocate Common Plant River Park S-1	4	4
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	(655)	90
6 Marco ASR Cost Share I-51	0	0
Total	(651)	94
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(569)	(435)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	(479)	58
4 Discounts received on property taxes S-14	(35)	(34)
Total	(1,083)	(411)
INCOME TAXES		
To adjust to test year income tax expense	(3,257)	(3,350)

SSU/ SKYCREST
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	384,876	0	$	384,876	(132,546)	252,330
2	LAND & LAND RIGHTS		757	0		757	0	757
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(59,755)	0		(59,755)	2,426	(57,329)
5	CIAC		(19,709)	0		(19,709)	0	(19,709)
6	AMORTIZATION OF CIAC		7,173	0		7,173	0	7,173
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(854)	0		(854)	0	(854)
10	DEFERRED INCOME TAXES		(5,791)	0		(5,791)	3,180	(2,611)
11	WORKING CAPITAL ALLOWANCE		4,949	0		4,949	(1,700)	3,249
12	OTHER		0	0		0	0	0
	RATE BASE	$	311,646	0	$	311,646	(128,640)	183,006

SSU/ SKYCREST
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage/Double Bookings I-13	(132,587)	0
3 Realloc of River Park common plant S-1	41	0
Total	(132,546)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	2,447	0
3 Realloc of River Park Common Plant S-1	(21)	0
4 Reverse Depr on prior N-U/U assets I-46	0	0
Total	2,426	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	3,425	0
2 Credit Deferred Taxes on Depreciation	(245)	0
Total	3,180	0
WORKING CAPITAL		
To reflect the plant specific allocation	(1,700)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ SKYCREST
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	15,792	67,558 $	83,350	(59,167)	24,183	38,271	62,454
	OPERATING EXPENSES:						158.26%	
2	OPERATION AND MAINTENANCE	19,587	942 $	20,529	(647)	19,882 $		19,882
3	DEPRECIATION	15,981	0	15,981	0	15,981		15,981
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	2,872	3,081	5,953	(2,750)	3,203	1,722	4,926
6	INCOME TAXES	(15,774)	24,509	8,735	(18,995)	(10,260)	14,099	3,839
7	TOTAL OPERATING EXPENSES	22,666	28,532 $	51,198	(22,391)	28,807	15,821	44,628
8	OPERATING INCOME	(6,874)	39,026 $	32,152	(36,776)	(4,624)	22,450	17,826
9	RATE BASE	311,646	$	311,646		183,006		183,006
	RATE OF RETURN	-2.21%		10.32%		-2.53%		9.74%

SSU/ SKYCREST
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	(67,558)	0
2	Billing determinants I-75	8,385	0
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	6	0
	Total	(59,167)	0
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(36)	0
2	Correct attrition rate from 5.87% to 5.75% S-10	(12)	0
3	Keystone Heights APT expenses I-58	0	0
4	Hewitt study I-82	(162)	0
5	Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(245)	0
6	Hepatitis Amortization Adjustment I-86	(6)	0
7	Budgeted overtime to rate case expense S-11	(28)	0
8	Remove SSU proposed repression adjustment I-74	137	0
9	OAP Amortization I-86a	(32)	0
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(5)	0
12	Conservation Expense I-92	(125)	0
13	Current rate case expense I-93	79	0
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(99)	0
15	Jurisdiction Docket Expense I-95	(10)	0
16	920199 rate case expense I-96	177	0
17	True-up budget adjustment I-99	(220)	0
18	Emply recognition normalization I-100	(10)	0
19	Gains/Losses I-105	(50)	0
	Total	(647)	0
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage adjustment I-13	(4,893)	0
3	Reallocate Common Plant River Park S-1	17	0
4	Imputation of CIAC-MR I-48	0	0
5	Net used and useful adjustment	0	0
6	Marco ASR Cost Share I-51	0	0
	Total	(4,876)	0
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	(2,663)	0
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	0	0
4	Discounts received on property taxes S-14	(87)	0
	Total	(2,750)	0
	INCOME TAXES		
	To adjust to test year income tax expense	(18,995)	0

SSU/ SOUTH FORTY
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1 UTILITY PLANT IN SERVICE	$	543,132	0	$ 543,132	(10)	543,122
2 LAND		26,490	0	26,490	0	26,490
3 NON-USED & USEFUL COMPONENTS		(41,543)	0	(41,543)	(4,859)	(46,402)
4 ACCUMULATED DEPRECIATION		(258,244)	0	(258,244)	(2)	(258,246)
5 CIAC		(1,738)	(4)	(1,742)	0	(1,742)
6 AMORTIZATION OF CIAC		598	0	598	0	598
7 ACQUISITION ADJUSTMENTS - NET		0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS		(247)	0	(247)	0	(247)
10 DEFERRED INCOME TAXES		(9,678)	0	(9,678)	(1,379)	(11,057)
11 WORKING CAPITAL ALLOWANCE		1,433	0	1,433	(492)	941
12 OTHER		0	0	0	0	0
RATE BASE	$	260,203	(4)	$ 260,199	(6,742)	253,457

SSU/ SOUTH FORTY
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	0	(22)
3 Realloc of River Park common plant S-1	0	12
Total	0	(10)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	(4,859)
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	0	4
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	0	(6)
Total	0	(2)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	0	(651)
2 Credit Deferred Taxes on Depreciation	0	(528)
Total	0	(1,379)
WORKING CAPITAL		
To reflect the plant specific allocation	0	(492)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ SOUTH FORTY
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	49,602	0 $	49,602	(6,130)	43,472	65,871	109,343
	OPERATING EXPENSES						151.53%	
2	OPERATION AND MAINTENANCE	38,658	763 $	39,421	(339)	39,082 $		39,082
3	DEPRECIATION	23,678	0	23,678	(500)	23,178		23,178
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	13,425	1,290	14,715	(533)	14,182	2,964	17,146
6	INCOME TAXES	(16,357)	21,612	5,255	(24,273)	(19,018)	24,266	5,248
7	TOTAL OPERATING EXPENSES	59,404	23,665 $	83,069	(25,645)	57,424	27,231	84,654
8	OPERATING INCOME	(9,802)	(23,665) $	(33,467)	19,515	(13,952)	38,641	24,689
9	RATE BASE	260,203	$	260,199		253,457		253,457
	RATE OF RETURN	-3.77%		-12.86%		-5.50%		9.74%

SSU/ SOUTH FORTY
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	0	(60,311)
2 Billing determinants I-75	0	54,179
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	0	2
Total	0	(6,130)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	0	(10)
2 Correct attrition rate from 5.87% to 5.75% S-10	0	(3)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	0	(67)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	0	(71)
6 Hepatitis Amortization Adjustment I-86	0	(2)
7 Budgeted overtime to rate case expense S-11	0	(8)
8 Remove SSU proposed repression adjustment I-74	0	0
9 OAP Amortization I-86a	0	(9)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	0	(2)
12 Conservation Expense I-92	0	(36)
13 Current rate case expense I-93	0	23
14 Uniform Rate Docket-Reg. Comm. Exp I-94	0	(3)
15 Jurisdiction Docket Expense I-95	0	(6)
16 920199 rate case expense I-96	0	50
17 True-up budget adjustment I-99	0	(178)
18 Emply recognition normalization I-100	0	(3)
19 Gains/Losses I-105	0	(14)
Total	0	(339)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	0	0
3 Reallocate Common Plant River Park S-1	0	5
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	(505)
6 Marco ASR Cost Share I-51	0	0
Total	0	(500)
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	0	(276)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	(69)
4 Discounts received on property taxes S-14	0	(188)
Total	0	(533)
INCOME TAXES		
To adjust to test year income tax expense	0	(24,273)

SSU/ SPRING GARDENS
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	95,552	0	$	95,552	(39)	95,513
2	LAND & LAND RIGHTS		2,598	0		2,598	0	2,598
3	NON-USED & USEFUL COMPONENTS		(2,361)	0		(2,361)	(20)	(2,381)
4	ACCUMULATED DEPRECIATION		(48,490)	0		(48,490)	(5)	(48,495)
5	CIAC		(32,129)	0		(32,129)	0	(32,129)
6	AMORTIZATION OF CIAC		19,783	0		19,783	0	19,783
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(914)	0		(914)	0	(914)
10	DEFERRED INCOME TAXES		(688)	0		(688)	(819)	(1,507)
11	WORKING CAPITAL ALLOWANCE		5,297	0		5,297	(1,820)	3,477
12	OTHER		0	0		0	0	0
	RATE BASE	$	38,648	0	$	38,648	(2,703)	35,945

SSU/ SPRING GARDENS
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	184,965	0	$	184,965	(39)	184,926
2	LAND		21,777	0		21,777	0	21,777
3	NON-USED & USEFUL COMPONENTS		(5,307)	0		(5,307)	(48)	(5,355)
4	ACCUMULATED DEPRECIATION		(129,684)	0		(129,684)	(5)	(129,689)
5	CIAC		(72,310)	0		(72,310)	0	(72,310)
6	AMORTIZATION OF CIAC		31,901	0		31,901	0	31,901
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(914)	0		(914)	0	(914)
10	DEFERRED INCOME TAXES		(3,346)	0		(3,346)	(180)	(3,526)
11	WORKING CAPITAL ALLOWANCE		5,297	0		5,297	0	5,297
12	OTHER		0	0		0	0	0
	RATE BASE	$	32,379	0	$	32,379	(272)	32,107

SSU/ SPRING GARDENS
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
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EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(83)	(83)
3 Realloc of River Park common plant S-1	44	44
Total	(39)	(39)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(20)	(48)
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	17	17
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(22)	(22)
Total	(5)	(5)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	(726)	0
2 Credit Deferred Taxes on Depreciation	(93)	(180)
Total	(819)	(180)
WORKING CAPITAL		
To reflect the plant specific allocation	(1,820)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ SPRING GARDENS
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	21,728	10,731 $	32,459	(3,975)	28,484	(6,795)	21,689
	OPERATING EXPENSES:						-23.85%	
2	OPERATION AND MAINTENANCE	13,114	707 $	13,821	(1,199)	12,622 $		12,622
3	DEPRECIATION	3,081	0	3,081	9	3,090		3,090
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	1,494	760	2,254	(210)	2,044	(306)	1,738
6	INCOME TAXES	602	3,573	4,175	(934)	3,241	(2,503)	738
7	TOTAL OPERATING EXPENSES	18,291	5,040 $	23,331	(2,334)	20,997	(2,809)	18,188
8	OPERATING INCOME	3,437	5,691 $	9,128	(1,641)	7,487	(3,986)	3,501
9	RATE BASE	38,648	$	38,648		35,945		35,945
	RATE OF RETURN	8.89%		23.62%		20.83%		9.74%

SSU/ SPRING GARDENS
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	28,739	(68) $	28,671	(8,939)	19,732	9,424	29,156
	OPERATING EXPENSES						47.76%	
2	OPERATION AND MAINTENANCE	17,002	843 $	17,845	(139)	17,706 $		17,706
3	DEPRECIATION	5,391	0	5,391	5	5,396		5,396
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	1,836	580	2,416	(537)	1,879	424	2,303
6	INCOME TAXES	753	(1,074)	(321)	(2,528)	(2,849)	3,472	623
7	TOTAL OPERATING EXPENSES	24,982	349 $	25,331	(3,198)	22,133	3,896	26,029
8	OPERATING INCOME	3,757	(417) $	3,340	(5,741)	(2,401)	5,528	3,127
9	RATE BASE	32,379	$	32,379		32,107		32,107
	RATE OF RETURN	11.60%		10.32%		-7.48%		9.74%

SSU/ SPRING GARDENS
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(1,965)	68
2 Billing determinants I-75	(2,016)	(9,013)
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	6	6
Total	(3,975)	(8,939)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(38)	(38)
2 Correct attrition rate from 5.87% to 5.75% S-10	(12)	(12)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(174)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(262)	0
6 Hepatitis Amortization Adjustment I-86	(7)	(7)
7 Budgeted overtime to rate case expense S-11	(30)	0
8 Remove SSU proposed repression adjustment I-74	0	120
9 OAP Amortization I-86a	(35)	(35)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(8)	0
12 Conservation Expense I-92	(134)	(134)
13 Current rate case expense I-93	85	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(106)	0
15 Jurisdiction Docket Expense I-95	(22)	(22)
16 920199 rate case expense I-96	(209)	0
17 True-up budget adjustment I-99	(236)	0
18 Emply recognition normalization I-100	(11)	(11)
19 Gains/Losses I-105	0	0
Total	(1,199)	(139)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(8)	(8)
3 Reallocate Common Plant River Park S-1	18	18
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	(0)	(4)
6 Marco ASR Cost Share I-51	0	0
Total	9	5
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(179)	(402)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	2	(70)
4 Discounts received on property taxes S-14	(33)	(64)
Total	(210)	(537)
INCOME TAXES		
To adjust to test year income tax expense	(934)	(2,528)

10307

SSU/ STONE MOUNTAIN
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	19,591	0	$	19,591	(2)	19,589
2	LAND & LAND RIGHTS		22	0		22	0	22
3	NON-USED & USEFUL COMPONENTS		(946)	0		(946)	0	(946)
4	ACCUMULATED DEPRECIATION		(8,618)	0		(8,618)	0	(8,618)
5	CIAC		(1,975)	0		(1,975)	0	(1,975)
6	AMORTIZATION OF CIAC		694	0		694	0	694
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(52)	0		(52)	0	(52)
10	DEFERRED INCOME TAXES		(375)	0		(375)	597	222
11	WORKING CAPITAL ALLOWANCE		304	0		304	0	304
12	OTHER		0	0		0	0	0
	RATE BASE	$	8,645	0	$	8,645	595	9,240

SSU/ STONE MOUNTAIN
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-13	(5)	0
3 Realloc of River Park common plant S-1	3	0
Total	(2)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	1	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(1)	0
Total	0	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	597	0
2 Credit Deferred Taxes on Depreciation	(19)	0
Total	578	0
WORKING CAPITAL		
To reflect the plant specific allocation	(104)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ STONE MOUNTAIN
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	2,076	8,909 $	10,985	14,015	25,000	(13,987)	11,013
	OPERATING EXPENSES:						-55.95%	
2	OPERATION AND MAINTENANCE	7,957	257 $	8,214	50	8,264 $		8,264
3	DEPRECIATION	741	0	741	0	741		741
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	510	411	921	624	1,545	(629)	916
6	INCOME TAXES	(2,962)	3,179	217	5,128	5,345	(5,153)	192
7	TOTAL OPERATING EXPENSES	6,246	3,847 $	10,093	5,802	15,895	(5,782)	10,113
8	OPERATING INCOME	(4,170)	5,062 $	892	8,213	9,105	(8,205)	900
9	RATE BASE	8,645	$	8,645		9,240		9,240
	RATE OF RETURN	-48.24%		10.32%		98.54%		9.74%

SSU/ STONE MOUNTAIN
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	8,909	0
2 Billing determinants I-75	5,106	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	0	0
Total	14,015	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(2)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(1)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(10)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(15)	0
6 Hepatitis Amortization Adjustment I-86	0	0
7 Budgeted overtime to rate case expense S-11	(2)	0
8 Remove SSU proposed repression adjustment I-74	94	0
9 OAP Amortization I-86a	(2)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	0	0
12 Conservation Expense I-92	(8)	0
13 Current rate case expense I-93	5	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(1)	0
15 Jurisdiction Docket Expense I-95	(1)	0
16 920199 rate case expense I-96	11	0
17 True-up budget adjustment I-99	(14)	0
18 Emply recognition normalization I-100	(1)	0
19 Gains/Losses I-105	(3)	0
Total	50	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(1)	0
3 Reallocate Common Plant River Park S-1	1	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	(0)	0
6 Marco ASR Cost Share I-51	0	0
Total	0	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	631	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(7)	0
Total	624	0
INCOME TAXES		
To adjust to test year income tax expense	5,128	0

SSU/ ST. JOHNS HIGHLANDS
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	79,903	0	$	79,903	(26)	79,877
2	LAND & LAND RIGHTS		261	0		261	0	261
3	NON-USED & USEFUL COMPONENTS		(1,215)	0		(1,215)	19	(1,196)
4	ACCUMULATED DEPRECIATION		(28,402)	0		(28,402)	(4)	(28,406)
5	CIAC		(9,725)	(108)		(9,833)	0	(9,833)
6	AMORTIZATION OF CIAC		4,181	0		4,181	0	4,181
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(615)	0		(615)	0	(615)
10	DEFERRED INCOME TAXES		(510)	0		(510)	1,587	1,077
11	WORKING CAPITAL ALLOWANCE		3,560	0		3,560	(1,223)	2,337
12	OTHER		0	0		0	0	0
	RATE BASE	$	47,438	(108)	$	47,330	353	47,683

SSU/ ST. JOHNS HIGHLANDS
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(56)	0
3 Realloc of River Park common plant S-1	30	0
Total	(26)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	19	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	11	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(15)	0
Total	(4)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	1,665	0
2 Credit Deferred Taxes on Depreciation	(78)	0
Total	1,587	0
WORKING CAPITAL		
To reflect the plant specific allocation	(1,223)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ ST. JOHNS HIGHLANDS
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	8,940	20,956 $	29,896	(1,759)	28,137	807	28,944
	OPERATING EXPENSES:						2.87%	
2	OPERATION AND MAINTENANCE	16,475	723 $	17,198	(379)	16,819 $		16,819
3	DEPRECIATION	3,615	0	3,615	7	3,622		3,622
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	1,980	954	2,934	(107)	2,827	36	2,864
6	INCOME TAXES	(6,174)	7,439	1,265	(567)	698	297	995
7	TOTAL OPERATING EXPENSES	15,896	9,116 $	25,012	(1,046)	23,966	333	24,299
8	OPERATING INCOME	(6,956)	11,840 $	4,884	(713)	4,171	473	4,645
9	RATE BASE	47,438	$	47,330		47,683		47,683
	RATE OF RETURN	-14.66%		10.32%		8.75%		9.74%

SSU/ ST. JOHNS HIGHLANDS
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(20,956)	0
2 Billing determinants I-75	10,846	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	8,351	0
Total	(1,759)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(26)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(8)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(117)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(176)	0
6 Hepatitis Amortization Adjustment I-86	(5)	0
7 Budgeted overtime to rate case expense S-11	(20)	0
8 Remove SSU proposed repression adjustment I-74	130	0
9 OAP Amortization I-86a	(23)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(5)	0
12 Conservation Expense I-92	(90)	0
13 Current rate case expense I-93	57	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(8)	0
15 Jurisdiction Docket Expense I-95	(15)	0
16 920199 rate case expense I-96	128	0
17 True-up budget adjustment I-99	(158)	0
18 Emply recognition normalization I-100	(7)	0
19 Gains/Losses I-105	(36)	0
Total	(379)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(6)	0
3 Reallocate Common Plant River Park S-1	12	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	7	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(79)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	1	0
4 Discounts received on property taxes S-14	(28)	0
Total	(107)	0
INCOME TAXES		
To adjust to test year income tax expense	(567)	0

SSU/ SUGAR MILL
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	1,583,314	0	$	1,583,314	(1,651)	1,581,663
2	LAND & LAND RIGHTS		19,088	0		19,088	0	19,088
3	NON-USED & USEFUL COMPONENTS		(110,571)	0		(110,571)	(1,021)	(111,592)
4	ACCUMULATED DEPRECIATION		(615,907)	0		(615,907)	0	(615,907)
5	CIAC		(736,151)	(330)		(736,481)	(931)	(737,412)
6	AMORTIZATION OF CIAC		258,188	0		258,188	76	258,264
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(4,654)	0		(4,654)	0	(4,654)
10	DEFERRED INCOME TAXES		16,900	0		16,900	(9,351)	7,549
11	WORKING CAPITAL ALLOWANCE		26,961	0		26,961	0	26,961
12	OTHER		0	0		0	0	0
	RATE BASE	$	437,168	(330)	$	436,838	(12,878)	423,960

SSU/ SUGAR MILL
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	1,465,153	0	$	1,465,153	(196)	1,464,957
2	LAND		28,305	0		28,305	0	28,305
3	NON-USED & USEFUL COMPONENTS		(78,715)	0		(78,715)	603	(78,112)
4	ACCUMULATED DEPRECIATION		(508,051)	104,247		(403,804)	(27)	(403,831)
5	CIAC		(953,392)	(250)		(953,642)	0	(953,642)
6	AMORTIZATION OF CIAC		339,382	0		339,382	542	339,924
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(4,609)	0		(4,609)	0	(4,609)
10	DEFERRED INCOME TAXES		15,148	0		15,148	2,328	17,476
11	WORKING CAPITAL ALLOWANCE		26,701	0		26,701	0	26,701
12	OTHER		0	0		0	0	0
	RATE BASE	$	329,922	103,997	$	433,919	3,249	437,168

SSU/ SUGAR MILL
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-13	(1,875)	(418)
3 Realloc of River Park common plant S-1	224	222
Total	(1,651)	(196)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(1,021)	603
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	113	84
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(113)	(111)
Total	0	(27)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	(931)	0
3 Marco ASR Cost Share I-51	0	0
Total	(931)	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	(8,014)	(10,559)
4 Imputation of CIAC-MR I-48	76	542
5 Marco ASR Cost Share I-51	0	0
Total	(7,938)	(10,017)
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	(9,351)	2,328
2 Credit Deferred Taxes on Depreciation	(1,537)	(1,424)
Total	(10,888)	904
WORKING CAPITAL		
To reflect the plant specific allocation	(9,263)	(9,173)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ SUGAR MILL
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	74,441	192,239 $	266,680	313,226	579,906	(321,379)	258,527
	OPERATING EXPENSES:						-55.42%	
2	OPERATION AND MAINTENANCE	151,271	5,119 $	156,390	(1,964)	154,426 $		154,426
3	DEPRECIATION	27,690	0	27,690	(581)	27,109		27,109
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	21,499	6,783	28,282	13,340	41,622	(14,462)	27,160
6	INCOME TAXES	(60,322)	69,572	9,250	117,679	126,929	(118,393)	8,535
7	TOTAL OPERATING EXPENSES	140,138	81,474 $	221,612	128,473	350,085	(132,855)	217,230
8	OPERATING INCOME	(65,697)	110,765 $	45,068	184,753	229,821	(188,524)	41,297
9	RATE BASE	437,168	$	436,838		423,960		423,960
	RATE OF RETURN	-15.03%		10.32%		54.21%		9.74%

SSU/ SUGAR MILL
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	186,561	78,376 $	264,937	93,126	358,063	(97,638)	260,425
	OPERATING EXPENSES						-27.27%	
2	OPERATION AND MAINTENANCE	159,412	7,087 $	166,499	(6,360)	160,139 $		160,139
3	DEPRECIATION	21,932	0	21,932	8	21,940		21,940
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	24,218	3,297	27,515	3,779	31,294	(4,394)	26,901
6	INCOME TAXES	(16,643)	20,867	4,224	40,607	44,831	(35,969)	8,861
7	TOTAL OPERATING EXPENSES	188,919	31,251 $	220,170	38,034	258,204	(40,363)	217,841
8	OPERATING INCOME	(2,358)	47,125 $	44,767	55,092	99,859	(57,275)	42,584
9	RATE BASE	329,922	$	433,919		437,168		437,168
	RATE OF RETURN	-0.71%		10.32%		22.84%		9.74%

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SSU/ SUGAR MILL
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	192,239	78,376
2 Billing determinants I-75	120,955	14,719
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	32	31
Total	313,226	93,126
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(196)	(194)
2 Correct attrition rate from 5.87% to 5.75% S-10	(63)	(63)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(884)	(1,257)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(1,333)	(1,320)
6 Hepatitis Amortization Adjustment I-86	(35)	(34)
7 Budgeted overtime to rate case expense S-11	(153)	(152)
8 Remove SSU proposed repression adjustment I-74	1,894	0
9 OAP Amortization I-86a	(177)	(175)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(38)	(38)
12 Conservation Expense I-92	(684)	(677)
13 Current rate case expense I-93	431	427
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(57)	(56)
15 Jurisdiction Docket Expense I-95	(111)	(110)
16 920199 rate case expense I-96	967	933
17 True-up budget adjustment I-99	(1,199)	(3,321)
18 Emply recognition normalization I-100	(54)	(54)
19 Gains/Losses I-105	(272)	(269)
Total	(1,964)	(6,360)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(100)	(42)
3 Reallocate Common Plant River Park S-1	92	91
4 Imputation of CIAC-MR I-48	(151)	0
5 Net used and useful adjustment	(422)	(42)
6 Marco ASR Cost Share I-51	0	0
Total	(581)	8
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	14,095	4,191
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	(207)	96
4 Discounts received on property taxes S-14	(548)	(507)
Total	13,340	3,779
INCOME TAXES		
To adjust to test year income tax expense	117,679	40,607

SSU/ SUGARMILL WOODS
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	7,173,069	0	$	7,173,069	(717)	7,172,352
2	LAND & LAND RIGHTS		6,415	0		6,415	0	6,415
3	NON-USED & USEFUL COMPONENTS		(1,428,644)	0		(1,428,644)	114,373	(1,314,271)
4	ACCUMULATED DEPRECIATION		(1,892,610)	198,059		(1,694,551)	(198,161)	(1,892,712)
5	CIAC		(3,537,110)	0		(3,537,110)	(47,632)	(3,584,742)
6	AMORTIZATION OF CIAC		603,915	0		603,915	569	604,484
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(16,833)	0		(16,833)	0	(16,833)
10	DEFERRED INCOME TAXES		175,233	0		175,233	(145,465)	29,768
11	WORKING CAPITAL ALLOWANCE		97,512	0		97,512	(33,501)	64,011
12	OTHER		0	0		0	0	0
	RATE BASE	$	1,180,947	198,059	$	1,379,006	(310,534)	1,068,472

SSU/ SUGARMILL WOODS
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	11,095,873	0	$	11,095,873	(11,278)	11,084,595
2	LAND		67,803	0		67,803	0	67,803
3	NON-USED & USEFUL COMPONENTS		(733,476)	0		(733,476)	(1,101,499)	(1,834,975)
4	ACCUMULATED DEPRECIATION		(3,166,851)	373,276		(2,793,575)	(373,370)	(3,166,945)
5	CIAC		(9,016,637)	0		(9,016,637)	(208,545)	(9,225,182)
6	AMORTIZATION OF CIAC		1,781,621	0		1,781,621	(21,300)	1,760,321
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(16,406)	0		(16,406)	0	(16,406)
10	DEFERRED INCOME TAXES		(218,824)	0		(218,824)	84,987	(133,837)
11	WORKING CAPITAL ALLOWANCE		95,038	0		95,038	(32,651)	62,387
12	OTHER		0	0		0	0	0
	RATE BASE	$	(111,859)	373,276	$	261,417	(1,663,656)	(1,402,239)

SSU/ SUGARMILL WOODS
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-12	(1,526)	(12,067)
3 Realloc of River Park common plant S-1	809	789
Total	(717)	(11,278)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	114,373	(1,101,499)
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	305	303
3 Reverse Depr on prior N-U/U assets I-46	(198,059)	(373,276)
4 Realloc of River Park Common Plant S-1	(407)	(397)
Total	(198,161)	(373,370)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	(47,632)	(208,545)
3 Marco ASR Cost Share I-51	0	0
Total	(47,632)	(208,545)
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	12	(25,179)
4 Imputation of CIAC-MR I-48	557	3,879
5 Marco ASR Cost Share I-51	0	0
Total	569	(21,300)
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	(138,496)	95,757
2 Credit Deferred Taxes on Depreciation	(6,969)	(10,770)
Total	(145,465)	84,987
WORKING CAPITAL		
To reflect the plant specific allocation	(33,501)	(32,651)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ SUGARMILL WOODS
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	845,446	(105,660) $	739,786	(231,616)	508,170	173,135	681,305
	OPERATING EXPENSES:						34.07%	
2	OPERATION AND MAINTENANCE	345,736	17,314 $	363,050	(12,999)	350,051 $		350,051
3	DEPRECIATION	81,149	0	81,149	3,470	84,619		84,619
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	166,178	(35,824)	130,354	(15,953)	114,401	7,791	122,192
6	INCOME TAXES	60,621	(37,659)	22,962	(66,378)	(43,416)	63,781	20,365
7	TOTAL OPERATING EXPENSES	653,684	(56,169) $	597,515	(91,860)	505,655	71,573	577,227
8	OPERATING INCOME	191,762	(49,491) $	142,271	(139,756)	2,515	101,563	104,078
9	RATE BASE	1,180,947	$	1,379,006		1,068,472		1,068,472
	RATE OF RETURN	16.24%		10.32%		0.24%		9.74%

SSU/ SUGARMILL WOODS
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	941,564	(317,503) $	624,061	(30,983)	593,078	(37,943)	555,135
	OPERATING EXPENSES						-6.40%	
2	OPERATION AND MAINTENANCE	438,044	20,289 $	458,333	(22,540)	435,793 $		435,793
3	DEPRECIATION	45,043	0	45,043	(59,619)	(14,576)		(14,576)
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	208,750	(64,853)	143,897	(11,425)	132,472	(1,707)	130,764
6	INCOME TAXES	79,066	(129,248)	(50,182)	67,313	17,131	(13,978)	3,153
7	TOTAL OPERATING EXPENSES	770,903	(173,812) $	597,091	(26,271)	570,820	(15,685)	555,135
8	OPERATING INCOME	170,661	(143,691) $	26,970	(4,712)	22,258	(22,258)	(0)
9	RATE BASE	(111,859)	$	261,417		(1,402,239)		(1,402,239)
	RATE OF RETURN	-152.57%		10.32%		-1.59%		0.00%

SSU/ SUGARMILL WOODS
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	105,660	317,503
2 Billing determinants I-75	(337,390)	(348,597)
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	114	111
Total	(231,616)	(30,983)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(708)	(690)
2 Correct attrition rate from 5.87% to 5.75% S-10	(229)	(223)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(3,197)	(4,475)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(4,622)	(4,700)
6 Hepatitis Amortization Adjustment I-86	(126)	(123)
7 Budgeted overtime to rate case expense S-11	(655)	(541)
8 Remove SSU proposed repression adjustment I-74	2,427	0
9 OAP Amortization I-86a	(840)	(624)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(139)	(136)
12 Conservation Expense I-92	(3,812)	(2,410)
13 Current rate case expense I-93	1,560	1,620
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(206)	(200)
15 Jurisdiction Docket Expense I-95	(402)	(391)
16 920199 rate case expense I-96	3,467	3,324
17 True-up budget adjustment I-99	(4,337)	(11,821)
18 Emply recognition normalization I-100	(196)	(191)
19 Gains/Losses I-105	(984)	(959)
Total	(12,999)	(22,540)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	0	0
3 Reallocate Common Plant River Park S-1	332	324
4 Imputation of CIAC-MR I-48	(1,115)	(7,758)
5 Net used and useful adjustment	4,253	(52,185)
6 Marco ASR Cost Share I-51	0	0
Total	3,470	(59,619)
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(10,423)	(1,394)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	(3,047)	(6,192)
4 Discounts received on property taxes S-14	(2,484)	(3,839)
Total	(15,953)	(11,425)
INCOME TAXES		
To adjust to test year income tax expense	(66,378)	67,313

SSU/ SUNNY HILLS
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	2,382,932	0	$	2,382,932	(136)	2,382,796
2	LAND & LAND RIGHTS		11,996	0		11,996	0	11,996
3	NON-USED & USEFUL COMPONENTS		(932,131)	0		(932,131)	(184,520)	(1,116,651)
4	ACCUMULATED DEPRECIATION		(742,416)	31,767		(710,649)	31,748	(678,901)
5	CIAC		(120,439)	0		(120,439)	0	(120,439)
6	AMORTIZATION OF CIAC		34,961	0		34,961	(633)	34,328
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(3,193)	0		(3,193)	0	(3,193)
10	DEFERRED INCOME TAXES		(47,150)	0		(47,150)	3,109	(44,041)
11	WORKING CAPITAL ALLOWANCE		18,495	0		18,495	(6,354)	12,141
12	OTHER		0	0		0	0	0
	RATE BASE	$	603,055	31,767	$	634,822	(156,786)	478,036

SSU/ SUNNY HILLS
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	712,787	0	$	712,787	(55)	712,732
2	LAND		4,991	0		4,991	0	4,991
3	NON-USED & USEFUL COMPONENTS		(162,993)	0		(162,993)	21,310	(141,683)
4	ACCUMULATED DEPRECIATION		(368,345)	0		(368,345)	(8)	(368,353)
5	CIAC		(2,308)	0		(2,308)	(221)	(2,529)
6	AMORTIZATION OF CIAC		417	0		417	(8)	409
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,334)	0		(1,334)	0	(1,334)
10	DEFERRED INCOME TAXES		(13,925)	0		(13,925)	(77)	(14,002)
11	WORKING CAPITAL ALLOWANCE		7,728	0		7,728	(2,655)	5,073
12	OTHER		0	0		0	0	0
	RATE BASE	$	177,018	0	$	177,018	18,287	195,305

SSU/ SUNNY HILLS
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(290)	(121)
3 Realloc of River Park common plant S-1	154	66
Total	(136)	(55)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(184,520)	21,310
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	58	24
3 Reverse Depr on prior N-U/U assets I-46	31,767	0
4 Realloc of River Park Common Plant S-1	(77)	(32)
Total	31,748	(8)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	(221)
3 Marco ASR Cost Share I-51	0	0
Total	0	(221)
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	(633)	(12)
4 Imputation of CIAC-MR I-48	0	4
5 Marco ASR Cost Share I-51	0	0
Total	(633)	(8)
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	5,424	615
2 Credit Deferred Taxes on Depreciation	(2,315)	(692)
Total	3,109	(77)
WORKING CAPITAL		
To reflect the plant specific allocation	(6,354)	(2,655)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ SUNNY HILLS
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	78,579	174,220 $	252,799	(88,340)	164,459	50,000	214,459
	OPERATING EXPENSES:						30.40%	
2	OPERATION AND MAINTENANCE	89,891	3,283 $	93,174	(1,726)	91,448 $		91,448
3	DEPRECIATION	40,715	0	40,715	(6,045)	34,670		34,670
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	25,727	14,482	40,209	(10,091)	30,118	2,250	32,368
6	INCOME TAXES	(46,498)	59,704	13,206	(22,217)	(9,011)	18,419	9,409
7	TOTAL OPERATING EXPENSES	109,835	77,469 $	187,304	(40,079)	147,225	20,669	167,894
8	OPERATING INCOME	(31,256)	96,751 $	65,495	(48,261)	17,234	29,330	46,565
9	RATE BASE	603,055	$	634,822		478,036		478,036
	RATE OF RETURN	-5.18%		10.32%		3.61%		9.74%

SSU/ SUNNY HILLS
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	55,514	64,701 $	120,215	(13,439)	106,776	14,538	121,314
	OPERATING EXPENSES						13.62%	
2	OPERATION AND MAINTENANCE	67,539	2,642 $	70,181	(1,809)	68,372 $		68,372
3	DEPRECIATION	16,268	0	16,268	(52)	16,216		16,216
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	15,176	(1,648)	13,528	(418)	13,110	654	13,764
6	INCOME TAXES	(21,637)	23,612	1,975	(3,393)	(1,418)	5,356	3,937
7	TOTAL OPERATING EXPENSES	77,346	24,606 $	101,952	(5,672)	96,280	6,010	102,290
8	OPERATING INCOME	(21,832)	40,095 $	18,263	(7,767)	10,496	8,528	19,024
9	RATE BASE	177,018	$	177,018		195,305		195,305
	RATE OF RETURN	-12.33%		10.32%		5.37%		9.74%

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SSU/ SUNNY HILLS
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(174,220)	(64,701)
2 Billing determinants I-75	85,858	51,253
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	22	9
Total	(88,340)	(13,439)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(134)	(56)
2 Correct attrition rate from 5.87% to 5.75% S-10	(43)	(18)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(606)	(364)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(915)	(382)
6 Hepatitis Amortization Adjustment I-86	(24)	(10)
7 Budgeted overtime to rate case expense S-11	(105)	(44)
8 Remove SSU proposed repression adjustment I-74	920	0
9 OAP Amortization I-86a	(121)	(51)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(26)	(11)
12 Conservation Expense I-92	(469)	(196)
13 Current rate case expense I-93	296	124
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(39)	0
15 Jurisdiction Docket Expense I-95	(76)	(16)
16 920199 rate case expense I-96	663	270
17 True-up budget adjustment I-99	(823)	(961)
18 Emply recognition normalization I-100	(37)	(16)
19 Gains/Losses I-105	(187)	(78)
Total	(1,726)	(1,809)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(29)	(12)
3 Reallocate Common Plant River Park S-1	63	26
4 Imputation of CIAC-MR I-48	0	(8)
5 Net used and useful adjustment	(6,079)	(58)
6 Marco ASR Cost Share I-51	0	0
Total	(6,045)	(52)
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(3,975)	(605)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	(5,291)	434
4 Discounts received on property taxes S-14	(825)	(247)
Total	(10,091)	(418)
INCOME TAXES		
To adjust to test year income tax expense	(22,217)	(3,393)

SSU/ SUNSHINE PARKWAY
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	485,382	0	$	485,382	(41,949)	443,433
2	LAND & LAND RIGHTS		19,680	0		19,680	0	19,680
3	NON-USED & USEFUL COMPONENTS		(72)	0		(72)	(8,360)	(8,432)
4	ACCUMULATED DEPRECIATION		(114,552)	0		(114,552)	631	(113,921)
5	CIAC		(63,856)	0		(63,856)	0	(63,856)
6	AMORTIZATION OF CIAC		19,667	0		19,667	(14)	19,653
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(75)	0		(75)	0	(75)
10	DEFERRED INCOME TAXES		(4,049)	0		(4,049)	10,866	6,817
11	WORKING CAPITAL ALLOWANCE		434	0		434	(149)	285
12	OTHER		0	0		0	0	0
	RATE BASE	$	342,559	0	$	342,559	(38,975)	303,584

SSU/ SUNSHINE PARKWAY
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	778,069	0	$	778,069	(3)	778,066
2	LAND		229,620	0		229,620	0	229,620
3	NON-USED & USEFUL COMPONENTS		(142,081)	0		(142,081)	89,870	(52,211)
4	ACCUMULATED DEPRECIATION		(209,981)	0		(209,981)	(1)	(209,982)
5	CIAC		(56,446)	0		(56,446)	0	(56,446)
6	AMORTIZATION OF CIAC		27,010	0		27,010	69	27,079
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(67)	0		(67)	0	(67)
10	DEFERRED INCOME TAXES		(8,086)	0		(8,086)	5,269	(2,817)
11	WORKING CAPITAL ALLOWANCE		391	0		391	(134)	257
12	OTHER		0	0		0	0	0
	RATE BASE	$	618,429	0	$	618,429	95,070	713,499

SSU/ SUNSHINE PARKWAY
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(41,953)	(6)
3 Realloc of River Park common plant S-1	4	3
Total	(41,949)	(3)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(8,360)	89,870
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	633	1
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(2)	(2)
Total	631	(1)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	(14)	69
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	(14)	69
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	11,297	6,025
2 Credit Deferred Taxes on Depreciation	(431)	(756)
Total	10,866	5,269
WORKING CAPITAL		
To reflect the plant specific allocation	(149)	(134)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ SUNSHINE PARKWAY
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	36,449	64,040 $	100,489	(18,859)	81,630	7,820	89,450
	OPERATING EXPENSES:						9.58%	
2	OPERATION AND MAINTENANCE	34,121	613 $	34,734	447	35,181 $		35,181
3	DEPRECIATION	14,883	0	14,883	(2,003)	12,880		12,880
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	3,157	2,950	6,107	(1,001)	5,106	352	5,458
6	INCOME TAXES	(13,906)	23,329	9,423	(5,944)	3,479	2,881	6,360
7	TOTAL OPERATING EXPENSES	38,255	26,892 $	65,147	(8,501)	56,646	3,233	59,879
8	OPERATING INCOME	(1,806)	37,148 $	35,342	(10,358)	24,984	4,588	29,572
9	RATE BASE	342,559	$	342,559		303,584		303,584
	RATE OF RETURN	-0.53%		10.32%		8.23%		9.74%

SSU/ SUNSHINE PARKWAY
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	107,072	49,007 $	156,079	(21,147)	134,932	34,218	169,150
	OPERATING EXPENSES						25.36%	
2	OPERATION AND MAINTENANCE	43,508	1,583 $	45,091	(95)	44,996 $		44,996
3	DEPRECIATION	23,656	0	23,656	6,333	29,989		29,989
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	6,986	2,277	9,263	(1,182)	8,081	1,540	9,621
6	INCOME TAXES	(1,291)	15,557	14,266	(11,828)	2,438	12,606	15,044
7	TOTAL OPERATING EXPENSES	72,859	19,417 $	92,276	(6,772)	85,504	14,145	99,649
8	OPERATING INCOME	34,213	29,590 $	63,803	(14,375)	49,428	20,073	69,501
9	RATE BASE	618,429	$	618,429		713,499		713,499
	RATE OF RETURN	5.53%		10.32%		6.93%		9.74%

SSU/ SUNSHINE PARKWAY
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(64,040)	(49,007)
2 Billing determinants I-75	45,180	27,860
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	1	0
Total	(18,859)	(21,147)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(3)	(3)
2 Correct attrition rate from 5.87% to 5.75% S-10	(1)	(1)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(14)	(18)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(21)	(19)
6 Hepatitis Amortization Adjustment I-86	(1)	(1)
7 Budgeted overtime to rate case expense S-11	(2)	(2)
8 Remove SSU proposed repression adjustment I-74	508	0
9 OAP Amortization I-86a	(3)	(3)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(1)	(1)
12 Conservation Expense I-92	(11)	(10)
13 Current rate case expense I-93	7	6
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(1)	(1)
15 Jurisdiction Docket Expense I-95	(2)	(2)
16 920199 rate case expense I-96	16	14
17 True-up budget adjustment I-99	(19)	(49)
18 Emply recognition normalization I-100	(1)	(1)
19 Gains/Losses I-105	(4)	(4)
Total	447	(95)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(1,264)	0
3 Reallocate Common Plant River Park S-1	1	1
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	(740)	6,332
6 Marco ASR Cost Share I-51	0	0
Total	(2,003)	6,333
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(849)	(952)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	1	39
4 Discounts received on property taxes S-14	(154)	(269)
Total	(1,001)	(1,182)
INCOME TAXES		
To adjust to test year income tax expense	(5,944)	(11,828)

SSU/ TROPICAL ISLES
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	510,251	0	$	510,251	(70)	510,181
2	LAND		1,482	0		1,482	0	1,482
3	NON-USED & USEFUL COMPONENTS		(6,596)	0		(6,596)	22	(6,574)
4	ACCUMULATED DEPRECIATION		(129,246)	0		(129,246)	(10)	(129,256)
5	CIAC		(101,920)	0		(101,920)	0	(101,920)
6	AMORTIZATION OF CIAC		23,360	0		23,360	0	23,360
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,641)	0		(1,641)	0	(1,641)
10	DEFERRED INCOME TAXES		(9,645)	0		(9,645)	(496)	(10,141)
11	WORKING CAPITAL ALLOWANCE		9,508	0		9,508	(3,267)	6,241
12	OTHER		0	0		0	0	0
	RATE BASE	$	295,553	0	$	295,553	(3,821)	291,732

SSU/ TROPICAL ISLES
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	0	(149)
3 Realloc of River Park common plant S-1	0	79
Total	0	(70)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	22
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	0	30
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	0	(40)
Total	0	(10)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	0	0
2 Credit Deferred Taxes on Depreciation	0	(496)
Total	0	(496)
WORKING CAPITAL		
To reflect the plant specific allocation	0	(3,267)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ TROPICAL ISLES
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	45,402	80,154 $	125,556	(79,118)	46,438	73,097	119,535
	OPERATING EXPENSES						157.41%	
2	OPERATION AND MAINTENANCE	52,218	2,149 $	54,367	(3,046)	51,321 $		51,321
3	DEPRECIATION	19,578	0	19,578	42	19,620		19,620
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	11,082	3,454	14,536	(3,730)	10,806	3,289	14,096
6	INCOME TAXES	(21,386)	27,970	6,584	(27,431)	(20,847)	26,928	6,081
7	TOTAL OPERATING EXPENSES	61,492	33,573 $	95,065	(34,165)	60,900	30,218	91,118
8	OPERATING INCOME	(16,090)	46,581 $	30,491	(44,953)	(14,462)	42,879	28,417
9	RATE BASE	295,553	$	295,553		291,732		291,732
	RATE OF RETURN	-5.44%		10.32%		-4.96%		9.74%

SSU/ TROPICAL ISLES
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	0	(80,154)
2 Billing determinants I-75	0	0
3 Imputed revenue for discounted service I-77	0	1,025
4 Miscellaneous non-utility income I-77	0	11
Total	0	(79,118)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	0	(69)
2 Correct attrition rate from 5.87% to 5.75% S-10	0	(22)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	0	(448)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	0	(470)
6 Hepatitis Amortization Adjustment I-86	0	(12)
7 Budgeted overtime to rate case expense S-11	0	(54)
8 Remove SSU proposed repression adjustment I-74	0	0
9 OAP Amortization I-86a	0	(62)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	0	(14)
12 Conservation Expense I-92	0	(241)
13 Current rate case expense I-93	0	152
14 Uniform Rate Docket-Reg. Comm. Exp I-94	0	(190)
15 Jurisdiction Docket Expense I-95	0	(39)
16 920199 rate case expense I-96	0	(375)
17 True-up budget adjustment I-99	0	(1,183)
18 Emply recognition normalization I-100	0	(19)
19 Gains/Losses I-105	0	0
Total	0	(3,046)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	0	(15)
3 Reallocate Common Plant River Park S-1	0	32
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	25
6 Marco ASR Cost Share I-51	0	0
Total	0	42
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	0	(3,560)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	8
4 Discounts received on property taxes S-14	0	(177)
Total	0	(3,730)
INCOME TAXES		
To adjust to test year income tax expense	0	(27,431)

SSU/ TROPICAL PARK
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	595,930	0	$	595,930	(90,964)	504,966
2	LAND & LAND RIGHTS		2,001	0		2,001	0	2,001
3	NON-USED & USEFUL COMPONENTS		(67,192)	0		(67,192)	16,690	(50,502)
4	ACCUMULATED DEPRECIATION		5,093	0		5,093	1,034	6,127
5	CIAC		(31,891)	(265)		(32,156)	0	(32,156)
6	AMORTIZATION OF CIAC		8,562	0		8,562	(74)	8,488
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(4,070)	0		(4,070)	0	(4,070)
10	DEFERRED INCOME TAXES		(9,419)	0		(9,419)	6,869	(2,550)
11	WORKING CAPITAL ALLOWANCE		23,575	0		23,575	(8,099)	15,476
12	OTHER		0	0		0	0	0
	RATE BASE	$	522,589	(265)	$	522,324	(74,545)	447,779

SSU/ TROPICAL PARK
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(91,160)	0
3 Realloc of River Park common plant S-1	196	0
Total	(90,964)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	16,690	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	1,132	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(98)	0
Total	1,034	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	(74)	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	(74)	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	7,360	0
2 Credit Deferred Taxes on Depreciation	(491)	0
Total	6,869	0
WORKING CAPITAL		
To reflect the plant specific allocation	(8,099)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ TROPICAL PARK
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	77,040	135,009 $	212,049	(91,786)	120,263	70,057	190,320
	OPERATING EXPENSES:						58.25%	
2	OPERATION AND MAINTENANCE	97,748	4,193 $	101,941	(3,310)	98,631 $		98,631
3	DEPRECIATION	23,097	0	23,097	(1,758)	21,339		21,339
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	12,470	5,872	18,342	(4,196)	14,146	3,153	17,299
6	INCOME TAXES	(33,422)	48,202	14,780	(31,154)	(16,374)	25,808	9,435
7	TOTAL OPERATING EXPENSES	99,893	58,267 $	158,160	(40,418)	117,742	28,961	146,703
8	OPERATING INCOME	(22,853)	76,742 $	53,889	(51,368)	2,521	41,096	43,617
9	RATE BASE	522,589	$	522,324		447,779		447,779
	RATE OF RETURN	-4.37%		10.32%		0.56%		9.74%

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SSU/ TROPICAL PARK
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(135,009)	0
2 Billing determinants I-75	43,195	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	28	0
Total	(91,786)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(171)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(55)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(773)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(1,166)	0
6 Hepatitis Amortization Adjustment I-86	(30)	0
7 Budgeted overtime to rate case expense S-11	(134)	0
8 Remove SSU proposed repression adjustment I-74	0	0
9 OAP Amortization I-86a	(155)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(34)	0
12 Conservation Expense I-92	(598)	0
13 Current rate case expense I-93	377	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(50)	0
15 Jurisdiction Docket Expense I-95	(97)	0
16 920199 rate case expense I-96	845	0
17 True-up budget adjustment I-99	(1,078)	0
18 Emply recognition normalization I-100	47	0
19 Gains/Losses I-105	(238)	0
Total	(3,310)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(2,152)	0
3 Reallocate Common Plant River Park S-1	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	394	0
6 Marco ASR Cost Share I-51	0	0
Total	(1,758)	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(4,130)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	109	0
4 Discounts received on property taxes S-14	(175)	0
Total	(4,196)	0
INCOME TAXES		
To adjust to test year income tax expense	(31,154)	0

SSU/UNIVERSITY SHORES
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	5,054,899	0	$	5,054,899	(21,792)	5,033,107
2	LAND & LAND RIGHTS		66,729	0		66,729	0	66,729
3	NON-USED & USEFUL COMPONENTS		0	0		0	(285,764)	(285,764)
4	ACCUMULATED DEPRECIATION		(1,293,254)	0		(1,293,254)	567	(1,292,687)
5	CIAC		(3,606,139)	(3,271)	0	(3,609,410)*	0	(3,609,410)
6	AMORTIZATION OF CIAC		989,111	0	0 0	989,111 * *	41,660	1,030,771
7	ACQUISITION ADJUSTMENTS - NET		(27,538)	0	0	(27,538)	0	(27,538)
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(25,348)	0		(25,348)	0	(25,348)
10	DEFERRED INCOME TAXES		120,120	0		120,120	711,101	831,221
11	WORKING CAPITAL ALLOWANCE		146,833	0		146,833	(50,446)	96,387
12	OTHER		0	0		0	0	0
	RATE BASE	$	1,425,413	(3,271)	$	1,422,142	395,327	1,817,469

SSU/UNIVERSITY SHORES
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1 UTILITY PLANT IN SERVICE	$	8,300,191	(3,328)	$ 8,296,863	(25,845)	8,271,018
2 LAND		593,294	0	593,294	0	593,294
3 NON-USED & USEFUL COMPONENTS		(253,914)	0	(253,914)	1,648	(252,266)
4 ACCUMULATED DEPRECIATION		(2,259,877)	5,648	(2,254,229)	5,046	(2,249,183)
5 CIAC		(4,214,457)	(5,817)	(4,220,274)	0	(4,220,274)
6 AMORTIZATION OF CIAC		1,121,038	0	1,121,038	28,235	1,149,273
7 ACQUISITION ADJUSTMENTS - NET		(51,126)	0	(51,126)	0	(51,126)
8 ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS		(23,706)	0	(23,706)	0	(23,706)
10 DEFERRED INCOME TAXES		111,044	0	111,044	839,623	950,667
11 WORKING CAPITAL ALLOWANCE		137,325	0	137,325	(47,179)	90,146
12 OTHER		2,187,839	0	2,187,839	0	2,187,839
RATE BASE	$	5,647,651	(3,497)	$ 5,644,154	801,527	6,445,681

SSU/UNIVERSITY SHORES ADJUSTMENTS TO RATE BASE TEST YEAR ENDED 12/31/96	SCHEDULE NO. 3-C DOCKET NO. 950495-WS PAGE 1 OF 1	
EXPLANATION	**WATER**	**WASTEWATER**
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-12	(23,011)	(26,985)
3 Realloc of River Park common plant S-1	1,219	1,140
Total	(21,792)	(25,845)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(285,764)	1,648
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	567	5,046
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(613)	(573)
Total	567	5,046
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	41,660	28,235
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	41,660	28,235
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	715,991	847,658
2 Credit Deferred Taxes on Depreciation	(4,890)	(8,035)
Total	711,101	839,623
WORKING CAPITAL		
To reflect the plant specific allocation	(50,446)	(47,179)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/UNIVERSITY SHORES
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	849,628	80,675 $	930,303	(80,503)	849,800	89,000	938,800
	OPERATING EXPENSES:						10.47%	
2	OPERATION AND MAINTENANCE	627,088	9,527 $	636,615	(16,545)	620,070 $		620,070
3	DEPRECIATION	45,773	0	45,773	(9,737)	36,036		36,036
4	AMORTIZATION	(860)	0	(860)	0	(860)		(860)
5	TAXES OTHER THAN INCOME	66,886	4,769	71,655	(6,364)	65,291	4,005	69,296
6	INCOME TAXES	4,725	25,672	30,397	(25,962)	4,435	32,787	37,221
7	TOTAL OPERATING EXPENSES	743,612	39,968 $	783,580	(58,608)	724,972	36,792	761,764
8	OPERATING INCOME	106,016	40,707 $	146,723	(21,895)	124,828	52,208	177,036
9	RATE BASE	1,425,413	$	1,422,142		1,817,469		1,817,469
	RATE OF RETURN	7.44%		10.32%		6.87%		9.74%

SSU/UNIVERSITY SHORES
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	1,818,512	590,293 $	2,408,805	(590,132)	1,818,673	620,487	2,439,160
	OPERATING EXPENSES						34.12%	
2	OPERATION AND MAINTENANCE	1,310,896	32,409 $	1,343,305	(41,933)	1,301,372 $		1,301,372
3	DEPRECIATION	205,201	0	205,201	(1,923)	203,278		203,278
4	AMORTIZATION	(1,522)	0	(1,522)	0	(1,522)		(1,522)
5	TAXES OTHER THAN INCOME	150,997	25,521	176,518	(31,725)	144,793	27,922	172,715
6	INCOME TAXES	(70,867)	173,863	102,996	(196,123)	(93,127)	228,582	135,455
7	TOTAL OPERATING EXPENSES	1,594,705	231,793 $	1,826,498	(271,704)	1,554,794	256,504	1,811,298
8	OPERATING INCOME	223,807	358,500 $	582,307	(318,428)	263,879	363,983	627,862
9	RATE BASE	5,647,651	$	5,644,154		6,445,681		6,445,681
	RATE OF RETURN	3.96%		10.32%		4.09%		9.74%

SSU/UNIVERSITY SHORES
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	(80,675)	(590,293)
2	Billing determinants I-75	0	0
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	172	161
	Total	(80,503)	(590,132)
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(1,066)	(997)
2	Correct attrition rate from 5.87% to 5.75% S-10	(345)	(322)
3	Keystone Heights APT expenses I-58	0	0
4	Hewitt study I-82	(4,814)	(6,466)
5	Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(7,261)	(6,791)
6	Hepatitis Amortization Adjustment I-86	(189)	(177)
7	Budgeted overtime to rate case expense S-11	(836)	(782)
8	Remove SSU proposed repression adjustment I-74	17,131	0
9	OAP Amortization I-86a	(963)	(901)
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(210)	(196)
12	Conservation Expense I-92	(3,723)	(3,482)
13	Current rate case expense I-93	2,349	2,197
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(309)	(289)
15	Jurisdiction Docket Expense I-95	(605)	(566)
16	920199 rate case expense I-96	5,266	(4,420)
17	True-up budget adjustment I-99	(19,194)	(17,080)
18	Emply recognition normalization I-100	(295)	(276)
19	Gains/Losses I-105	(1,481)	(1,385)
	Total	(16,545)	(41,933)
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage adjustment I-13	(675)	(2,821)
3	Reallocate Common Plant River Park S-1	500	468
4	Imputation of CIAC-MR I-48	0	0
5	Net used and useful adjustment	(9,562)	431
6	Marco ASR Cost Share I-51	0	0
	Total	(9,737)	(1,923)
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	(3,623)	(26,556)
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	(998)	(2,305)
4	Discounts received on property taxes S-14	(1,743)	(2,864)
	Total	(6,364)	(31,725)
	INCOME TAXES		
	To adjust to test year income tax expense	(25,962)	(196,123)

SSU/LAKE/VALENCIA TERRACE
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	300,976	0	$	300,976	(144)	300,832
2	LAND & LAND RIGHTS		2,476	0		2,476	0	2,476
3	NON-USED & USEFUL COMPONENTS		(664)	0		(664)	664	0
4	ACCUMULATED DEPRECIATION		(107,853)	0		(107,853)	(21)	(107,874)
5	CIAC		(18,432)	0		(18,432)	0	(18,432)
6	AMORTIZATION OF CIAC		6,561	0		6,561	0	6,561
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(3,373)	0		(3,373)	0	(3,373)
10	DEFERRED INCOME TAXES		(4,557)	0		(4,557)	(292)	(4,849)
11	WORKING CAPITAL ALLOWANCE		19,537	0		19,537	(6,712)	12,825
12	OTHER		0	0		0	0	0
	RATE BASE	$	194,671	0	$	194,671	(6,505)	188,166

SSU/LAKE/VALENCIA TERRACE
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	387,735	0	$	387,735	(144)	387,591
2	LAND		4,588	0		4,588	0	4,588
3	NON-USED & USEFUL COMPONENTS		(15,660)	0		(15,660)	8,152	(7,508)
4	ACCUMULATED DEPRECIATION		(135,099)	0		(135,099)	(21)	(135,120)
5	CIAC		(17,739)	0		(17,739)	0	(17,739)
6	AMORTIZATION OF CIAC		5,159	0		5,159	0	5,159
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(3,373)	0		(3,373)	0	(3,373)
10	DEFERRED INCOME TAXES		(6,329)	0		(6,329)	(377)	(6,706)
11	WORKING CAPITAL ALLOWANCE		19,537	0		19,537	(6,712)	12,825
12	OTHER		0	0		0	0	0
	RATE BASE	$	238,819	0	$	238,819	898	239,717

SSU/LAKE/VALENCIA TERRACE
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(306)	(306)
3 Realloc of River Park common plant S-1	162	162
Total	(144)	(144)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	664	8,152
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	61	61
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(82)	(82)
Total	(21)	(21)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	0	0
2 Credit Deferred Taxes on Depreciation	(292)	(377)
Total	(292)	(377)
WORKING CAPITAL		
To reflect the plant specific allocation	(6,712)	(6,712)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/LAKE/VALENCIA TERRACE
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	47,468	52,408 $	99,876	(52,997)	46,879	45,138	92,017
	OPERATING EXPENSES:						96.29%	
2	OPERATION AND MAINTENANCE	47,019	2,572 $	49,591	(4,417)	45,174 $		45,174
3	DEPRECIATION	15,973	0	15,973	96	16,069		16,069
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	4,038	4,907	8,945	(2,464)	6,481	2,031	8,512
6	INCOME TAXES	(12,049)	17,331	5,282	(17,978)	(12,696)	16,628	3,932
7	TOTAL OPERATING EXPENSES	54,981	24,810 $	79,791	(24,763)	55,028	18,660	73,688
8	OPERATING INCOME	(7,513)	27,598 $	20,085	(28,234)	(8,149)	26,478	18,329
9	RATE BASE	194,671	$	194,671		188,166		188,166
	RATE OF RETURN	-3.86%		10.32%		-4.33%		9.74%

SSU/LAKE/VALENCIA TERRACE
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	67,794	53,424 $	121,218	(53,401)	67,817	46,361	114,178
	OPERATING EXPENSES						68.36%	
2	OPERATION AND MAINTENANCE	62,491	3,108 $	65,599	(6,258)	59,341 $		59,341
3	DEPRECIATION	15,821	0	15,821	340	16,161		16,161
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	5,053	5,595	10,648	(2,418)	8,230	2,086	10,316
6	INCOME TAXES	(11,563)	16,074	4,511	(16,581)	(12,070)	17,079	5,008
7	TOTAL OPERATING EXPENSES	71,802	24,777 $	96,579	(24,917)	71,662	19,165	90,827
8	OPERATING INCOME	(4,008)	28,647 $	24,639	(28,484)	(3,845)	27,196	23,350
9	RATE BASE	238,819	$	238,819		239,717		239,717
	RATE OF RETURN	-1.68%		10.32%		-1.60%		9.74%

SSU/LAKE/VALENCIA TERRACE
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(52,408)	(53,424)
2 Billing determinants I-75	(612)	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	23	23
Total	(52,997)	(53,401)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(142)	(142)
2 Correct attrition rate from 5.87% to 5.75% S-10	(46)	(46)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(640)	(920)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(966)	(966)
6 Hepatitis Amortization Adjustment I-86	(25)	(25)
7 Budgeted overtime to rate case expense S-11	(111)	(111)
8 Remove SSU proposed repression adjustment I-74	0	0
9 OAP Amortization I-86a	(128)	(128)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(28)	(28)
12 Conservation Expense I-92	(495)	(495)
13 Current rate case expense I-93	312	312
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(390)	(390)
15 Jurisdiction Docket Expense I-95	(80)	(80)
16 920199 rate case expense I-96	(770)	(770)
17 True-up budget adjustment I-99	(869)	(2,430)
18 Emply recognition normalization I-100	(39)	(39)
19 Gains/Losses I-105	0	0
Total	(4,417)	(6,258)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(31)	(31)
3 Reallocate Common Plant River Park S-1	67	67
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	60	304
6 Marco ASR Cost Share I-51	0	0
Total	96	340
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(2,385)	(2,403)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	25	119
4 Discounts received on property taxes S-14	(104)	(134)
Total	(2,464)	(2,418)
INCOME TAXES		
To adjust to test year income tax expense	(17,978)	(16,581)

SSU/ VENETIAN VILLAGE
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	164,137	0	$	164,137	(43)	164,094
2	LAND & LAND RIGHTS		2,170	0		2,170	0	2,170
3	NON-USED & USEFUL COMPONENTS		(929)	0		(929)	82	(847)
4	ACCUMULATED DEPRECIATION		(45,731)	0		(45,731)	(7)	(45,738)
5	CIAC		(41,766)	(72)		(41,838)	0	(41,838)
6	AMORTIZATION OF CIAC		17,954	0		17,954	0	17,954
7	ACQUISITION ADJUSTMENTS - NET		11,929	0		11,929	0	11,929
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,019)	0		(1,019)	0	(1,019)
10	DEFERRED INCOME TAXES		(375)	0		(375)	2,105	1,730
11	WORKING CAPITAL ALLOWANCE		5,905	0		5,905	(2,029)	3,876
12	OTHER		0	0		0	0	0
	RATE BASE	$	112,275	(72)	$	112,203	109	112,312

SSU/ VENETIAN VILLAGE
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	196,216	0	$	196,216	(27)	196,189
2	LAND		17,700	0		17,700	0	17,700
3	NON-USED & USEFUL COMPONENTS		(6,987)	0		(6,987)	870	(6,117)
4	ACCUMULATED DEPRECIATION		(119,815)	0		(119,815)	(4)	(119,819)
5	CIAC		(144,951)	0		(144,951)	0	(144,951)
6	AMORTIZATION OF CIAC		87,001	0		87,001	0	87,001
7	ACQUISITION ADJUSTMENTS - NET		11,929	0		11,929	0	11,929
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(645)	0		(645)	0	(645)
10	DEFERRED INCOME TAXES		(1,114)	0		(1,114)	(70)	(1,184)
11	WORKING CAPITAL ALLOWANCE		3,734	0		3,734	(1,283)	2,451
12	OTHER		0	0		0	0	0
	RATE BASE	$	43,068	0	$	43,068	(515)	42,553

SSU/ VENETIAN VILLAGE
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(92)	(58)
3 Realloc of River Park common plant S-1	49	31
Total	(43)	(27)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	82	870
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	18	12
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(25)	(16)
Total	(7)	(4)
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	2,264	121
2 Credit Deferred Taxes on Depreciation	(159)	(191)
Total	2,105	(70)
WORKING CAPITAL		
To reflect the plant specific allocation	(2,029)	(1,283)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ VENETIAN VILLAGE
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	19,861	28,994 $	48,855	(20,383)	28,472	18,140	46,612
	OPERATING EXPENSES:						63.71%	
2	OPERATION AND MAINTENANCE	21,928	1,161 $	23,089	(744)	22,345 $		22,345
3	DEPRECIATION	5,962	0	5,962	11	5,973		5,973
4	AMORTIZATION	349	0	349	0	349		349
5	TAXES OTHER THAN INCOME	3,467	1,342	4,809	(974)	3,835	816	4,651
6	INCOME TAXES	(7,149)	10,221	3,072	(7,401)	(4,329)	6,682	2,353
7	TOTAL OPERATING EXPENSES	24,557	12,724 $	37,281	(9,108)	28,173	7,499	35,671
8	OPERATING INCOME	(4,696)	16,270 $	11,574	(11,275)	299	10,641	10,940
9	RATE BASE	112,275	$	112,203		112,312		112,312
	RATE OF RETURN	-4.18%		10.32%		0.27%		9.74%

SSU/ VENETIAN VILLAGE
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	29,773	14,609 $	44,382	16,150	60,532	(15,262)	45,270
	OPERATING EXPENSES						-25.21%	
2	OPERATION AND MAINTENANCE	30,877	893 $	31,770	298	32,068 $		32,068
3	DEPRECIATION	3,932	0	3,932	12	3,944		3,944
4	AMORTIZATION	331	0	331	0	331		331
5	TAXES OTHER THAN INCOME	3,348	603	3,951	674	4,625	(687)	3,938
6	INCOME TAXES	(4,587)	4,541	(46)	6,512	6,466	(5,622)	844
7	TOTAL OPERATING EXPENSES	33,901	6,037 $	39,938	7,496	47,434	(6,309)	41,125
8	OPERATING INCOME	(4,128)	8,572 $	4,444	8,654	13,098	(8,953)	4,145
9	RATE BASE	43,068	$	43,068		42,553		42,553
	RATE OF RETURN	-9.58%		10.32%		30.78%		9.74%

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SSU/ VENETIAN VILLAGE
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(28,994)	(14,609)
2 Billing determinants I-75	8,604	30,755
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	7	4
Total	(20,383)	16,150
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(43)	(27)
2 Correct attrition rate from 5.87% to 5.75% S-10	(14)	(9)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(194)	(176)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(292)	(185)
6 Hepatitis Amortization Adjustment I-86	(8)	(5)
7 Budgeted overtime to rate case expense S-11	(34)	(21)
8 Remove SSU proposed repression adjustment I-74	103	0
9 OAP Amortization I-86a	(39)	(24)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(8)	(5)
12 Conservation Expense I-92	(150)	(95)
13 Current rate case expense I-93	94	60
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(12)	(8)
15 Jurisdiction Docket Expense I-95	(24)	(15)
16 920199 rate case expense I-96	212	1,317
17 True-up budget adjustment I-99	(263)	(464)
18 Emply recognition normalization I-100	(12)	(7)
19 Gains/Losses I-105	(60)	(38)
Total	(744)	298
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(9)	(6)
3 Reallocate Common Plant River Park S-1	20	13
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	5
6 Marco ASR Cost Share I-51	0	0
Total	11	12
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(917)	727
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	15
4 Discounts received on property taxes S-14	(57)	(68)
Total	(974)	674
INCOME TAXES		
To adjust to test year income tax expense	(7,401)	6,512

SSU/ WELAKA/SARATOGA HARBOUR
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	222,772	0	$ 222,772	(2,671)	220,101
2	LAND & LAND RIGHTS		3,766	0	3,766	0	3,766
3	NON-USED & USEFUL COMPONENTS		(40,202)	0	(40,202)	(11,207)	(51,409)
4	ACCUMULATED DEPRECIATION		(73,025)	0	(73,025)	30	(72,995)
5	CIAC		(11,402)	(48)	(11,450)	0	(11,450)
6	AMORTIZATION OF CIAC		3,629	0	3,629	0	3,629
7	ACQUISITION ADJUSTMENTS - NET		0	0	0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(1,012)	0	(1,012)	0	(1,012)
10	DEFERRED INCOME TAXES		(3,240)	0	(3,240)	1,310	(1,930)
11	WORKING CAPITAL ALLOWANCE		5,861	0	5,861	(2,014)	3,847
12	OTHER		0	0	0	0	0
	RATE BASE	$	107,147	(48)	$ 107,099	(14,552)	92,547

SSU/ WELAKA/SARATOGA HARBOUR
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for plant slippage I-12	(2,720)	0
3 Realloc of River Park common plant S-1	49	0
Total	(2,671)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(11,207)	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	54	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(24)	0
Total	30	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	1,524	0
2 Credit Deferred Taxes on Depreciation	(214)	0
Total	1,310	0
WORKING CAPITAL		
To reflect the plant specific allocation	(2,014)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ WELAKA/SARATOGA HARBOUR
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	15,603	41,195 $	56,798	(11,644)	45,154	8,307	53,461
	OPERATING EXPENSES:						18.40%	
2	OPERATION AND MAINTENANCE	27,462	1,257 $	28,719	(638)	28,081 $		28,081
3	DEPRECIATION	7,393	0	7,393	(388)	7,005		7,005
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	6,149	745	6,894	184	7,078	374	7,452
6	INCOME TAXES	(12,377)	15,120	2,743	(3,895)	(1,152)	3,060	1,908
7	TOTAL OPERATING EXPENSES	28,627	17,122 $	45,749	(4,737)	41,012	3,434	44,446
8	OPERATING INCOME	(13,024)	24,073 $	11,049	(6,907)	4,142	4,873	9,015
9	RATE BASE	107,147	$	107,099		92,547		92,547
	RATE OF RETURN	-12.16%		10.32%		4.48%		9.74%

SSU/ WELAKA/SARATOGA HARBOUR
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(41,195)	0
2 Billing determinants I-75	29,544	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	7	0
Total	(11,644)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(43)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(14)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(192)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(290)	0
6 Hepatitis Amortization Adjustment I-86	(8)	0
7 Budgeted overtime to rate case expense S-11	(33)	0
8 Remove SSU proposed repression adjustment I-74	199	0
9 OAP Amortization I-86a	(38)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(6)	0
12 Conservation Expense I-92	(149)	0
13 Current rate case expense I-93	94	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(12)	0
15 Jurisdiction Docket Expense I-95	(24)	0
16 920199 rate case expense I-96	210	0
17 True-up budget adjustment I-99	(261)	0
18 Emply recognition normalization I-100	(12)	0
19 Gains/Losses I-105	(59)	0
Total	(638)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	0	0
3 Reallocate Common Plant River Park S-1	20	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	(408)	0
6 Marco ASR Cost Share I-51	0	0
Total	(388)	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(524)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	260	0
4 Discounts received on property taxes S-14	(76)	0
Total	184	0
INCOME TAXES		
To adjust to test year income tax expense	(3,895)	0

SSU/ WESTMONT
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	65,416	0	$	65,416	(42)	65,374
2	LAND & LAND RIGHTS		401	0		401	0	401
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(31,628)	0		(31,628)	(6)	(31,634)
5	CIAC		(26,841)	(43)		(26,884)	0	(26,884)
6	AMORTIZATION OF CIAC		9,239	0		9,239	(404)	8,835
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(982)	0		(982)	0	(982)
10	DEFERRED INCOME TAXES		1,457	0		1,457	(759)	698
11	WORKING CAPITAL ALLOWANCE		5,687	0		5,687	(1,954)	3,733
12	OTHER		0	0		0	0	0
	RATE BASE	$	22,749	(43)	$	22,706	(3,165)	19,541

SSU/ WESTMONT
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(89)	0
3 Realloc of River Park common plant S-1	47	0
Total	(42)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	18	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(24)	0
Total	(6)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	(404)	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	(404)	0
DEFERRED INCOME TAXES		
1 Debt Deferred Taxes on CIAC	(695)	0
2 Credit Deferred Taxes on Depreciation	(64)	0
Total	(759)	0
WORKING CAPITAL		
To reflect the plant specific allocation	(1,954)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ WESTMONT
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	25,224	18,128 $	43,352	(10,576)	32,776	10,781	43,557
	OPERATING EXPENSES:						32.89%	
2	OPERATION AND MAINTENANCE	35,579	(535) $	35,044	781	35,825 $		35,825
3	DEPRECIATION	2,594	0	2,594	10	2,604		2,604
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	1,981	860	2,841	(499)	2,342	485	2,827
6	INCOME TAXES	(6,339)	6,868	529	(4,104)	(3,575)	3,971	397
7	TOTAL OPERATING EXPENSES	33,815	7,193 $	41,008	(3,811)	37,197	4,457	41,653
8	OPERATING INCOME	(8,591)	10,935 $	2,344	(6,765)	(4,421)	6,324	1,903
9	RATE BASE	22,749	$	22,706		19,541		19,541
	RATE OF RETURN	-37.76%		10.32%		-22.62%		9.74%

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SSU/ WESTMONT
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(18,128)	0
2 Billing determinants I-75	7,545	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	7	0
Total	(10,576)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(41)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(13)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(186)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(281)	0
6 Hepatitis Amortization Adjustment I-86	(7)	0
7 Budgeted overtime to rate case expense S-11	(32)	0
8 Remove SSU proposed repression adjustment I-74	1,591	0
9 OAP Amortization I-86a	(37)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(8)	0
12 Conservation Expense I-92	(144)	0
13 Current rate case expense I-93	91	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(12)	0
15 Jurisdiction Docket Expense I-95	(23)	0
16 920199 rate case expense I-96	204	0
17 True-up budget adjustment I-99	(253)	0
18 Empty recognition normalization I-100	(11)	0
19 Gains/Losses I-105	(57)	0
Total	761	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(9)	0
3 Reallocate Common Plant River Park S-1	19	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	10	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(476)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(23)	0
Total	(499)	0
INCOME TAXES		
To adjust to test year income tax expense	(4,104)	0

SSU/ WINDSONG
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	170,406	0	$	170,406	(469)	169,937
2	LAND & LAND RIGHTS		13,326	0		13,326	0	13,326
3	NON-USED & USEFUL COMPONENTS		0	0		0	0	0
4	ACCUMULATED DEPRECIATION		(46,158)	0		(46,158)	4	(46,154)
5	CIAC		(81,179)	(506)		(81,685)	0	(81,685)
6	AMORTIZATION OF CIAC		21,593	0		21,593	(221)	21,372
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(787)	0		(787)	0	(787)
10	DEFERRED INCOME TAXES		(2,276)	0		(2,276)	5,441	3,165
11	WORKING CAPITAL ALLOWANCE		4,559	0		4,559	(1,566)	2,993
12	OTHER		0	0		0	0	0
	RATE BASE	$	79,484	(506)	$	78,978	3,189	82,167

SSU/ WINDSONG
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(507)	0
3 Realloc of River Park common plant S-1	38	0
Total	(469)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	0	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	23	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(19)	0
Total	4	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	(221)	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	(221)	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	5,606	0
2 Credit Deferred Taxes on Depreciation	(165)	0
Total	5,441	0
WORKING CAPITAL		
To reflect the plant specific allocation	(1,566)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ WINDSONG
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	16,806	28,951 $	45,757	(6,979)	38,778	5,975	44,753
	OPERATING EXPENSES:						15.41%	
2	OPERATION AND MAINTENANCE	25,414	1,037 $	26,451	(445)	26,006 $		26,006
3	DEPRECIATION	5,058	0	5,058	(9)	5,049		5,049
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	2,736	1,359	4,095	(373)	3,722	269	3,991
6	INCOME TAXES	(8,249)	10,254	2,005	(2,503)	(498)	2,201	1,703
7	TOTAL OPERATING EXPENSES	24,959	12,650 $	37,609	(3,330)	34,279	2,470	36,749
8	OPERATING INCOME	(8,153)	16,301 $	8,148	(3,649)	4,499	3,505	8,004
9	RATE BASE	79,484	$	78,978		82,167		82,167
	RATE OF RETURN	-10.26%		10.32%		5.48%		9.74%

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SSU/ WINDSONG
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(28,951)	0
2 Billing determinants I-75	21,967	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	5	0
Total	(6,979)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(33)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(11)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(149)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(225)	0
6 Hepatitis Amortization Adjustment I-86	(6)	0
7 Budgeted overtime to rate case expense S-11	(26)	0
8 Remove SSU proposed repression adjustment I-74	209	0
9 OAP Amortization I-86a	(30)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(7)	0
12 Conservation Expense I-92	(116)	0
13 Current rate case expense I-93	73	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(10)	0
15 Jurisdiction Docket Expense I-95	(19)	0
16 920199 rate case expense I-96	163	0
17 True-up budget adjustment I-99	(203)	0
18 Emply recognition normalization I-100	(9)	0
19 Gains/Losses I-105	(46)	0
Total	(445)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(25)	0
3 Reallocate Common Plant River Park S-1	16	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	0
6 Marco ASR Cost Share I-51	0	0
Total	(9)	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(314)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(59)	0
Total	(373)	0
INCOME TAXES		
To adjust to test year income tax expense	(2,503)	0

SSU/ WOODMERE
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	1,684,101	0	$ 1,684,101	(4,834)	1,679,267
2	LAND & LAND RIGHTS		42,626	0	42,626	0	42,626
3	NON-USED & USEFUL COMPONENTS		0	0	0	(8,182)	(8,182)
4	ACCUMULATED DEPRECIATION		(854,241)	0	(854,241)	8	(854,233)
5	CIAC		(647,570)	(117)	(647,687)	0	(647,687)
6	AMORTIZATION OF CIAC		253,375	0	253,375	0	253,375
7	ACQUISITION ADJUSTMENTS - NET		0	0	0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(8,746)	0	(8,746)	0	(8,746)
10	DEFERRED INCOME TAXES		5,520	0	5,520	128,944	134,464
11	WORKING CAPITAL ALLOWANCE		50,666	0	50,666	(17,407)	33,259
12	OTHER		0	0	0	0	0
	RATE BASE	$	525,731	(117)	$ 525,614	98,529	624,143

SSU/ WOODMERE
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	2,787,053	(2,000)	$ 2,785,053	(9,541)	2,775,512
2	LAND		6,340	0	6,340	0	6,340
3	NON-USED & USEFUL COMPONENTS		0	0	0	0	0
4	ACCUMULATED DEPRECIATION		(1,158,823)	6,209	(1,152,614)	117	(1,152,497)
5	CIAC		(991,238)	(245)	(991,483)	0	(991,483)
6	AMORTIZATION OF CIAC		0	0	0	0	0
7	ACQUISITION ADJUSTMENTS - NET		533,699	0	533,699	0	533,699
8	ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(8,409)	0	(8,409)	0	(8,409)
10	DEFERRED INCOME TAXES		(7,592)	0	(7,592)	206,857	199,265
11	WORKING CAPITAL ALLOWANCE		48,713	0	48,713	(16,736)	31,977
12	OTHER		0	0	0	0	0
	RATE BASE	$	1,209,743	3,964	$ 1,213,707	180,697	1,394,404

SSU/ WOODMERE
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(5,255)	(9,945)
3 Realloc of River Park common plant S-1	421	404
Total	(4,834)	(9,541)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(8,182)	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	220	320
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(212)	(203)
Total	8	117
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	130,575	209,553
2 Credit Deferred Taxes on Depreciation	(1,631)	(2,696)
Total	128,944	206,857
WORKING CAPITAL		
To reflect the plant specific allocation	(17,407)	(16,736)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ WOODMERE
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	330,673	45,352 $	376,025	(76,961)	299,064	89,604	388,668
	OPERATING EXPENSES:						29.96%	
2	OPERATION AND MAINTENANCE	218,138	6,194 $	224,332	5,707	230,039 $		230,039
3	DEPRECIATION	55,089	0	55,089	(602)	54,487		54,487
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	28,148	2,466	30,614	(4,101)	26,513	4,032	30,545
6	INCOME TAXES	(2,393)	14,156	11,763	(31,972)	(20,209)	33,009	12,801
7	TOTAL OPERATING EXPENSES	298,982	22,816 $	321,798	(30,968)	290,830	37,041	327,871
8	OPERATING INCOME	31,691	22,536 $	54,227	(45,993)	8,234	52,562	60,797
9	RATE BASE	525,731	$	525,614		624,143		624,143
	RATE OF RETURN	6.03%		10.32%		1.32%		9.74%

SSU/ WOODMERE
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	609,374	216,995 $	826,369	(193,369)	633,000	288,231	921,231
	OPERATING EXPENSES						45.53%	
2	OPERATION AND MAINTENANCE	491,698	14,375 $	506,073	65,350	571,423 $		571,423
3	DEPRECIATION	91,988	0	91,988	(245)	91,743		91,743
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	79,479	10,504	89,983	(9,663)	80,320	12,970	93,291
6	INCOME TAXES	(50,343)	63,450	13,107	(90,341)	(77,234)	106,182	28,948
7	TOTAL OPERATING EXPENSES	612,822	88,329 $	701,151	(34,898)	666,253	119,152	785,405
8	OPERATING INCOME	(3,448)	128,666 $	125,218	(158,471)	(33,253)	169,079	135,826
9	RATE BASE	1,209,743	$	1,213,707		1,394,404		1,394,404
	RATE OF RETURN	-0.29%		10.32%		-2.38%		9.74%

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SSU/ WOODMERE
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
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	EXPLANATION	WATER	WASTEWATER
	OPERATING REVENUES		
1	Remove requested final revenue increase	(45,352)	(216,995)
2	Billing determinants I-75	(31,668)	23,569
3	Imputed revenue for discounted service I-77	0	0
4	Miscellaneous non-utility income I-77	59	57
	Total	(76,961)	(193,369)
	OPERATION & MAINTENANCE EXPENSE		
1	Reallocate salary of SSU's president S-8	(368)	(354)
2	Correct attrition rate from 5.87% to 5.75% S-10	(119)	(98)
3	Keystone Heights APT expenses I-58	0	0
4	Hewitt study I-82	(1,661)	(2,294)
5	Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(2,506)	(2,409)
6	Hepatitis Amortization Adjustment I-86	(65)	(63)
7	Budgeted overtime to rate case expense S-11	(288)	(277)
8	Remove SSU proposed repression adjustment I-74	3,378	0
9	OAP Amortization I-86a	(332)	(3,678)
10	Purchased power Deltona Lakes I-88	0	0
11	Amortize Hurricane Preparedness Program S-13	(72)	(70)
12	Conservation Expense I-92	(1,285)	(1,235)
13	Current rate case expense I-93	810	779
14	Uniform Rate Docket-Reg. Comm. Exp I-94	(107)	(103)
15	Jurisdiction Docket Expense I-95	(209)	(201)
16	920199 rate case expense I-96	1,877	82,001
17	True-up budget adjustment I-99	7,267	(6,059)
18	Emply recognition normalization I-100	(102)	(98)
19	Gains/Losses I-105	(511)	(491)
	Total	5,707	65,350
	DEPRECIATION EXPENSE-NET		
1	BVL Transfer I-11	0	0
2	Plant slippage adjustment I-13	(202)	(411)
3	Reallocate Common Plant River Park S-1	173	166
4	Imputation of CIAC-MR I-48	0	0
5	Net used and useful adjustment	(574)	0
6	Marco ASR Cost Share I-51	0	0
	Total	(602)	(245)
	AMORTIZATION EXPENSE		
	Marco Island Deferred Debit	0	
	TAXES OTHER THAN INCOME		
1	RAFs on revenue adjustments above	(3,463)	(8,702)
2	Reg Fees Marco Island I-107	0	0
3	Non-used and useful property taxes I-108	(56)	0
4	Discounts received on property taxes S-14	(582)	(961)
	Total	(4,101)	(9,663)
	INCOME TAXES		
	To adjust to test year income tax expense	(31,972)	(90,341)

SSU/ WOOTENS
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	35,711	0	$	35,711	(6)	35,705
2	LAND & LAND RIGHTS		65	0		65	0	65
3	NON-USED & USEFUL COMPONENTS		(678)	0		(678)	10	(668)
4	ACCUMULATED DEPRECIATION		(5,772)	0		(5,772)	(1)	(5,773)
5	CIAC		(3,929)	0		(3,929)	0	(3,929)
6	AMORTIZATION OF CIAC		896	0		896	0	896
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(157)	0		(157)	0	(157)
10	DEFERRED INCOME TAXES		1,009	0		1,009	(752)	257
11	WORKING CAPITAL ALLOWANCE		912	0		912	(313)	599
12	OTHER		0	0		0	0	0
	RATE BASE	$	28,057	0	$	28,057	(1,063)	26,994

SSU/ WOOTENS
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
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EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(14)	0
3 Realloc of River Park common plant S-1	8	0
Total	(6)	0
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	10	0
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	3	0
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(4)	0
Total	(1)	0
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	0	0
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	0	0
DEFERRED INCOME TAXES		
1 Debit Deferred Taxes on CIAC	(717)	0
2 Credit Deferred Taxes on Depreciation	(35)	0
Total	(752)	0
WORKING CAPITAL		
To reflect the plant specific allocation	(313)	0
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ WOOTENS
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	2,392	12,642 $	15,034	(7,092)	7,942	6,788	14,730
	OPERATING EXPENSES:						85.47%	
2	OPERATION AND MAINTENANCE	8,290	303 $	8,593	(117)	8,476 $		8,476
3	DEPRECIATION	1,627	0	1,627	2	1,629		1,629
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	552	583	1,135	(12)	1,123	305	1,429
6	INCOME TAXES	(3,751)	4,534	783	(2,717)	(1,934)	2,501	567
7	TOTAL OPERATING EXPENSES	6,718	5,420 $	12,138	(2,844)	9,294	2,806	12,100
8	OPERATING INCOME	(4,326)	7,222 $	2,896	(4,248)	(1,352)	3,982	2,629
9	RATE BASE	28,057	$	28,057		26,994		26,994
	RATE OF RETURN	-15.42%		10.32%		-5.01%		9.74%

SSU/ WOOTENS
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(12,642)	0
2 Billing determinants I-75	5,549	0
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	1	0
Total	(7,092)	0
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(7)	0
2 Correct attrition rate from 5.87% to 5.75% S-10	(2)	0
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(30)	0
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(45)	0
6 Hepatitis Amortization Adjustment I-86	(1)	0
7 Budgeted overtime to rate case expense S-11	(5)	0
8 Remove SSU proposed repression adjustment I-74	55	0
9 OAP Amortization I-86a	(6)	0
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(1)	0
12 Conservation Expense I-92	(23)	0
13 Current rate case expense I-93	15	0
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(44)	0
15 Jurisdiction Docket Expense I-95	(4)	0
16 920199 rate case expense I-96	33	0
17 True-up budget adjustment I-99	(41)	0
18 Emply recognition normalization I-100	(2)	0
19 Gains/Losses I-105	(9)	0
Total	(117)	0
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(1)	0
3 Reallocate Common Plant River Park S-1	3	0
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	(0)	0
6 Marco ASR Cost Share I-51	0	0
Total	2	0
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(319)	0
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	0	0
4 Discounts received on property taxes S-14	(12)	0
Total	(12)	0
INCOME TAXES		
To adjust to test year income tax expense	(2,717)	0

SSU/ ZEPHYR SHORES
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS		ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	251,223	0	$	251,223	(154)	251,069
2	LAND & LAND RIGHTS		2,872	0		2,872	0	2,872
3	NON-USED & USEFUL COMPONENTS		(4,145)	0		(4,145)	(0)	(4,145)
4	ACCUMULATED DEPRECIATION		(88,742)	0		(88,742)	(22)	(88,764)
5	CIAC		(67,699)	0		(67,699)	0	(67,699)
6	AMORTIZATION OF CIAC		22,101	0		22,101	(46)	22,055
7	ACQUISITION ADJUSTMENTS - NET		0	0		0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0		0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(3,628)	0		(3,628)	0	(3,628)
10	DEFERRED INCOME TAXES		(2,589)	0		(2,589)	25,643	23,054
11	WORKING CAPITAL ALLOWANCE		21,013	0		21,013	(7,219)	13,794
12	OTHER		0	0		0	0	0
	RATE BASE	$	130,406	0	$	130,406	18,202	148,608

SSU/ ZEPHYR SHORES
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

	COMPONENT		TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996
1	UTILITY PLANT IN SERVICE	$	536,753	0	$ 536,753	(9,040)	527,713
2	LAND		47,262	0	47,262	0	47,262
3	NON-USED & USEFUL COMPONENTS		(51,730)	0	(51,730)	1,199	(50,531)
4	ACCUMULATED DEPRECIATION		(129,727)	0	(129,727)	118	(129,609)
5	CIAC		(122,094)	0	(122,094)	0	(122,094)
6	AMORTIZATION OF CIAC		44,743	0	44,743	(1,678)	43,065
7	ACQUISITION ADJUSTMENTS - NET		0	0	0	0	0
8	ADVANCES FOR CONSTRUCTION		0	0	0	0	0
9	UNFUNDED POST-RETIRE. BENEFITS		(3,613)	0	(3,613)	0	(3,613)
10	DEFERRED INCOME TAXES		(4,080)	0	(4,080)	42,793	38,713
11	WORKING CAPITAL ALLOWANCE		20,926	0	20,926	(7,189)	13,737
12	OTHER		0	0	0	0	0
	RATE BASE	$	338,440	0	$ 338,440	26,203	364,643

SSU/ ZEPHYR SHORES
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 3-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
PLANT IN SERVICE		
1 BVL transfer I-11	0	0
2 To adjust for Plant Slippage/Double Bookings I-13	(328)	(9,214)
3 Realloc of River Park common plant S-1	174	174
Total	(154)	(9,040)
LAND		
1 Lehigh land Parcels 1, 2, and 3 PHFU S-2	0	0
2 Lehigh land, Parcel 4, Tract C PHFU I-6	0	0
3 Collier pits land cost I-7	0	0
4 Section 35 PHFU I-9	0	0
5 Deltona Lakes PHFU I-10	0	0
6 BVL transfer I-11	0	0
Total	0	0
NON-USED AND USEFUL		
To reflect net non-used and useful adjustment	(0)	1,199
ACCUMULATED DEPRECIATION		
1 BVL transfer I-11	0	0
2 Plant Slippage/Double Bookings I-13	66	205
3 Reverse Depr on prior N-U/U assets I-46	0	0
4 Realloc of River Park Common Plant S-1	(88)	(87)
Total	(22)	118
CIAC		
1 BVL transfer I-11	0	0
2 Imputation of CIAC-MR I-48	0	0
3 Marco ASR Cost Share I-51	0	0
Total	0	0
ACCUM. AMORT. OF CIAC		
1 Deltona Lakes correction-water S-4	0	0
2 BVL transfer I-11	0	0
3 Correction for Guideline rates I-47	(46)	(1,678)
4 Imputation of CIAC-MR I-48	0	0
5 Marco ASR Cost Share I-51	0	0
Total	(46)	(1,678)
DEFERRED INCOME TAXES		
1 Debti Deferred Taxes on CIAC	25,887	43,306
2 Credit Deferred Taxes on Depreciation	(244)	(513)
Total	25,643	42,793
WORKING CAPITAL		
To reflect the plant specific allocation	(7,219)	(7,189)
OTHER		
Marco Island deferred debit-water I-62	0	

SSU/ ZEPHYR SHORES
STATEMENT OF WATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-A
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	53,801	70,757 $	124,558	(66,735)	57,823	61,188	119,011
	OPERATING EXPENSES:						105.82%	
2	OPERATION AND MAINTENANCE	84,019	499 $	84,518	(5,978)	78,540 $		78,540
3	DEPRECIATION	13,207	0	13,207	40	13,247		13,247
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	6,712	3,271	9,983	(3,088)	6,895	2,753	9,649
6	INCOME TAXES	(22,444)	25,840	3,396	(22,837)	(19,441)	22,541	3,100
7	TOTAL OPERATING EXPENSES	81,494	29,610 $	111,104	(31,863)	79,241	25,295	104,536
8	OPERATING INCOME	(27,693)	41,147 $	13,454	(34,872)	(21,418)	35,893	14,476
9	RATE BASE	130,406	$	130,406		148,608		148,608
	RATE OF RETURN	-21.24%		10.32%		-14.41%		9.74%

SSU/ ZEPHYR SHORES
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-B
DOCKET NO. 950495-WS

	DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1996	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	115,246	71,932 $	187,178	(99,481)	87,697	94,917	182,614
	OPERATING EXPENSES						108.23%	
2	OPERATION AND MAINTENANCE	102,155	4,632 $	106,787	(6,429)	100,358 $		100,358
3	DEPRECIATION	20,606	0	20,606	(200)	20,406		20,406
4	AMORTIZATION	0	0	0	0	0		0
5	TAXES OTHER THAN INCOME	16,456	2,524	18,980	(4,561)	14,419	4,271	18,690
6	INCOME TAXES	(17,099)	22,987	5,888	(33,214)	(27,326)	34,967	7,641
7	TOTAL OPERATING EXPENSES	122,118	30,143 $	152,261	(44,404)	107,857	39,238	147,095
8	OPERATING INCOME	(6,872)	41,789 $	34,917	(55,077)	(20,160)	55,679	35,519
9	RATE BASE	338,440	$	338,440		364,643		364,643
	RATE OF RETURN	-2.03%		10.32%		-5.53%		9.74%

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SSU/ ZEPHYR SHORES
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/96

SCHEDULE NO. 4-C
DOCKET NO. 950495-WS
PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
OPERATING REVENUES		
1 Remove requested final revenue increase	(70,757)	(71,932)
2 Billing determinants I-75	3,997	(27,573)
3 Imputed revenue for discounted service I-77	0	0
4 Miscellaneous non-utility income I-77	25	24
Total	(66,735)	(99,481)
OPERATION & MAINTENANCE EXPENSE		
1 Reallocate salary of SSU's president S-8	(153)	(152)
2 Correct attrition rate from 5.87% to 5.75% S-10	(49)	(49)
3 Keystone Heights APT expenses I-58	0	0
4 Hewitt study I-82	(689)	(985)
5 Lobbying/Acquisition salaries & misc. exp. I-83 & I-84	(1,039)	(1,035)
6 Hepatitis Amortization Adjustment I-86	(27)	(27)
7 Budgeted overtime to rate case expense S-11	(120)	(119)
8 Remove SSU proposed repression adjustment I-74	(2,970)	0
9 OAP Amortization I-86a	(138)	(137)
10 Purchased power Deltona Lakes I-88	0	0
11 Amortize Hurricane Preparedness Program S-13	(30)	(30)
12 Conservation Expense I-92	(533)	(531)
13 Current rate case expense I-93	336	335
14 Uniform Rate Docket-Reg. Comm. Exp I-94	(44)	(44)
15 Jurisdiction Docket Expense I-95	(87)	(86)
16 920199 rate case expense I-96	754	(713)
17 True-up budget adjustment I-99	(935)	(2,603)
18 Emply recognition normalization I-100	(42)	(42)
19 Gains/Losses I-105	(212)	(211)
Total	(5,978)	(6,429)
DEPRECIATION EXPENSE-NET		
1 BVL Transfer I-11	0	0
2 Plant slippage adjustment I-13	(33)	(311)
3 Reallocate Common Plant River Park S-1	72	71
4 Imputation of CIAC-MR I-48	0	0
5 Net used and useful adjustment	0	40
6 Marco ASR Cost Share I-51	0	0
Total	40	(200)
AMORTIZATION EXPENSE		
Marco Island Deferred Debit	0	
TAXES OTHER THAN INCOME		
1 RAFs on revenue adjustments above	(3,003)	(4,477)
2 Reg Fees Marco Island I-107	0	0
3 Non-used and useful property taxes I-108	2	98
4 Discounts received on property taxes S-14	(87)	(183)
Total	(3,088)	(4,561)
INCOME TAXES		
To adjust to test year income tax expense	(22,837)	(33,214)