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REPLY TO:

October 26, 1992

Mr. Steve Tribble, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0850

HAND DELIVERY

Re: FPSC Docket No. ~~920655-118~~

920199-WS

14

Dear Mr. Tribble:

Enclosed herewith for filing in the above-referenced docket are the following:

1. Original and fifteen copies of Southern States Utilities, Inc.'s Modifications to Draft Prehearing Order; and
2. A disk in Word Perfect 5.0 containing a copy of the document named "GIGA.2PRE".

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely,

Kenneth A. Hoffman
Kenneth A. Hoffman

ACM _____
 APJ _____
 APT _____
 CPT _____
 CPT _____
 CPT _____
 EAC _____
 LKAH/rl
 Enclosures
 cc: Brian P. Armstrong, Esq.
 CPT _____
 CPT _____
 CPT _____
 CPT _____

DOCUMENT NUMBER-DATE
12525 OCT 26 1992
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Southern)
States Utilities, Inc. and Deltona)
Utilities, Inc. for Increased)
Water and Wastewater Rates in)
Citrus, Nassau, Seminole, Osceola,)
Duval, Putnam, Charlotte, Lee,)
Lake, Orange, Marion, Volusia,)
Martin, Clay, Brevard, Highlands,)
Collier, Pasco, Hernando, and)
Washington Counties.)

Docket No. 920199-WS
Filed: October 26, 1992

**SOUTHERN STATES UTILITIES, INC.'S
MODIFICATIONS TO DRAFT PREHEARING ORDER**

SOUTHERN STATES UTILITIES, INC. and DELTONA UTILITIES, INC.
(hereafter collectively referred to as "Southern States"),
modifications to the draft Prehearing Order issued on Friday,
October 23, 1992 are as follows:

IV. ORDER OF WITNESSES

Add the following Southern States rebuttal witnesses:

Rebuttal

Arend J. Sandbulte

Bert T. Phillips

Forrest L. Ludsen

Bruce E. Gangnon

Charles L. Sweat

Gerald C. Hartman

Judy Kimball

Charles E. Wood

Scott W. Vierima

V. BASIC POSITION

Southern States Position: In the third paragraph of Southern
States' basic position, the number \$18,006,393 should be changed

to \$17,998,776 and the number \$5,071,970 should be changed to \$5,064,353.

VI. ISSUES AND POSITIONS

Add or modify the following Southern States positions and/or witnesses for the indicated issues. Otherwise, there are no changes to these items as stated in the draft Prehearing Order:

ISSUE OPC 1 (page 11 of Draft)

Southern States Position: No. Although the Commission is not compelled to adopt SFAS 106, it has in fact adopted the accrual accounting principles of SFAS 106 for ratemaking purposes in recent orders. See Order No. PSC-92-0708-FOF-TL, at 35-36, issued July 24, 1992 (United Telephone rate case) and final order in Docket No. 910890-EI (Florida Power Corporation rate case). The issue is not one of legal compulsion but rather whether SFAS 106 expenses are prudently and necessarily incurred. The Company believes these costs are prudently incurred and should be recovered from customers.

ISSUE OPC 2 (page 11 of Draft)

Southern States Position: No. However, the Commission should apply the accrual accounting principles of SFAS 106 for ratemaking purposes consistent with its recent orders. Such principles are consistent with the ratemaking goal of requiring current ratepayers to pay for benefits earned and accrued and services provided by current employees. The Commission has recently applied the SFAS 106 method for recovering expenses for other post-employment benefits in the United Telephone and Florida Power Corporation rate

cases. No reason exists to deviate from the Commission's policy in this rate case. The remaining question is whether such costs or projected costs are prudently and necessarily incurred. The Company believes these costs are prudently incurred and therefore should be recovered from ratepayers.

ISSUE OPC 3 (page 12 of Draft)

Southern States Position: Yes, because such expenses were calculated in accordance with SFAS 106 and this methodology has been adopted by the Commission for the purpose of providing reliable or sufficiently certain estimates of such expenses.

ISSUE OPC 4 (page 12 of Draft)

Southern States Position: No. The inclusion of SSU's requested SFAS 106 expenses will not violate the prohibition against retroactive ratemaking as this term is interpreted under Florida law. Since the final rates derived from this proceeding will be applied only on a prospective basis following the effective date of such rates, there will be no violation of the prohibition against retroactive ratemaking.

ISSUE OPC 7 (page 14 of Draft)

Southern States Position: Yes. Commission policy and precedents historically grant water and wastewater utilities a margin reserve in the calculation of used and useful plant in order to promote economies of scale in the construction of plant, comply with DER requirements, and permit the utility to recover a return on prudent investment necessary to meet its statutory obligation to serve.

Southern States Witness: Hartman and Morse.

ISSUE OPC 13 (page 18 of Draft)

Southern States Position: No. Acquisition efforts represent an activity and are not a separate business unit such as water, wastewater and gas. As such, they do not utilize the full facilities of the Company. Acquisition efforts are normally conducted by Topeka Group, Inc. and reflect minimal involvement by SSU until such time as the acquisition is final. Acquisition efforts involve only a few individuals at SSU and their time should be charged below the line. Therefore, any allocation would involve only a de minimus amount of space. Any such costs are offset by benefits received through reduced allocation of common costs to customers as a result of the acquisition.

Southern States Witness: Kimball.

ISSUE OPC 14 (page 18 of Draft)

Southern States Position: Yes. The gas business has been allocated costs based on the number of customers consistent with the water and wastewater business. Merchandising is an activity within the gas business and is not a business unit in and of itself, and therefore, should not be treated separately from gas. In addition, the gas business is generally over-allocated common costs because it receives allocated costs associated with regulatory requirements which do not apply to the non-regulated gas business.

Southern States Witness: Ludsen.

ISSUE 7 (page 19 of Draft)

Southern States Position: Yes, agree with Staff.

Southern States Witness: Lewis.

ISSUE 8 (page 19 of Draft)

Southern States Position: Yes.

Southern States Witness: Gangnon.

ISSUE 10 (page 20 of Draft)

Southern States Position: Yes. The Company is collecting through rates the OPEBs net of the deferred tax expense. Since there is no current tax deductible method to fund these benefits available to the Company it is appropriate for the ratepayers to pay the carrying costs on those taxes.

Southern States Witness: Gangnon.

ISSUE 12 (page 21 of Draft)

Southern States Witness: Lewis and Vierima.

ISSUE 13 (page 22 of Draft)

Southern States Witness: Kimball.

ISSUE 14 (page 23 of Draft)

Southern States Position: The date "December 23, 1991" in the first sentence should be changed to "May, 1992."

ISSUE 15 (page 24 of Draft)

Southern States Position: Southern States' decision to interconnect these systems was prudent.

Southern States Witness: Hartman.

ISSUE 17 (page 24 of Draft)

Southern States Position: The appropriate number of ERCs for Sugarmill Woods is 9054 as was used in Docket No. 900329-WS.

Southern States Witness: Hartman.

ISSUE HJ8 (page 25 of Draft)

Southern States Position: Yes. Southern States used the correct fire flow figure based upon Citrus County Ordinance No. 86-10.

Southern States Witness: Hartman.

ISSUE HJ9 (page 26 of Draft)

Southern States Position: Yes. Southern States correctly deducted two 600 GPM wells in calculating the used and useful percentages for the water supply wells.

Southern States Witness: Hartman.

ISSUE 18 (page 26 of Draft)

Southern States Position: Add the phrase "and is entitled to recover" on the third line of the exiting position after the word "spent", so the position reads in its entirety: "Yes. The well currently is providing service to our customers and was providing service prior to the test year. The Company has spent and is entitled to recover \$9,800 to correct problems with the well and place it back in service. This investment also should be considered in this proceeding. The Company already is negatively impacted by the absence of O&M expenses associated with running this well. If the Commission goes beyond the 1991 test year to determine plant in service and adjust used and useful downward, it also must make upward adjustments."

Southern States Witness: Morse.

ISSUE 20 (page 27 of Draft)

Southern States Position: Yes.

Southern States Witness: Kimball.

ISSUE 22 (page 28 of Draft)

Southern States Position: No.

Southern States Witness: Lewis.

ISSUE 23A (page 29 of Draft)

Southern States Position: Yes, per the Company's response to Staff Interrogatory No. 100.

Southern States Witness: Kimball.

ISSUE 23B (page 29 of Draft)

Southern States Position: The sentence "CIAC in November 1990 before the new Salt Springs Water Plant was transferred to plant in-service, totalled \$21,426.50" should be deleted. The last sentence should be revised to read "The loss which would be recognized on this retirement is \$11,143.14 which should be amortized as an extraordinary retirement."

Southern States Witness: Kimball.

ISSUE 24 (page 30 of Draft)

Southern States Position: All plant improvements at Fox Run were prudent investments and should be included in rate base. These improvements include the improvements proposed by SSU and approved by the Commission in Order No. 21408. Order No. 21408 did not require SSU to construct plant improvements at Fox Run.

Southern States Witness: Hartman.

ISSUE 27 (page 31 of Draft)

Southern States Position: Yes. The River Park No. 2 plant is providing service to our customers and was providing service prior to the test year. The Company is entitled to recover the necessary investment incurred to correct problems with this plant and place it back in service. This investment also should be considered in this proceeding. The Company already is negatively impacted by the absence of O&M expenses associated with running this well. If the Commission goes beyond the 1991 test year to determine plant in service and adjust used and useful downward, it also must make upward adjustments.

Southern States Witness: Morse.

ISSUE 32 (page 33 of Draft)

Southern States Position: Delete last two sentences in Southern States' position so that it now reads: "Land to be included in rate base is set forth in the MFRs. The Deltona land which was controversial in previous Docket No. 900329-WS has been adjusted by the Company based upon appraisals of original cost performed by independent appraisers."

Southern States Witness: Kimball.

ISSUE 33 (page 33 of Draft)

Southern States Position: Yes, agree with Staff.

Southern States Witness: Lewis.

ISSUE 41 (page 38 of Draft)

Southern States Position: Yes, agree with Staff.

Southern States Witness: Lewis.

ISSUE 42 (page 39 of Draft)

Southern States Position: Yes, agree with Staff.

Southern States Witness: Lewis.

ISSUE 43 (page 40 of Draft)

Southern States Position: No.

Southern States Witness: Lewis.

ISSUE 44 (page 40 of Draft)

Southern States Position: Yes, agree with Staff.

Southern States Witness: Lewis.

ISSUE 45 (page 41 of Draft)

Southern States Position: Yes, agree with Staff.

Southern States Witness: Lewis.

ISSUE 46 (page 41 of Draft)

Southern States Witness: Lewis and Vierima.

ISSUE 47 (page 42 of Draft)

Southern States Position: Yes, agree with Staff.

Southern States Witness: Lewis.

ISSUE OPC 23 (page 43 of Draft)

Southern States Position: No, the gains on the condemnations of the non-jurisdictional St. Augustine Shores water system and the non-rate base University Shores wastewater facilities should be retained by Southern States and should not be applied to reduce Southern States' revenue requirements for the reasons stated in Mr. Sandbulte's rebuttal testimony.

Southern States Witness: Sandbulte.

ISSUE OPC 24 (page 44 of Draft)

Southern States Position: No.

Southern States Witness: Vierma.

ISSUE 48 (page 44 of Draft)

Southern States Witness: Lewis.

ISSUE 52 (page 46 of Draft)

Southern States Witness: Gangnon.

ISSUE 53 (page 46 of Draft)

Southern States Position: No. The average capital structure for the test period ended 12/31/91 did not include a short-term debt component. Therefore, the capital structure per the MFRs is appropriate. The application of projected capital costs and structure without concurrent adjustments for plant additions and expense escalation conflicts with the Commission's acceptance of a historic test year for this filing.

Southern States Witness: Vierima.

ISSUE OPC 66 (page 47 of Draft)

Southern States Position: No. This issue was decided by the court in Marco Island Utilities v. Public Service Commission, 566 So.2d 1325 (Fla. 1st DCA 1990).

Southern States Witness: Vierima.

ISSUE OPC 70 (page 48 of Draft)

Southern States Position: No weather normalized study has been presented by any party to this proceeding. With the diversity of systems located throughout the State, weather normalization is not meaningful since many other factors affect revenues as much if

not more such as the economy, the level of rates and conservation measures.

Southern States Witness: Loucks.

ISSUE OPC 70-A (page 49 of Draft)

Southern States Position: Agree with Staff.

Southern States Witness: Loucks.

ISSUE 55 (page 49 of Draft)

Southern States Witness: Phillips.

ISSUE 56 (page 50 of Draft)

Southern States Position: Delete the first sentence. The word "these" in the first line of the position should be changed to "A&G".

ISSUE OPC 75 (page 50 of Draft)

Southern States Position: No. Acquisition efforts represent an activity and are not a separate business unit such as water, wastewater and gas. As such, they do not utilize the full facilities of the Company. Acquisition efforts are normally conducted by Topeka Group, Inc. and reflect minimal involvement by SSU until such time as the acquisition is final. Acquisition efforts involve only a few individuals at SSU and their time should be charged below the line. Therefore, any allocation would involve only a de minimus amount of space. Any such costs are offset by benefits received through reduced allocation of common costs to customers as a result of the acquisition.

Southern States Witness: Kimball.

ISSUE OPC 76 (page 51 of Draft)

Southern States Position: Yes. The gas business has been allocated costs based on the number of customers consistent with the water and wastewater business. Merchandising is an activity within the gas business and is not a business unit in and of itself, and therefore, should not be treated separately from gas. In addition, the gas business is generally over-allocated common costs because it receives allocated costs associated with regulatory requirements which do not apply to the non-regulated gas business.

Southern States Witness: Ludsen.

ISSUE OPC 77 (page 51 of Draft)

Southern States Position: No.

Southern States Witness: Vierima.

ISSUE 58 (page 52 of Draft)

Southern States Witness: Ludsen.

ISSUE OPC 82 (page 54 of Draft)

Southern States Position: No. The adoption of SFAS 106 will not change the ultimate amount of OPEBs but will impact the period in which the expenses are incurred, i.e., such expenses will be accrued when services are performed.

Southern States Witness: Gangnon.

ISSUE OPC 4-A (page 55 of Draft)

Southern States Position: No. The change to the accrual method of accounting is to match the OPEB expenses with the related employee services. The fact that a transition obligation arises

due to the change from pay-as-you-go to the accrual method is not a recovery of costs which should have been recovered in a past case. In fact, the costs would be recovered in the future under the cash method.

Southern States Witness: Gangnon.

ISSUE 62 (page 55 of Draft)

Southern States Position: Yes, these costs should be capitalized as part of rate base.

Southern States Witness: Gangnon.

ISSUE 62-A (page 55 of Draft)

Southern States Position: Yes.

Southern States Witness: Gangnon.

ISSUE 64 (page 56 of Draft)

Southern States Witness: Ludsen.

ISSUE 65 (page 57 of Draft)

Southern States Position: The third sentence of the position should be revised as follows: "The increase did not consist of an across the board 5% increase but rather merit increases (evaluated on a case by case basis), step adjustments (lowest grade employees hired at below market salaries and gradually brought up to market levels), and licensing adjustments (i.e., obtaining operator licenses or upgrading licenses).

ISSUE 66 (page 57 of Draft)

Southern States Position: No, the gains on the condemnations of the non-jurisdictional St. Augustine Shores water system and the non-rate base University Shores wastewater facilities should be

retained by Southern States and should not be applied to reduce Southern States' revenue requirements for the reasons stated in Mr. Sandbulte's rebuttal testimony.

Southern States Witness: Sandbulte.

ISSUE OPC 85 (page 58 of Draft)

Southern States Position: No. The cost associated with the merger of the SSU group of affiliated companies were incurred as a normal cost of continuing efforts on the part of the Company to maintain and enhance operating efficiency. Uniform recognition of a singular corporate entity by customers, employees, suppliers, regulators and creditors creates an environment conducive to control of operating costs and standardization of services. Combining corporate activities is also expected to improve access to financial markets (after obtaining rate relief) in view of an expanded collateral pool and uniformity of debt covenants.

Southern States Witness: Vierima.

ISSUE 67 (page 58 of Draft)

Southern States Position: No. These cost savings are not known and quantifiable and are not certain to result in a reduction of expenses but may help to reduce future increases. In addition, these expenses fall outside the historic test year and will, in the short run, be partially offset by other non-test year conversion costs such as records and supplies conversion. If downward adjustments outside the test year are to be made, then upward adjustments must also be made. For example, the annual costs associated with the new Marco Island office (\$33,000.00) was not

included in the expenses in this filing. In addition, the Company has not included projected annual capital additions of \$20 million as well as projected increased costs for such items as testing, sludge hauling, and postage related to combined monthly billing in this filing. In addition, the Company has no less than 25 additional authorized and required positions which it has been unable to fill due to austerity related financial constraints.

Southern States Witness: Ludsen.

ISSUE 70 (page 59 of Draft)

Southern States Position: No. See Southern States' position in response to Issue No. 67.

Southern States Witness: Kimball.

ISSUE 72 (page 60 of Draft)

Southern States Position: No. See Southern States' position in response to Issue No. 67. In addition, the Company is proposing monthly billing which will increase the annual costs for postage, bills and envelopes by an estimated \$45,000.00.

Southern States Witness: Ludsen.

ISSUE OPC 107 (page 60 of Draft)

Southern States Position: Yes. This is an out of period adjustment that relates to three year water testing and not a drinking water study.

Southern States Witness: Kimball.

ISSUE OPC 108 (page 61 of Draft)

Southern States Position: Yes, agree with Staff and OPC.

Southern States Witness: Kimball.

ISSUE OPC 88 (page 61 of Draft)

Southern States Position: Yes, agree with Staff and OPC.

Southern States Witness: Kimball.

ISSUE OPC 89 (page 62 of Draft)

Southern States Position: No. Ratepayers do not pay a return on utility deposits nor are they included in the determination of working capital. Therefore, any interest earned on investor capital should be treated below the line.

Southern States Witness: Vierima.

ISSUE OPC 90 (page 62 of Draft)

Southern States Position: Agree with Staff and OPC.

Southern States Witness: Kimball.

ISSUE OPC 91 (page 63 of Draft)

Southern States Position: No.

Southern States Witness: Phillips.

ISSUE OPC 92 (page 63 of Draft)

Southern States Position: Yes, agree with Staff.

Southern States Witness: Phillips.

ISSUE OPC 93 (page 64 of Draft)

Southern States Position: The level of bad debt expense is .6% which is consistent with industry standards. In addition, the levels of bad debt expense identified by Ms. Dismukes for M&M Utilities and Deltona Gas are allocated numbers based on total company bad debt experience and do not reflect actual bad debt expenses for these systems. In addition, the \$20,000 of bad debt expense related to the Citrus Sun Club Condominium Association does

not reflect an incremental bad debt expense since it has been on the Company's books for several years. Public Counsel's proposed adjustment regarding Citrus Sun Club constitutes another attempt to pick and choose between expense items despite the fact that historical bad debt expense levels confirm the reasonableness of the Company's bad debt test year expenses.

Southern States Witness: Kimball.

ISSUE OPC 94 (page 64 of Draft)

Southern States Position: No, accept for any legal expenses for lobbying activities inadvertently recorded above the line. Theoretically, any legal expenses for any specific project are non-recurring. The project ultimately will end. However, this does not refute the fact that the Company must incur legal expenses each year for a myriad of reasons. Recovery of these expenses should not be denied absent an evidentiary showing that the level of these expenses is not reasonable. No party has presented any evidence of this nature.

Southern States Witness: Ludsen.

ISSUE OPC 95 (page 65 of Draft)

Southern States Position: No. The Company does not consider a presentation to the Commission at an Internal Affairs Conference to be lobbying. This is an ordinary cost of doing business in a regulated industry. Denial of recovery of such costs would have a chilling effect on legitimate and proper communications between the regulator and the regulated. Appropriate communication is critical to the rendition of high quality utility service to our

customers.

Southern States Witness: Ludsen.

ISSUE OPC 96 (page 65 of Draft)

Southern States Position: No. Again, Public Counsel and Staff has discriminatorily selected expenses which reduce the Company's revenue requirements. If the Company's allocation methodology is accepted as appropriate, then the allocated expenses should also be deemed appropriate. However, if the Commission opens the door to picking and choosing allocated expenses, then material dollars of administrative expenses related to regulatory requirements should be allocated back to the water and wastewater business and away from the gas business.

Southern States Witness: Ludsen.

ISSUE OPC 97 (page 66 of Draft)

Southern States Position: No. The Company does not consider professional studies to be non-recurring for the same reasons and under the same rationale applicable to legal expenses. The determining factor should be whether the level of expenses for professional studies is reasonable. Professional studies are an ordinary cost of doing business and the Company would be taken to task if it did not conduct such studies, i.e., customer surveys and OPEB actuarial studies. The Company has amortized the cost of the survey performed by Cambridge Reports and anticipates conducting future studies. With respect to organizational development, this is an on-going cost related to effective inter-departmental relations, communications and coordination, as well as effective

functional work designs to achieve Company goals in the most efficient manner possible.

Southern States Witness: Phillips.

ISSUE OPC 98 (page 66 of Draft)

Southern States Position: Yes, agree with OPC and Staff.

Southern States Witness: Kimball.

ISSUE OPC 99 (page 67 of Draft)

Southern States Position: No. The adjustment is arbitrary and is not known and measurable.

Southern States Witness: Vierima.

ISSUE OPC 100 (page 67 of Draft)

Southern States Position: No. Relocation expenses in 1991 were the lowest since 1988 and are representative of future relocation costs. Unsubstantiated speculation as to the Company's future levels of relocation expenses is not an appropriate basis for an adjustment.

Southern States Witness: Ludsen.

ISSUE OPC 103 (page 67 of Draft)

Southern States Position: No. The Company has received no formal communication with respect to any alleged reduction in property taxes associated with Sugar Mill Woods plant.

Southern States Witness: Kimball.

ISSUE OPC 109 (page 68 of Draft)

Southern States Position: No.

Southern States Witness: Kimball.

ISSUE OPC 110 (page 69 of Draft)

Southern States Position: No.

Southern States Witness: Lewis.

ISSUE 77 (page 70 of Draft)

Southern States Position: No. Reuse studies are performed pursuant to governmental requirements and are on-going in nature.

Southern States Witness: Hartman.

ISSUE OPC 112 (page 70 of Draft)

Southern States Position: No, the gains on the condemnations of the non-jurisdictional St. Augustine Shores water system and the non-rate base University Shores wastewater facilities should be retained by Southern States and should not be applied to reduce Southern States' revenue requirements for the reasons stated in Mr. Sandbulte's rebuttal testimony.

Southern States Witness: Sandbulte.

ISSUE 82 (page 73 of Draft)

Southern States Position: No, not as proposed by OPC.

Southern States Witness: Ludsen.

ISSUE 83 (page 73 of Draft)

Southern States Position: No.

Southern States Witness: Kimball.

ISSUE 84 (page 74 of Draft)

Southern States Position: This is a fall-out number.

Southern States Witness: Gangnon.

ISSUE 85 (page 74 of Draft)

Southern States Position: Per the MFRs.

Southern States Witness: Gangnon.

ISSUE 86 (page 74 of Draft)

Southern States Witness: Gangnon.

ISSUE 87 (page 75 of Draft)

Southern States Position: Per the MFRs.

Southern States Witness: Gangnon.

ISSUE 88 (page 75 of Draft)

Southern States Position: Yes, the Company agrees with Staff.

Southern States Witness: Sweat.

ISSUE OPC 106 (page 76 of Draft)

Southern States Position: No adjustment to test year revenue is appropriate other than the \$9,745 which should be imputed for effluent sales from the Deltona Lakes system.

Southern States Witness: Sweat.

ISSUE 89 (page 76 of Draft)

Southern States Position: The Company believes an adjustment of this nature is without precedent. No evidence has been presented by any party which explains the rationale for such an adjustment.

Southern States Witness: Sweat.

ISSUE 92 (page 78 of Draft)

Southern States Witness: Loucks.

ISSUE 97 (page 81 of Draft)

Southern States Position: Yes.

ISSUE 98 (page 81 of Draft)

Southern States Position: Yes.

ISSUE ST-5 (page 82 of Draft)

Southern States Position: No study has been done to determine what an appropriate conservation rate structure would be and how the price elasticity would affect the Company's revenue requirements. Conservation rates should not be implemented without extensive study as to their potential effectiveness, particularly since the appropriate rate structure on a system-wide basis has not yet been established for Southern States.

Southern States Witness: Loucks.

ISSUE 102 (page 84 of Draft)

Southern States Position: No position at this time.

Southern States Witness: Cresse.

ISSUE SS87 (page 85 of Draft)

Southern States Witness: Sweat.

ISSUE 105 (page 86 of Draft)

Southern States Witness: Loucks.

ISSUE 106 (page 86 of Draft)

Southern States Witness: Loucks.

ISSUE 107 (page 87 of Draft)

Southern States Witness: Ludsen.

ISSUE 108 (page 87 of Draft)

Southern States Position: No position at this time.

Southern States Witness: Ludsen.

ISSUE 109 (page 88 of Draft)

Southern States Witness: Morse.

ISSUE 110 (page 88 of Draft)

Southern States Witness: Lewis.

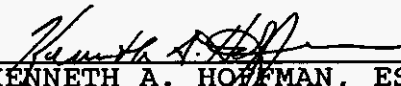
VII. EXHIBIT LIST

Southern States will be filing rebuttal testimony on this date, October 26, 1992. There will be exhibits attached to the rebuttal testimony of specific witnesses. Southern States will provide a list of rebuttal exhibits for inclusion in the Prehearing Order on or before October 28, 1992. In addition, Southern States will submit a late-filed exhibit consisting of all documented responses to customer complaints raised at the customer service hearings in this proceeding.

VIII. PROPOSED STIPULATIONS

Based on the positions set forth in the draft Prehearing Order issued on October 23, 1992, Southern States is willing to stipulate to Staff's position for the following additional issues as numbered in said draft Prehearing Order: Issue Nos. 7, 8, 20, 23-A, 32, 33, 34, 41, 42, 44, 45, 47, OPC 70-A, 62, 62-A, OPC 107, OPC 108, OPC 88, OPC 90, OPC 92, 98 and 99.

Respectfully submitted,



KENNETH A. HOFFMAN, ESQUIRE
FLOYD R. SELF, ESQUIRE
LAURA L. WILSON, ESQUIRE
Messer, Vickers, Caparello,
Madsen, Lewis, Goldman & Metz, P.A.
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and

BRIAN P. ARMSTRONG, ESQUIRE
Southern States Utilities, Inc.
1000 Color Place
Apopka, Florida 32703
(407) 880-0058

Attorneys for Applicants Southern
States Utilities, Inc. and
Deltona Utilities, Inc.

CERTIFICATE OF SERVICE

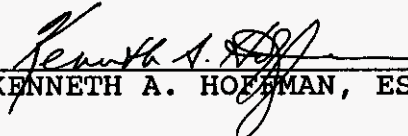
I HEREBY CERTIFY that a copy of the foregoing Southern States' Utilities, Inc.'s Modifications to Draft Prehearing Statement was furnished by hand delivery (*) and/or U. S. Mail, this 26th day of October, 1992, to the following:

Harold McLean, Esq.*
Office of Public Counsel
111 West Madison Street
Room 812
Tallahassee, Florida 32399-1400

Matthew Feil, Esq.*
Catherine Bedell, Esq.*
Florida Public Service Commission
Division of Legal Services
101 East Gaines Street
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Mr. Harry C. Jones, P.E. President*
Cypress and Oak Villages Association
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Michael S. Mullin, Esq.
P. O. Box 1563
Fernandina Beach, Florida 32034

By: 
KENNETH A. HOFFMAN, ESQ.

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OPC _____
RCH Mr. Steve Tribble, Director
SEC Division of Records and Reporting
WAS Florida Public Service Commission
OTH 101 East Gaines Street
Tallahassee, Florida 32399-0850

REPLY TO: Tallahassee

October 27, 1992

Hand Delivered

ORIGINAL
FILE COPY

Re: FPSC Docket No. 920199-WS

Dear Mr. Tribble:

Enclosed for filing in the above-referenced docket on behalf of Southern States Utilities, Inc. are an original and fifteen copies of the prefiled rebuttal testimony of the following:

- 12617-92 1. ✓ Bert T. Phillips, 6 pages of testimony;
- 12618-92 2. ✓ Forrest L. Ludsen, 31 pages of testimony and 3 Exhibits;
- 12619-92 3. ✓ Scott W. Vierima, 9 pages of testimony with 1 Exhibit;
- 12620-92 4. ✓ Bruce E. Gangnon, 8 pages of testimony;
- 12621-92 5. ✓ Gerald C. Hartman, 69 pages of testimony and 3 Exhibits;
- 12622-92 6. ✓ Charles H. Sweat, 29 pages of testimony with 5 Exhibits;
- 12623-92 7. ✓ Judith J. Kimball, 19 pages of testimony with 5 Exhibits;
- 12624-92 8. ✓ Charles E. Wood, 3 pages of testimony; and
- 12625-92 9. ✓ Arend J. Sandbulte, 19 pages of testimony.

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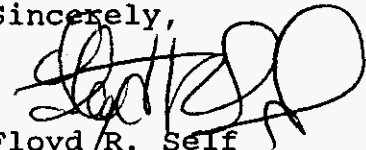
Mr. Steve Tribble, Director
October 27, 1992
Page -2-

In addition, also enclosed are fifteen copies of this letter and the certificate of service for the above-identified testimony.

Please stamp the extra copy of this letter enclosed to indicate this filing and return the copy to me.

Thank you for your assistance in the processing of this filing, and please call if there are any questions or further requirements.

Sincerely,



Floyd R. Self

KAH/cat
Enclosures

cc: Parties of Record
Brian P. Armstrong, Esq.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Prefiled Rebuttal Testimony of Charles H. Sweat, Bert T. Phillips, Forrest L. Ludsen, Scott W. Vierima, Bruce E. Gangnon, Judith J. Kimball, Charles E. Wood, Arend J. Sandbulte and Gerald C. Hartman on behalf of Southern States Utilities, Inc. in Docket No. 920199-WS have been served by hand delivery(*) and/or U.S. Mail, this October 27, 1992 to the following:

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FLOYD R. SELE