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**ORIGINAL  
FILE COPY**

**DIRECT TESTIMONY OF GARY S. MORSE  
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION  
on behalf of  
SOUTHERN STATES UTILITIES, INC.  
AND DELTONA UTILITIES, INC.  
DOCKET NO. 920199-WS**

DOCUMENT NUMBER-DATE  
08058 JUL 22 1992  
FPSC-RECORDS/REPORTING

1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A. My name is Gary S. Morse. My business address  
3 is Southern States Utilities, Inc., 1000 Color  
4 Place, Apopka, Florida 32703.

5 Q. WHAT IS YOUR POSITION WITH SOUTHERN STATES  
6 UTILITIES, INC.?

7 A. I serve as Senior Rate Engineer under the  
8 Director of Rates and Rate Engineering for  
9 Southern States Utilities, Inc.

10 Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

11 A. I received an Associate's Degree in Civil  
12 Technology from Delhi College in 1972. In 1974,  
13 I received a Bachelors Degree from the University  
14 of Central Florida in the field of Engineering.  
15 In addition, I have attended a number of schools,  
16 seminars, conferences, workshops and short  
17 courses on utility rate making, cost of service,  
18 rate design, and treatment system operation and  
19 design sponsored by various professional  
20 associations, universities, and accounting firms.

21 Q. HOW LONG HAVE YOU BEEN EMPLOYED IN THE UTILITY  
22 INDUSTRY AND WHAT POSITIONS HAVE YOU HELD?

23 A. Prior to my employment as Senior Rate Engineer  
24 at Southern States Utilities, Inc., I've held  
25 various positions within the rates and revenue

1 requirements areas. Upon graduating in 1974, I  
2 was employed as an engineer for the water and  
3 sewer section of the Florida Public Service  
4 Commission ("Commission"). In 1979 I left the  
5 Commission for a position as a Utility Consultant  
6 with Plantec Corporation which was a subsidiary  
7 of Reynolds, Smith, and Hill Consulting  
8 Engineers. In 1981, I took a position with R.W.  
9 Beck and Associates as a Rate Analyst in the rate  
10 department. In 1985, I was one of several  
11 employees that left R.W. Beck and Associates to  
12 form the consulting firm of Saffer Utility  
13 Consultants, Inc.. The firm provided rate and  
14 regulatory services to municipal/governmental  
15 entities involved in supplying water, sewer,  
16 electric and gas service. In 1990 I left the  
17 firm to join the consulting engineering firm of  
18 Dyer, Riddle, Mills, and Precourt, Inc. as a rate  
19 engineer. In August of 1990, I became employed  
20 by Southern States Utilities, Inc. as a Senior  
21 Rate Engineer.

22 Q. TO WHAT TRADE AND/OR PROFESSIONAL ORGANIZATIONS  
23 DO YOU BELONG?

24 A. I am a member of the American Water Works  
25 Association and the Florida Chapter of the

1 National Association of Water Companies.

2 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE FLORIDA  
3 PUBLIC SERVICE COMMISSION?

4 A. Yes. During my five years as an engineer with the  
5 Commission, I testified in numerous water and  
6 sewer rate proceedings.

7 Q. WHAT ARE YOUR RESPONSIBILITIES AS SENIOR RATE  
8 ENGINEER?

9 A. As Senior Rate Engineer, I am responsible for  
10 activities related to water and wastewater rate  
11 case preparation. This includes the preparation  
12 of Minimum Filing Requirement Schedules which  
13 contain the engineering information ("F"  
14 Schedules), the determination of Service  
15 Availability Charges and Allowance for Funds  
16 Prudently Invested ("AFPI") charges as well as  
17 the determination of reclaimed water charges for  
18 reuse water. In addition, I perform used and  
19 useful analyses in connection with rate cases and  
20 new system acquisitions or other such special  
21 projects requested by Senior Management.

22 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS  
23 PROCEEDING?

24 A. The purpose of my direct testimony is to briefly  
25 describe the information that is contained in the

1 Commission's Minimum Filing Requirement Schedules  
2 F-1 through F-10 as presented in Volume II, Book  
3 11 of 11 (Water) and Volume III, Book 6 of 6  
4 (Wastewater) of the rate application.  
5 Specifically, my testimony will address the F-1  
6 through F-10 Schedules for the water and  
7 wastewater systems in the following counties:  
8 Brevard, Clay, Hernando, Highlands, Lake, Nassau,  
9 Orange, Osceola, Pasco, Putnam, and Seminole  
10 Counties. Mr. Gerald C. Hartman will present  
11 direct testimony pertaining to the F-1 through F-  
12 10 Schedules for the systems in the following  
13 counties: Citrus, Collier, Duval, Lee/Charlotte,  
14 Marion, Martin, Volusia, and Washington Counties.  
15 In addition, I will discuss the sources of the  
16 information and the rationale used in completing  
17 these schedules. I am also sponsoring Volume I,  
18 Book 4 of 4 of the Minimum Filing Requirements  
19 which contains the development of AFPI charges.

20 **Q. WERE THESE SUMMARIES AND SCHEDULES PREPARED BY**  
21 **YOU OR UNDER YOUR DIRECTION AND SUPERVISION?**

22 **A. Yes, they were.**

23 **Q. WOULD YOU DESCRIBE THE "F" SCHEDULES CONTAINED**  
24 **IN VOLUME II, BOOK 11 (ENGINEERING INFORMATION -**  
25 **WATER)?**

1       A.    Book 11 of Volume II presents Schedules F-1  
2            through F-10 of the Minimum Filing Requirements  
3            for each water system.  Schedule F-1 is entitled  
4            "Gallons of Water Pumped, Sold, and Unaccounted  
5            For."  Column 2 of this schedule indicates the  
6            "Total Gallons Pumped" for the historic test year  
7            period January 1, 1991 through December 31, 1991.  
8            These numbers are taken directly from the monthly  
9            Water Treatment Plant Operation Report submitted  
10           to the Florida Department of Environmental  
11           Regulation ("FDER").  These reports are provided  
12           in Volume IV, Books 5 and 6, Additional  
13           Engineering Information.  
14           Column 3 of Schedule F-1, entitled "Gallons  
15           Purchased", is applicable only to a select few  
16           systems where water is purchased to either  
17           supplement our supply or is the sole source of  
18           supply for the water system.  The data in this  
19           column comes from the bills received from the  
20           supplier each month.  
21           Column 4 of Schedule F-1, entitled "Gallons  
22           Sold", is derived from information contained in  
23           the billing analysis.  
24           Column 5 of Schedule F-1 is entitled "Other Uses"  
25           and is expressed in thousands of gallons.  As

1 indicated on the bottom of the table, "Other  
2 Uses" is broken into Flushing of lines, Utility  
3 Use, Water Main Breaks, Unmetered and Stuck  
4 Meters, and Fire Dept. Use.  
5 Columns 6 and 7 of Schedule F-1 show the  
6 resulting "Unaccounted For Water" in thousands  
7 of gallons and as a percentage, respectively.  
8 The unaccounted for water information is  
9 sponsored by Mr. Charles Sweat and is further  
10 discussed in his direct testimony.

11 Q. WOULD YOU DESCRIBE THE INFORMATION CONTAINED ON  
12 SCHEDULE F-3 IN VOLUME II, BOOK 11 (WATER)?

13 A. Schedule F-3 is entitled "Water Treatment Plant  
14 Data." Part 1 of the schedule shows the rated  
15 plant capacity. The source of this data is the  
16 FDER permit. I have added a line to include the  
17 firm reliable capacity of the treatment plant  
18 based on the largest unit being out of service.  
19 Part 2 requests the maximum day demand which is  
20 defined as being the single day with the highest  
21 pumpage rate for the test year. The source of  
22 this data is the monthly FDER Water Treatment  
23 Plant Operation Reports. Part 3 requests  
24 information on the "Five-Day Max Month" demand,  
25 which is defined as "the five days with the

1 highest pumpage rate from the month with the  
2 highest pumping rate during the test year." The  
3 average of these five figures is also requested,  
4 but has no real bearing upon the planning and/or  
5 design of a water system. The average of the  
6 five maximum consecutive days of the maximum  
7 month of the historic test year may be a  
8 significant factor in the planning of a very  
9 large systems; however, this information is not  
10 requested in Schedule F-3. Part 4 requests  
11 information on the "Five-Day Max Year" demand,  
12 which is defined as "the five days with the  
13 highest pumpage rate from any one month in the  
14 test year." Here again, the monthly FDER Water  
15 Treatment Plant Operation Reports were the source  
16 of this data. Part 5 requests the "Average Daily  
17 Flow" during the test year which is a calculated  
18 value. Its source again is the monthly FDER  
19 Water Treatment Plant Operation Reports. Part 6  
20 is the "Required Fire Flow" for the water system.  
21 Typically, the source of this data is the  
22 Insurance Services Office "Fire Suppression  
23 Rating Schedule" dated June, 1980 or the County  
24 Fire Code Ordinance. Copies of local county  
25 ordinances, where applicable, are included in the



1 Appendix of Volume II, Book 11 of 11.

2 Q. WOULD YOU DESCRIBE THE "F" SCHEDULES CONTAINED  
3 IN VOLUME III, BOOK 6 (ENGINEERING INFORMATION -  
4 WASTEWATER)?

5 A. Book 6 of Volume III presents Schedules F-2, F-  
6 4, F-6, F-7, F-8 and F-10 of the Minimum Filing  
7 Requirements for each wastewater system.

8 Q. WOULD YOU DESCRIBE THE INFORMATION CONTAINED ON  
9 SCHEDULE F-4 IN VOLUME III, BOOK 6 (WASTEWATER)?

10 A. Schedule F-4 is entitled "Wastewater Treatment  
11 Plant Data" and indicates the overall rated  
12 capacity of the wastewater treatment facilities  
13 and some basic information concerning the flows  
14 during the historic 1991 test year. The  
15 treatment plant capacity is that which is  
16 approved by the FDER and noted on the operating  
17 permit. Copies of the current FDER operating  
18 permits are provided in Volume IV of the rate  
19 filing.

20 Q. WOULD YOU DESCRIBE THE INFORMATION CONTAINED ON  
21 SCHEDULE F-5 IN VOLUME II, BOOK 11 (WATER)?

22 A. Schedule F-5 is entitled "Used and Useful  
23 Calculations - Water Treatment Plant." As the  
24 title indicates, Schedule F-5 presents the used  
25 and useful analysis proposed by the Company for

1 water supply, treatment (if any), storage,  
2 pumping facilities, and the water distribution  
3 system for the 1991 test year. The used and  
4 useful methodology is described in detail in the  
5 Introduction section at the front of Volume II.

6 **Q. WOULD YOU DESCRIBE THE INFORMATION CONTAINED ON**  
7 **SCHEDULE F-6 IN VOLUME III, BOOK 6 (WASTEWATER)?**

8 **A.** Schedule F-6 is entitled "Used and Useful  
9 Calculations - Wastewater Treatment Plant." As  
10 the title indicates, Schedule F-6 presents the  
11 used and useful analysis proposed by the Company  
12 for wastewater treatment plants, the effluent  
13 disposal systems, and the collection systems.  
14 Data specific to the treatment plant is shown at  
15 the top of the Schedule and is referred to as  
16 Input Data. This data includes some basic  
17 information contained in the FDER operating  
18 permits, the average daily flow during the  
19 maximum month of the test year, a determination  
20 of usage per equivalent residential connection  
21 ("ERC") and the average number of ERCs connected  
22 to the system. For those particular systems  
23 requiring a margin reserve, the margin reserve  
24 flow and margin reserve growth are shown on lines  
25 21 and 22, respectively. The resulting used and

1           useful determination with the margin reserve  
2           taken into consideration is shown on line 23 for  
3           the wastewater plant, line 24 for the effluent  
4           disposal system, and line 25 for the collection  
5           system.

6           **Q.    WOULD YOU DESCRIBE THE INFORMATION CONTAINED ON**  
7           **SCHEDULE F-7 IN VOLUME II, BOOK 11 AND VOLUME**  
8           **III, BOOK 6 FOR THE WATER AND WASTEWATER SYSTEMS,**  
9           **RESPECTIVELY?**

10          **A.    Schedule F-7 is entitled "Used and Useful**  
11          **Calculation - Water Distribution and Wastewater**  
12          **Collection Systems." As the title indicates,**  
13          **this schedule is generic to both water and**  
14          **wastewater systems. However, the used and useful**  
15          **determination for the water distribution systems**  
16          **is shown on Schedule F-5 and the used and useful**  
17          **determination for wastewater collection systems**  
18          **is shown on Schedule F-6.**

19          **Q.    WOULD YOU DESCRIBE THE INFORMATION CONTAINED ON**  
20          **SCHEDULE F-8 IN VOLUME II, BOOK 11 AND VOLUME**  
21          **III, BOOK 6 FOR THE WATER AND WASTEWATER SYSTEMS,**  
22          **RESPECTIVELY?**

23          **A.    Schedule F-8 is entitled "Margin Reserve**  
24          **Calculations" and is generic to both water and**  
25          **wastewater systems. A description of the margin**

1           reserve determination is contained in the  
2           Introduction at the front of Volume II Book 11  
3           for water systems and Volume III Book 6 for  
4           wastewater systems. The margin reserve is  
5           computed for an eighteen month period of time for  
6           treatment plants and one year for distribution  
7           and collection systems. However, for large  
8           utility systems, it often takes more time to  
9           design, permit, and construct treatment  
10          facilities. Mr. Hartman will address this issue  
11          in more detail in his direct testimony.

12          **Q. WOULD YOU DESCRIBE THE INFORMATION CONTAINED IN**  
13          **SCHEDULE F-9 IN VOLUME II, BOOK 11 FOR WATER**  
14          **SYSTEMS?**

15          A. Schedule F-9 is entitled "Equivalent Residential  
16          Connections -Water." This schedule provides the  
17          beginning of year, end of year, and average  
18          number of ERCs for each of the last five years,  
19          including the test year. The source of the data  
20          is the company's billing records for actively  
21          metered customers. The average growth for the  
22          last five years is calculated in column 9 as  
23          required.

24          **Q. WOULD YOU DESCRIBE THE INFORMATION CONTAINED IN**  
25          **SCHEDULE F-10 IN VOLUME III, BOOK 6 FOR**

1           **WASTEWATER SYSTEMS?**

2           A.    Schedule F-10        is    entitled    "Equivalent  
3           Residential Connections - Sewer." This schedule  
4           provides the same basic information for the  
5           wastewater systems as contained in Schedule F-9  
6           for the water systems. The source of the data is  
7           the company's billing records.

8           **Q.    IS THERE A SUMMARY OF THE USED AND USEFUL**  
9           **PERCENTAGES AND THE ASSET ACCOUNTS TO WHICH THEY**  
10          **ARE APPLIED FOR THE WATER AND WASTEWATER SYSTEMS?**

11          A.    Yes. A summary of the non-used and useful  
12          percentages by asset account is contained in  
13          Volume I, Book 1 of 4 behind tabs "W-Schedule F"  
14          and "WW-Schedule F".

15          **Q.    DID YOU CALCULATE THE NON USED AND USEFUL**  
16          **PERCENTAGES CONTAINED IN THE SUMMARY?**

17          A.    Yes, I did.

18          **Q.    DO YOU HAVE ANY CORRECTIONS YOU WOULD LIKE TO**  
19          **MAKE TO THE "F" SCHEDULES PREPARED BY YOU?**

20          A.    Yes. The first correction I have is to Schedule  
21          F-5, the used and useful model for the Beechers  
22          Point water system contained in Volume II Book 11  
23          of 11 on page 46. Lines 26 and 27 show that  
24          there is two hydropneumatic tanks with capacities  
25          of 5,000 and 15,000 gallons. That is incorrect.

1 This system is equipped with one 3,000 gallon  
2 hydro tank. Therefore, the correct used and  
3 useful percentage for the 3,000 gallon tank is  
4 63%.

5 Q. I SHOW YOU EXHIBIT \_\_\_\_ (GSM-1) UNDER COVER PAGE  
6 ENTITLED "SCHEDULE F-5 (CORRECTED) - BEECHERS  
7 POINT." WAS THIS EXHIBIT PREPARED BY YOU OR  
8 UNDER YOUR DIRECTION AND SUPERVISION?

9 A. Yes, it was.

10 Q. COULD YOU BRIEFLY DESCRIBE THIS EXHIBIT?

11 A. Exhibit \_\_\_\_ (GSM-1) is a corrected Schedule F-5  
12 for the Beechers Point water system to reflect  
13 the change I just discussed.

14 Q. DO YOU HAVE A CORRECTION YOU WOULD LIKE TO MAKE  
15 TO SCHEDULE F-5 FOR THE AMELIA ISLAND WATER  
16 SYSTEM?

17 A. Yes. During the preparation of this schedule,  
18 three high service pumps were not included in the  
19 used and useful determination for the water  
20 system. They are identified as 680, 340, and 160  
21 GPM pumps located at the repump station.

22 Q. I SHOW YOU EXHIBIT \_\_\_\_ (GSM-2) UNDER COVER PAGE  
23 ENTITLED "SCHEDULE F-5 (CORRECTED) - AMELIA  
24 ISLAND." WAS THIS EXHIBIT PREPARED BY YOU OR  
25 UNDER YOUR DIRECTION AND SUPERVISION?

1       A.    Yes, it was.

2       **Q.    COULD YOU BRIEFLY DESCRIBE THIS EXHIBIT?**

3       A.    Exhibit \_\_\_\_ (GSM-2) is a corrected Schedule F-5  
4           for the Amelia Island water system. As indicated  
5           in this exhibit, I have added the three high  
6           service pumps to the used and useful model on  
7           lines 20, 21, and 22 of column (b). This  
8           correction changes the used and useful percentage  
9           for the high service pumps from 86% to 75% for  
10          the test year before the application of any  
11          margin reserve.

12       **Q.    I SHOW YOU EXHIBIT \_\_\_\_ (GSM-3) UNDER COVER PAGE**  
13       **ENTITLED "SCHEDULE F-8 (CORRECTED) - AMELIA**  
14       **ISLAND." WAS THIS EXHIBIT PREPARED BY YOU OR**  
15       **UNDER YOUR DIRECTION AND SUPERVISION?**

16       A.    Yes, it was.

17       **Q.    COULD YOU BRIEFLY DESCRIBE THIS EXHIBIT?**

18       A.    This exhibit contains a corrected Schedule F-8  
19           for the Amelia Island water system to reflect the  
20           correct used and useful percentage on line 8 for  
21           the high service pumps. As indicated in Exhibit  
22           \_\_\_\_ (GSM-3), after the application of the margin  
23           reserve, the used and useful percentage is 80%  
24           rather than 92% as originally filed and shown on  
25           page 11 of Volume II, Book 11.

1 Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?

2 A. Yes, it does.



**SCHEDULE F-5 (CORRECTED) - BEECHERS POINT**

# USED AND USEFUL CALCULATIONS

## Water Treatment Plant

Company: SSU / Putnam / Beechers Point

Docket No. 920199-WS  
 Test Year Ended: 12/31/91

FPSC Docket No. 920199-WS  
 Gary S. Morse Exh. No. 1  
 Schedule F-5(Corrected)  
 Page 1 of 1  
 Exhibit No. \_\_\_\_\_ (GSM-1)

Explanation: Provide all calculations, analyses and governmental requirements used to determine the used and useful percentages for the water treatment plant(s).

Recap Schedules: A-9,B-19

Line No.	Description	Beechers Point
INPUT DATA SECTION		
		(a)
1	Total Gallons Pumped (000's)	6,995
2	Annual Average Daily Demand	19,000
3	Maximum Day Demand - Date	06/21/91
4	Maximum Day Gallons Pumped	62,000
5	Gallons Per Minute Pumped	43
6	Fire Flow Requirement (Gallons)	N/A
7	Fire Flow Requirement (GPM)	N/A
8	Beginning No. of ERCs	70
9	Ending No. of ERCs	89
10	Average No. of ERCs	80
Supply Wells: (Acct No.304.2, 307.2, 308.2, 309.2)		
11	No. 1 (GPM Capacity)largest	45
12	No. 2 (GPM Capacity)	40
13	No. 3 (GPM Capacity)	0
14	Total Well Capacity (GPM)	85
15	Percent Used and Useful	100%
Finished Water Storage: (Account No. 330.4)		
16	Tank No. 1	40,000
17	Tank No. 2	0
18	Tank No. 3	0
19	Total Storage Capacity in Gallons	40,000
20	Percent Used and Useful	52%
High Service Pumps: (Account No. 311.2, 325.0_)		
21	No. 1 & 4 (Capacity in GPM)	125
22	No. 2 & 5 (Capacity in GPM)	125
23	No. 3 & 6 (Capacity in GPM)	0
24	Total High Service Pump Capacity	250
25	Percent Used and Useful	69%
Hydropneumatic Tanks: (Account No. 320.3, or 330.4)		
26	Tank No. 1	3,000
27	Tank No. 2	0
28	Total Hydro Tanks (Gallons)	3,000
29	Percent Used and Useful (Tank No. 1)	63%
30	Percent Used and Useful (Tank No. 2)	
31	Auxiliary Power: (Acct 310.2)	N/A
Distribution System: (Acct No. 331.4 & 335.4)		
32	Average No. of ERCs	80
33	Permitted No. of Lots/ERCs	85
34	Percent Used and Useful	100% (1)

Note: Buildings, Land, and Chlorination Equipment are considered 100% used and useful.

(1) Distribution system considered 100% used and useful due to customer distribution and pipe sizes.

Exhibit \_\_\_\_ (GSM-2)  
Cover Page

**SCHEDULE F-5 (CORRECTED) - AMELIA ISLAND**

# USED AND USEFUL CALCULATIONS

## Water Treatment Plant

Company: SSU / Nassau / Amelia Island

Docket No. 920199-WS

Test Year Ended: 12/31/91

FPSC Docket No. 920199-WS

Gary S. Morse Exh. No. 2

Schedule F-5 (Corrected)

Page 1 of 1

Exhibit No. \_\_\_\_\_ (GSM-2)

Explanation: Provide all calculations, analyses and governmental requirements used to determine the used and useful percentages for the water treatment plant(s).

Test Year Ending: 1991 w/o Margin Reserve

Line No.	Description	Amelia Island	Amelia Island Cont.	Amelia Island Fire Protect
	INPUT DATA SECTION	(a)	(b)	(c)
1	Total Gallons Pumped (000's)	302,070		
2	Annual Average Daily Demand	827,589		
3	Maximum Day Demand - Date	08/12/91		
4	Maximum Day Gallons Pumped	1,333,000		
5	Gallons Per Minute Pumped	926		
6	Fire Flow Requirement (Gallons)	180,000		480,000
7	Fire Flow Requirement (GPM)	1,000		2,000
8	Beginning No. of ERCs	1,602		
9	Ending No. of ERCs	1,865		
10	Average No. of ERCs	1,733		
	Supply Wells: (Acct No. 304.2, 307.2, 308.2, 309.2)			
11	No. 1 (GPM Capacity) largest	1,400		
12	No. 2 (GPM Capacity)	1,400		
13	Total Well Capacity (GPM)	2,800		
14	Percent Used and Useful	66%		
	Finished Water Storage: (Account No. 330.4)			
15	Tank No. 1	600,000		400,000
16	Total Storage Capacity in Gallons	600,000		400,000
17	Percent Used and Useful	100%		100%
	High Service Pumps: (Account No. 311.2, 325.0_)			
18	(Capacity in GPM)	1,875 (2)	620 (3)	1,000
19	(Capacity in GPM)	1,270 (2)	310 (3)	1,000
20	(Capacity in GPM)	625 (2)	680 (3)	1,000
21	(Capacity in GPM)	500 (2)	340 (3)	
22	(Capacity in GPM)		160 (3)	
23	Total High Service Pump Capacity	6,380		3,000
24	Percent Used and Useful w/largest pump at each plant out of service	75%		100%
	Hydropneumatic Tanks: (Account No. 320.3, or 330.4)			
25	Tank No. 1	10,000		10,000
26	Total Hydro Tanks (Gallons)	10,000		10,000
27	Percent Used and Useful	100%		100%
28	Auxiliary Power: (Acct. 310.2)	100%		100%
	Distribution System: (Acct No. 331.4 & 335.4)			
29	Average No. of ERCs	1,733		
30	Permitted No. of Lots/ERCs	1,700		
31	Percent Used and Useful	100%		

NOTE (1) Buildings, Land, Aeration, and Chlorination Equipment are considered 100% used and useful.  
 (2) Main Plant High Service Pumps.  
 (3) Repump Station High Service Pumps.

Exhibit \_\_\_ (GSM-3)  
Cover Page

**SCHEDULE F-8 (CORRECTED) - AMELIA ISLAND**

**MARGIN RESERVE CALCULATIONS - WATER**

Company: SSU / Nassau / Amelia Island

Docket No. 920199-WS  
 Test Year Ended: 12/31/91

FPSC Docket No. 920199-WS  
 Gary S. Morse Exh. No. 3  
 Schedule F-8 (Corrected)  
 Page 1 of 1  
 Exhibit No. \_\_\_\_\_ (GSM-3)

Explanation: If a margin reserve is requested, provide all calculations and analyses used to determine the amount of margin reserve for each portion of used and useful plant.

Recap Schedules: F-5, F-6, F-7

Line No.	Description	Amelia Island
		(a)
1	Annual Growth From Schedule F-9	7.0%
2	Average Number Of Test Year ERC's	1,733
3	Number Of ERCs Associated With 1.5 Years Growth	181
4	Projected Number Of ERCs	1,914
5	Test Year Usage Per ERC @ MDD	769
6	MDD 1.5 Years Into Future	1,472,350
	<b>Used and Useful with Margin Reserve:</b>	
7	Supply Wells	73%
8	High Service Pumps	80%