

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

SEPTEMBER 27, 1995

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

FROM: DIVISION OF WATER & WASTEWATER (AMAYA, J. CLARK, CROUCH, FUCHS, KAPROTH, MERCHANT, MONIZ, RENDELL, RIEGER, C. SIMMONS, STARLING, WALDEN, ZHANG) DIVISION OF AUDITING & FINANCIAL ANALYSIS (LESTER, C. ROMIG) DIVISION OF LEGAL SERVICES (JABER, O'SULLIVAN)

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, HERNANDO, HIGHLANDS, HILLSBOROUGH, LAKE, LEE, MARION, MARTIN, NASSAU, ORANGE, OSCEOLA, PASCO, POLK, PUTNAM, SEMINOLE, ST. JOHNS, ST. LUCIE, VOLUSIA, AND WASHINGTON COUNTIES.
COUNTY: SEE ABOVE

AGENDA: OCTOBER 6, 1995 - SPECIAL AGENDA - DECISION ON INTERIM RATE - PARTICIPATION IS LIMITED TO COMMISSIONERS AND STAFF

CRITICAL DATES: 60-DAY SUSPENSION DATE: 10/6/95

SPECIAL INSTRUCTIONS: I:\PSC\WAW\WP\950495WS.RCM

DOCUMENT NUMBER-DATE

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PSC-RECORDS/REPORTING

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 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 an increase in service availability charges, approval of an allowance for funds used during construction (AFUDC) and an allowance for funds prudently invested (AFPI). On August 1, 1995, the Commission determined that SSU's application was deficient because it did not include information for Hernando, Hillsborough and Polk Counties in its filing. On August 2, 1995, the utility filed an amended application which included facilities in those counties to meet minimum filing requirements (MFRs). That date 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 fair and reasonable rate of return of 10.32 percent. This will result in additional operating revenues of \$18,645,073 for the utility's combined water and wastewater operations.

The utility's interim request is based on a projected test year ending December 31, 1995. The utility has requested interim rates which will produce additional revenues of \$7,428,460 for water operations and \$4,920,387 for wastewater operations. By letter dated August 15, 1995, the utility agreed to a 4-day waiver of the 60 day deadline set forth in Section 367.082(2)(a), Florida Statutes.

The Office of the Public Counsel (OPC), the Sugarmill Woods Civic Association, Inc. (Sugarmill Woods), the Spring Hill Civic Association, Inc. (Spring Hill), and the Marco Island Civic Association, Inc. (Marco Island), have intervened in this docket.

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

The Commission has scheduled 14 customers service hearings throughout the state. The technical hearing has been scheduled for January 29-31, and February 1-2, 5, and 7-9, 1996.

OPC filed a motion to dismiss SSU's request for interim rates on August 30, 1995 and requested oral argument on that motion. This recommendation addresses the suspension of the utility's rates, the utility's request for interim rates, and OPC's August 30, 1995, motion to dismiss interim and request for oral argument.

OPC has filed four motions to dismiss the rate case: on August 29, 1995, September 8, 1995, September 14, 1995 and September 22, 1995. Those motions will be addressed in other recommendations.

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

DISCUSSION OF ISSUES

ISSUE 1: Should the utility's proposed rates be suspended?

RECOMMENDATION: Yes. All of SSU's proposed water and wastewater rates should be suspended. (MERCHANT)

STAFF ANALYSIS: Section 367.081(6), Florida Statutes, provides that the rate schedules proposed by the utility shall become effective within sixty (60) days after filing unless the Commission votes to withhold consent to implementation of the requested rates. Further, the above referenced statute permits the proposed rates to go into effect, under bond, eight (8) months after filing unless final action has been taken by the Commission.

Staff has reviewed the filing and has considered the proposed rates, the revenues thereby generated, and the information filed in support of the rate application. We believe it is reasonable and necessary to require further amplification and explanation regarding this data, and to require production of additional and/or corroborative data. This further examination by staff will include on-site investigations by staff accountants, engineers and rate analysts. Based on the above, staff recommends that the utility's requested interim rate increase be suspended.

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

ISSUE 2: Should OPC's Request for Oral Argument on its Motion to Dismiss be granted?

RECOMMENDATION: No. Rule 25-22.0021(1), Florida Administrative Code, precludes parties from participating in discussions regarding interim rates. Moreover, OPC has not demonstrated why oral argument would aid the Commission in evaluating the issues. (O'SULLIVAN)

STAFF ANALYSIS: On August 30, 1995, OPC filed a request for oral argument on its motion to dismiss SSU's request for interim rates. The motion sets forth the request, but does not include any grounds to support the request. In its response to OPC's motion to dismiss, SSU states that OPC's request for oral argument should be denied because OPC has not demonstrated why oral argument is appropriate, and because Commission rules preclude parties for participating in discussion on interim rates.

Rule 25-22.058(1), Florida Administrative Code, requires a request for oral argument to accompany the pleading upon which argument is requested and to "...state with particularity why oral argument would aid the Commission in comprehending and evaluating the issues before it." OPC's motion does not demonstrate with particularity why oral argument would aid the Commission in ruling on its motion to dismiss. It should be noted that Rule 25-22.058(1) is contained in the post-hearing portion of the Commission's rules. Its intention, that the party demonstrate why oral argument would aid in the determination of an issue, is generally applied to all requests for oral argument.

Even if OPC's motion had included specific grounds as to why oral argument would be appropriate, the Commission's procedural rules preclude parties from participating in this situation. According to Rule 25-22.0021(1), Florida Administrative Code, persons who may be affected by an item on an agenda may address the Commission, with the exception of "actions on interim rates in file and suspend rate cases and declaratory statements." The Commission has denied similar requests to address the Commission on interim rates. See Order No. PSC-95-0573-FOF-WS¹, issued May 9, 1995, in Docket No. 940847.

Although framed as a motion to dismiss, OPC's motion is in essence a motion on SSU's pending request for interim rates. Oral argument on the motion before the Commission would be contrary to Rule 25-22.0021(1). The purpose of the interim rate process is for

¹ 95 FPSC 5:144, In re: Application for a rate increase in Duval County by Ortega Utility Company.

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

a "quick and dirty" review of the interim request, utilizing the formula set out in the statute. It is not designed for parties to argue the merits of the interim request.

The Commission may choose to waive a procedural rule on certain occasions, but in this instance, OPC has not demonstrated why oral argument would assist the Commission in its determination as required by Rule 25-22.058(1), nor has it stated why the Commission should allow a party to participate in agenda discussion on an item concerning interim rates. Therefore, Staff recommends that the Commission deny OPC's request for oral argument on its motion to dismiss interim rates.

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

ISSUE 3: Should the utility's request for interim rates be granted?

PRIMARY RECOMMENDATION: No. The projected test year ended December 31, 1995 is inappropriate to use to determine interim rates. Furthermore, for the plants previously included in Docket No. 920199-WS, the 1st District Court of Appeal has determined that the uniform rate structure is invalid. Since the utility did not provide plant specific MFRs for those plants, the Commission does not have the capability to calculate stand-alone revenue requirements. (MERCHANT, RENDELL)

ALTERNATE RECOMMENDATION: Using the historical year ended December 31, 1994, interim rates should be granted for those plants for which information was filed to enable the Commission to calculate stand-alone revenue requirements. (MERCHANT)

PRIMARY STAFF ANALYSIS: Section 367.082(1), Florida Statutes, states that upon application by a utility, the Commission may use a projected test year rate base to determine interim rates or revenues subject to refund. This language was inserted in the interim statute in the 1992 Legislative Session. SSU, in this docket, is the first water and wastewater utility to request that a projected test year be used for interim purposes under this revised statute. As such, the Commission has not addressed any interim considerations other than a calculation based on an historical test period.

Several issues arise out of this projected request by SSU. The first is whether the statute permits the use of a fully projected interim test year or whether it is appropriate to consider only a projected test year rate base. The next consideration is that if the Commission deems it appropriate to use a fully projected test year, what types of projections are allowed. Should projections be made to reflect only noncontrollable items or should the utility be allowed to project any level of plant, growth and expense increases. Staff's recommendation will address the above issues.

SSU based its interim revenue request on a projected 1995 test year. The projected year 1995 is not based on the historical 1994 balances escalated forward but on a separate construction and financial budget which includes many additional items that were not included in 1994.

The interim statute does not give any direction on how to implement the new projected provision. The Commission's Standard Operating Procedure (SOP) 1648 states that if a utility files for a projected interim test year rate base, staff should develop

procedures on a case-by-case basis, looking at the necessity of the expenses and plant additions, at a minimum. If a utility controls expenses, staff should view such expenses differently from uncontrollable expenses. Further, staff initially has interpreted the interim statute language "projected test year rate base" to mean the full test year concept. To reflect only rate base components without considering the projected capital structure, expenses or customer billing components would result in mismatches and inconsistencies.

Staff has reviewed SSU's interim request in great detail. We have found many areas in its projection that do not appear self-explanatory. At a minimum, it appears that SSU has projected many areas to increase rate base and operating expenses in ways that appear to be discretionary instead of required.

RATE BASE

In Volume II, Book 4, Page 3, SSU filed a Summary of FPSC Plant in Service Additions by Priority. This summary is broken down by year and reflects the category of additions added. The separate categories are Safety, Regulatory Mandate, Growth, Quality of Service and General Improvement. SSU's 1995 budget includes \$27,015,825 in total plant additions. Staff's initial view of these additions is that only the Safety and Regulatory Mandate categories (approximately \$13 million) appear non-discretionary. The others: Growth, Quality of Service and General Improvements (approximately \$13.5 million), appear to be discretionary items.

Additionally, \$14 million of the total 1995 additions were projected to go into service in December, 1995. Staff believes that is unrealistic that so many additions are planned for the last month of the projected test year. Further, staff believes that the majority of these additions should be fully scrutinized and are only appropriate to be considered for final rates. To include these amounts in a projected interim, in staff's opinion, goes beyond the intent of the interim statute.

Because of the complexities of SSU's filing, it is difficult to make certain adjustments. While staff could possibly remove plant additions by facility related solely to growth, quality of service and/or general improvements, corresponding adjustments cannot be done. In addition, Judith Kimball stated in her testimony that plant retirements booked by the utility for 1995 were not included in the 1995 budget. Hence, the utility elected not to adjust the interim period.

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

NET OPERATING INCOME

SSU has projected increases of 2.94% for water and 11.96% for wastewater to Salaries and Wages for 1995. The utility states that these were due to merit, promotions, licenses and incentives. However, the utility states that it had a decrease in the number of employees due to vacancies. Employee Pensions and Benefits were increased by 6.65% for water and 16.00% for wastewater. The utility explains increases are due to increases in medical costs, OPEB costs, and its employee pension plan.

SSU has also increased 1995 purchased power expenses for water by 22.30%. The majority of this increase relates to weather normalization adjustments for the University Shores, Deltona and Marco Island water plants. Chemicals expense for 1995 has been increased by 80% for water and 17.05% for wastewater. The utility states that these increases are due to anticipated changes in treatment methods, the addition of new pumps, anticipated increased usage and plant expansions.

Another major adjustment to 1995 is the construction of a new central laboratory. This has increased general plant by approximately \$1 million dollars in 1995. SSU, however, in order to calculate its 1995 O&M expense budget, assumed that all laboratory services would be performed by outside contractual services. However, in order to expedite the budgeting process for 1995, SSU assumed that outside contractors would be used for the entire year. SSU then reflected the expected cost reduction due to bringing the laboratory in-house, as a \$100,000 credit to an unallocated administrative cost center. As such, the 1995 rate base includes the major cost of the laboratory, with no reduction made to the individual plants for the decrease in expenses.

Additionally, in the utility's 1995 projection, total miscellaneous expenses have increased by 27.9% for water and 18.89% for wastewater. This level of increase appears to be extraordinary for a change from an historical to a projected budget year.

Based on the above analysis of SSU's projected 1995 interim test year, staff believes that the budget appears to have been inflated. Many of the increases appear to reflect the best of all scenarios put forth by the utility in both controllable and uncontrollable expenditures. It also appears that the utility is picking and choosing what it includes or does not include for interim relating to some known decreases that did occur in 1995. Based on all of the above, we believe that the utility's 1995 budget is not reasonable for the determination of interim rates.

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

Accordingly, staff is recommending that the Commission deny SSU's request to use a projected test year.

Furthermore, staff believes that the uniform increase and rate structure requested by the utility cannot be granted. The utility's request is specifically in conflict with the First District Court of Appeal's decision in Docket No. 920199-WS. On April 6, 1995, the Commission's decision in Order No. PSC-93-0423-FOF-WS was reversed in part and affirmed in part by the First District Court of Appeal, Citrus County v. Southern States Utilities, Inc., 20 Fla. L. Weekly D838 (Fla. 1st DCA 1995), reh'g denied, 20 Fla. L. Weekly D1518 (1995). The Court found that until a finding of functionally relatedness of facilities and land is made, a uniform rate structure is invalid. The mandate was issued by the Court on July 13, 1995.

On September 12, 1995, the Commission implemented the DCA's decision and determined that plant-specific rates should be approved in Docket No. 920199-WS. The specific rates to be implemented were approved by the Commission at the September 26, 1995 Agenda Conference, the day before this recommendation was filed.

Arguably, SSU could have made an alternate request for a historical test year. The utility could have provided stand-alone revenue requirements and the information necessary to review that request. This might have been a more prudent course. Since the utility did not provide plant-specific MFRs for those plants included in Docket No. 920199-WS, the Commission does not have the capability to calculate stand-alone revenue requirements for those facilities. It is the utility's burden to make a prima facie entitlement for interim rate relief, and we believe that it has failed to do so. Accordingly, staff does not believe that it is appropriate to grant interim rates.

ALTERNATE STAFF ANALYSIS: SSU did submit financial data for the historical year ended December 31, 1994. However, as stated above, the MFRs were combined for the plants included in Docket No. 920199-WS, with the remaining plants that were not included in that docket reported separately. For discussion purposes only and to be consistent with the group titled by the utility, staff will refer to the plants included in Docket No. 920199-WS as the Uniform Plants. Although the utility filed summary information to show the individual rate base and operating income components by individual plant in Volume II of its MFRs, adjustments and requested revenue requirements for the uniform group were not shown in Volume III. As such, staff cannot break out the revenue requirement for the

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

individual plants and can only calculate a combined revenue requirement for the Uniform Plants.

Using the historical year ended December 31, 1994, interim rates should be granted for those plants for which information was filed to enable the Commission to calculate stand-alone revenue requirements. As discussed in Issue 4, staff has recommended adjustments necessary to calculate the interim revenue requirements based on the historical base year 1994.

DOCKET NO. 950495-WS
 DATE: SEPTEMBER 27, 1995

ISSUE 4: If the Commission approves the alternative recommendation in Issue 3, what interim revenue increase should be approved?

RECOMMENDATION: The following interim revenue requirements based on the 1994 historical base year should be approved. No interim increase should be granted for the Uniform Plants since separate revenue requirements cannot be calculated. No interim increase should be granted for the Lakeside, Spring Gardens, or Valencia Terrace facilities since these were not owned by SSU in 1994. Further, SSU did not request interim rate consideration for the facilities in Hillsborough, Polk or Hernando Counties or for the Buenaventura Lakes facilities in Osceola County. Accordingly, no interim revenue requirements are calculated for those facilities. (MERCHANT, LESTER, C. ROMIG)

	<u>Revenues</u>	<u>\$ Increase</u>	<u>% Increase</u>
<u>WATER SYSTEMS</u>			
Deep Creek	\$1,489,722	\$4,740	0.32%
Enterprise	\$29,103	\$-40,657	-58.28%
Geneva Lake Est	\$31,733	\$1,807	6.04%
Keystone Club Est	\$38,968	\$4,466	12.94%
Lakeside	\$0	\$0	0.00%
Lehigh	\$2,341,395	\$319,385	15.80%
Marco Island	\$8,418,448	\$642,909	8.27%
Palm Valley	\$50,424	\$10,247	25.50%
Remington Forest	\$25,532	\$9,525	59.51%
Spring Gardens	\$0	\$0	0.00%
Valencia Terrace	\$0	\$0	0.00%
Uniform Plants	\$0	\$0	0.00%
<u>WASTEWATER SYSTEMS</u>			
Deep Creek	\$1,322,973	\$-369,521	-21.83%
Enterprise	\$62,929	\$15,721	33.30%
Lehigh	\$2,915,346	\$453,462	18.42%
Marco Island	\$3,482,840	\$536,046	18.19%
Spring Gardens	\$0	\$0	0.00%
Tropical Isles	\$51,014	\$15,804	44.88%
Valencia Terrace	\$0	\$0	0.00%
Uniform Plants	\$0	\$0	0.00%

Note: The amounts shown as negative should be considered amounts held subject to refund, not recommended interim decreases in revenues.

STAFF ANALYSIS: SSU requested interim rates designed to generate additional sales revenue for the consolidated water operations of \$7,428,460 and for consolidated wastewater operations of

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

\$4,920,387. The combined increase in water and wastewater operations of \$12,348,847 results in total combined water and wastewater revenues on an interim basis of \$54,499,601. The utility's interim request is based on the projected test year ended December 31, 1995. The utility has requested an across-the-board percentage increase for all water and all wastewater systems regardless of the statutory calculations on a per plant basis. It has requested revenues by group for the uniform combined plants along with the remaining plants that have stand-alone rates at this time. The requested interim revenue increase is 30.88% for water and 27.90% for wastewater.

Staff has attached accounting schedules to illustrate the recommended rate base, capital structure, and test year operating income amounts. Separate schedules are attached for each of the stand-alone plants in the uncontested jurisdictional counties in alphabetical order. For informational purposes only, we have calculated combined revenue requirements for the Uniform Plants from Docket No. 920199-WS since we do not have the capability to calculate stand-alone. We have shown recommended adjustments to this group if the Commission deems it appropriate to grant a revenue increase to these plants. Staff's recommendation, however, is that the Commission cannot combine the revenue requirement calculation according to the Court's decision in Docket No. 920199-WS.

SSU purchased the Lakeside, Spring Gardens, Valencia Terrace facilities in 1995. As such, the utility did not report financial data for the test year 1994. Since staff is not recommending that the budget year be used, we have no data to calculate interim revenue requirements for these facilities. Accordingly, staff has not included schedules for these plants for interim. Further, no schedules are shown for the plants in the controverted counties of Hernando, Hillsborough and Polk, or for the Buenaventura Lakes water and wastewater plants for interim purposes.

The water and/or wastewater rate base schedules are numbered 1-A and 1-B. The capital structure schedules for each group are numbered 2. The respective water and/or wastewater net operating income statements are reflected on Schedules 3-A and 3-B. Staff has not included adjustment schedules for each of the systems, as the body of this recommendation will address the detail for the necessary adjustment descriptions.

For each grouping, staff has reported the utility's position as stated in its 1995 interim request. The first adjustment that staff has made in each group is to reflect the utility's adjusted balances for 1994 instead. This was done for rate base, cost of

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

capital, operating revenues and operating expenses. Additional adjustments are discussed below.

Rate Base

Used and Useful Plant

Based on staff's review of the MFRs for the Uniform Plant group, staff has determined that the used and useful adjustments were made consistent with the prior rate case with one exception. The adjustments for storage reservoirs were not consistent with those made in the last proceeding.

In Docket No. 920199-WS, SSU neither requested nor received an allowance for dead storage in the used and useful calculation. SSU, in this case, however, included an allowance for dead storage in its used and useful calculation for interim purposes. To be consistent with the used and useful methodology used in the last rate proceeding, staff recommends that adjustments are appropriate for storage capacity.

In its MFRs for the uniform plants, SSU did not breakdown the plant in service balances by primary account by facility. Therefore, staff could not precisely calculate the appropriate used and useful adjustment by facility. To circumvent the problem, we analyzed a composite used and useful percentage for storage reservoirs. Based on our analysis, staff believes that the appropriate used and useful is 91.9% for storage instead of the utility's requested 96.8%. Therefore, we recommend an additional non-used and useful adjustment of 8.1% be applied to Account 330.4 for water.

Working Capital

SSU reflected its interim working capital allowance for all groupings based on the formula method. This was the method employed by the Commission for the last rate cases for Lehigh, SSU Uniform and Marco Island. Section 367.082, states that in calculating the interim revenue requirement, adjustments should be made consistent with the last rate proceeding. As such, it is appropriate to calculate the working capital allowance for the Lehigh, Uniform and Marco Island groupings using the formula approach. For those companies or plants that have not had a prior rate case before the Commission, the working capital allowance should be calculated in conformance with the Commission's rule. Rule 25-30.433(2), Florida Administrative Code, states that working capital for Class A water and wastewater utilities shall be calculated using the balance sheet approach.

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

Using SSU's 1994 simple average balance sheet, we have determined that the working capital allowance for the total company for interim purposes should be \$1,579,317. Using the 1994 customer allocation factors for working capital provided by the utility in Vol. II, Book 2 of 4, staff has allocated this amount to the individual water and wastewater plants that have not had prior rate cases before the Commission. The amounts per plant are reflected on the rate base statements.

Other

For the Uniform Plants and Marco Island, SSU included two line item adjustments to rate base entitled Other. One adjustment related to deferred capacity fees for the University Shores wastewater plant to be included in the Uniform Plant group. The other related to deferred costs associated with failed attempts to purchase water source land for Marco Island. Neither of these deferred charges were included in the prior Uniform or Marco Island rate cases. As such, these amounts do not relate to adjustments consistent with the last rate proceedings and should not be included for interim purposes. The inclusion of these amounts should only be considered for final purposes. Accordingly, staff has removed \$2,309,387 from the wastewater rate base for the Uniform group and \$1,465,808 from the Marco Island water rate base.

Cost of Capital

Preferred Stock

In the two most recent SSU rate cases, Docket Nos. 920199-WS (Uniform Plant) and 920655-WS (Marco Island), an amount for zero-cost preferred stock was imputed into the capital structure. The preferred stock adjustment was not made by SSU for 1994 in this docket. Based on information provided by the utility, the calculated average balance of preferred stock for 1994 would have been \$2,121,800. To comply with the interim statute, adjustments should be made consistent with those made in the utility's last rate proceeding. Staff has imputed this amount into the 1994 average capital structure.

This adjustment was not made in the last Lehigh rate case (Docket No. 911108-WS) because at that time, Lehigh was not consolidated with SSU and a different capital structure was used. Since Lehigh is now consolidated with SSU, staff has recommended that this adjustment is appropriate for the Lehigh facilities for interim purposes.

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

It should be noted that legal staff is concerned that this adjustment is not consistent with the last rate proceeding for Lehigh and the facilities that have not had rate proceedings before. Since this adjustment was not made in the last Lehigh rate case regardless of the current corporate structure, no adjustment should be made for these facilities. The same is true for the facilities that have not had rate proceedings before the Commission. Accordingly, no adjustment to impute preferred stock to Lehigh or those facilities that have not had rate proceedings is appropriate.

Return on Equity

For interim purposes, SSU used its 1995 budgeted capital structure reflecting a cost of equity of 11.19%. This was based on the minimum of the range of the last authorized return on equity (ROE) approved in the Marco Island rate case (Docket No. 920655-WS). Staff is unsure why the utility requested this cost rate. It could be because Marco was the last rate proceeding of a member company and the utility believes that the Marco ROE was the last authorized rate of return on equity.

Section 367.082(5)(a)3, Florida Statutes, states that the required rate of return to be used to calculate an interim increase should be the minimum of the range of the last authorized rate of return on equity used in the most recent individual rate proceeding of the utility or regulated company. [emphasis added] Further, an interim decrease shall use the maximum of the last authorized range. Staff interprets this paragraph to mean that individual rate proceedings for separate facilities should be used to calculate interim increases or decreases. It should not be the last rate proceeding for the total company. The utility's last rate proceedings are as follows with the associated docket, order and last authorized range of return on equity:

<u>Grouping</u>	<u>Docket No.</u>	<u>Order No.</u>	<u>Range of ROE</u>
Lehigh	911108-WS	93-1023-FOF-WS	11.44%-13.44%
Uniform Plants	920199-WS	93-0423-FOF-WS	11.14%-13.14%
Marco Island	920655-WS	93-1740-FOF-WS	11.19%-13.19%

Based on staff's interpretation as stated above, we believe that the interim ROE for the Uniform Plants should be 11.14% and for Marco Island should be 11.19%. Since the Lehigh ROE was higher than the current requested ROE of 11.19%, staff has used the cost rate requested. This treatment has been consistently applied by the Commission in interim rate proceedings. See Orders Nos. PSC-

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

94-1237-FOF-WU and PSC-93-1174-FOF-SU, issued on October 11, 1994 and August 10, 1993, respectively.

For the groups that have not had a rate proceeding before the Commission, the leverage graph has been used to determine the minimum of the range for the interim cost of equity. Based on SSU's 1994 equity ratio and the current leverage graph, staff has calculated a ROE of 10.79%.

Investment Tax Credits (ITCS)

In this filing, SSU treated all of its ITCs as Option 2, as if it had filed an election under Section 46(f)2 of the Internal Revenue Code (IRC). 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. In Docket No. 920199-WS, SSU, likewise, treated its ITCs as Option 2.

SSU was and has always been an Option 2 company. However, the Deltona systems, when purchased by SSU, were Option 1 companies. 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. Consequently, in Order No. PSC-93-0423-FOF-WS, in Docket No. 920199-WS, the Commission recognized this mix and blended the ITCs of the Option 1 companies with the those of the Option 2 companies to calculate a 2.22% cost rate for the Uniform Plants. Staff cannot determine from the order whether or not adjustments were made to remove ITC amortization from the Deltona systems.

In order to be consistent with the last rate proceeding for the 920199-WS plants, staff believes that a similar adjustments should be made. However, we do not have the breakdown in the MFRs to make this adjustment. For this reason, staff recommends that the same 2.22% cost rate be used for interim purposes for the Uniform Plants and that the ITC amortization for the Deltona systems, only, be removed from income tax expense. We believe that this is the most reasonable treatment to be used based on the information available.

In the Lehigh rate case, the Commission treated the ITCs in the capital structure as Option 1. At the time of the Lehigh rate case, Lehigh had a separate capital structure and was not consolidated with SSU. For interim purposes in this case, staff recommends that to be consistent with the last rate proceeding of

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

Lehigh, all ITCs should be reflected as zero cost with no reduction to income tax expense.

In the Marco Island rate case, the Commission treated the ITCs as Option 2 with no discussion as to why it was not consistent with the treatment in Docket No. 920199-WS. To be consistent with Marco's last rate proceeding, staff recommends that ITCs be treated as Option 2 for interim purposes in this case.

For the groups that have not had a rate proceeding before the Commission, staff recommends that the ITCs should be treated as Option 2 for interim, which is consistent with the request by the utility.

Net Operating Income

Other than to adjust all components to the 1994 amounts, the adjustments to depreciation expense for used and useful, and the adjustments to ITC amortization discussed above, staff has not made any other adjustments to operating income.

Revenue Requirement

Staff has recommended revenue requirements consistent with the calculations required by the interim statute and Commission practice. For those systems that appear to be earning less than the minimum of the last authorized rate of return for 1994, staff has recommended increases in revenues. However, consistent with Commission practice, we have not increased the revenues above the dollar amount of revenues requested by the utility for its 1995 interim increase. For those plants that appear to be overearning, instead of an interim decrease, staff is recommending that the reflected decrease in revenues be held subject to refund. Based on staff's analysis, the interim revenue increases and amounts held subject to refund should be approved as reflected in the staff recommendation.

No interim increase should be granted for the Uniform Plants since separate revenue requirements cannot be calculated. For information purposes only, staff has calculated combined revenue requirements for the Uniform Plants as follows:

	<u>Revenues</u>	<u>\$ Increase</u>	<u>% Increase</u>
Water	\$15,479,073	\$3,453,687	28.72%
Wastewater	\$12,267,863	\$2,466,349	25.16%

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

ISSUE 5: If the Commission approves the alternative recommendation in Issue 3 and staff's recommendation in Issue 4, what, if any, are the appropriate interim rates for Southern States Utilities, Inc. for the historic year ended December 31, 1994?

RECOMMENDATION: As recommended in Issue 4, SSU's request for a uniform interim rate structure for the plants previously grouped in Docket No. 920199-WS should be denied. However, the Commission should approve interim rates for the remaining 11 water and wastewater plants discussed in the Staff Analysis as shown on Schedule No. 4 for each plant. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), Florida Administrative Code, provided the customers have received notice. The rates may not be implemented until proper notice has been received by the customers. SSU should provide proof of the date of notice was given within 10 days after the date of notice. (RENDELL)

STAFF ANALYSIS: As discussed in Issue 4, SSU has requested an across-the-board percentage increase for all water and wastewater systems regardless of the statutory calculations on a per plant basis. This includes uniform interim rates for the plants that were previously grouped in Docket No. 920199-WS. Based on the Court's opinion, as discussed in Issue 3, SSU's requested uniform rate structure is invalid. Therefore, SSU's request for uniform interim rates for its water and wastewater plants included in Docket No. 920199-WS should be denied.

However, the Commission should approve interim rates for the following remaining 11 water and wastewater plants, as shown on Schedules Nos. 4:

<u>Water</u>	<u>% Increase Excluding Misc. Service Revenue</u>
Deep Creek	0.32%
Lehigh	16.22%
Geneva Lake Estates	6.14%
Keystone Club Estates	13.36%
Marco Island	8.29%
Palm Valley	26.21%
Remington Forest	60.94%

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

<u>Wastewater</u>	<u>% Increase Excluding Misc. Service Revenue</u>
Enterprise	33.30%
Lehigh	18.42%
Marco Island	18.19%
Tropical Isles	45.52%

In addition, SSU's Enterprise water plant and Deep Creek wastewater plant indicate possible overearnings for the test year ended December 31, 1994. These amounts should be considered amounts held subject to refund, not recommended interim decreases in revenue. This will be further addressed in Issue 6.

However, for informational purposes only, interim rates for the plants previously grouped in Docket No. 920199-WS would be 29.46% for water and 25.46% for wastewater. These percentages exclude miscellaneous service charges. These rate increases should be applied to the rates approved by the Commission at the September 26, 1995 Agenda Conference. These increases should be applied across-the-board for the 85 water and 36 wastewater plants, that were previously grouped in Docket No. 920199-WS, consistent with SSU's request.

These interim rates should be implemented for service rendered on or after the stamped approval date on the tariff sheets provided customers have received notice. The revised tariff sheets will be approved upon staff's verification that the tariff sheets are consistent with the Commission's decision, that the proposed notice to the customers of the approved increase is adequate and the required security discussed under Issue No. 6 has been filed. The utility should provide proof of the date notice was given within 10 days after the date of notice.

The current, requested interim, requested final, and staff recommended interim rates for the 11 systems listed above are shown on Schedules Nos. 4.

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

ISSUE 6: If the Commission approves the alternative recommendation in Issue 3 and staff's recommendation in Issue 4, what is the appropriate security to guarantee the interim increase?

RECOMMENDATION: The utility should be required to file a bond, letter of credit or escrow agreement to guarantee any potential refunds of water and wastewater revenues collected under interim conditions. The letter of credit or bond should be in the amount as discussed in the Staff Analysis. In lieu of a letter of credit or bond, SSU may obtain an escrow agreement which requires SSU to deposit an amount monthly, as discussed below, until completion of the rate case. Pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility should provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund. (RENDELL)

STAFF ANALYSIS: Pursuant to Section 367.082, Florida Statutes, the excess of interim rates over the previously authorized rates shall be collected under guarantee subject to refund with interest. If the Commission approves Staff's recommendation in Issue 5, the amount of a potential refund in this case has been calculated to be \$1,897,855. It should be noted that if the Commission approves an interim rate increase for the plants previously grouped in Docket No. 920199-WS, the amount of potential refund would be \$6,532,356.

Further, SSU's Enterprise water plant and Deep Creek wastewater plant indicate possible overearnings for the test year ended December 31, 1994. These amounts should be considered amounts held subject to refund, not recommended interim decreases in revenue. The above amounts of potential refunds include these potential overearnings.

The Division of Auditing and Financial Analysis has advised that the utility cannot support a corporate undertaking due to inadequate liquidity and declining profitability. These concerns cast doubt on the utility's ability to back a corporate undertaking. Therefore, we recommend that the utility provide a letter of credit, bond, or escrow agreement to guarantee the funds collected subject to refund.

If the security provided is an escrow account, said account should be established between the utility and an independent financial institution pursuant to a written escrow agreement. The Commission should be a party to the written escrow agreement and a signatory to the escrow account. The written escrow agreement should state the following: that the account is established at the direction of this Commission for the purpose set forth above, that no withdrawals of funds should occur without the prior approval of

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

the Commission through the Director of the Division of Records and Reporting, that the account should be interest bearing, that information concerning the escrow account should be available from the institution to the Commission or its representative at all times, and that pursuant to Cosentino v. Elson, 263 So. 2d 253 (Fla. 3d. DCA 1972), escrow accounts are not subject to garnishments.

If the Commission approves Staff's recommendation in Issue 5, the utility should deposit the funds to be escrowed, \$210,873 into the escrow account each month. However, if the Commission also approves an interim rate increase for the 85 water and 36 wastewater plants that were previously grouped in Docket No. 920199-WS, the utility should deposit the funds to be escrowed, \$725,817 into the escrow account each month. Regardless, if a refund to the customers is required, all interest earned by the escrow account should be distributed to the customers. If a refund to the customers is not required, the interest earned by the escrow account should revert to the utility.

If the security provided is a bond or a letter of credit, said instrument should be in the amounts as stated above. If the utility chooses a bond as security, the bond should state that it will be released or should terminate upon subsequent order of the Commission addressing overearnings or requiring a refund. If the utility chooses to provide a letter of credit as security, the letter of credit should state that it is irrevocable for the period it is in effect and that it will be in effect until a final Commission order is rendered addressing overearnings or requiring a refund.

Irrespective of the type of security provided, the utility should keep an accurate and detailed account of all monies it receives. Pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility shall provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund. Should a refund be required, the refund should be with interest and undertaken in accordance with Rule 25-30.360, Florida Administrative Code.

In no instance should maintenance and administrative costs associated with any refund be borne by the customers. The costs are the responsibility of, and should be borne by, the utility.

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

ISSUE 7: Should OPC's motion to dismiss be granted?

RECOMMENDATION: No. (O'SULLIVAN)

STAFF ANALYSIS: OPC's Motion to Dismiss SSU's Request for an Interim Increase in Rates, filed on August 30, 1995, requests that the Commission deny SSU interim rate relief because the utility has based its request on a "budgeted" interim test year. OPC contends that while Section 367.082, Florida Statutes, permits a projected test year rate base, it does not allow the use of projected revenues and expenses when calculating interim rates. OPC argues that because the utility calculated a rate of return deficiency based on projected and budgeted amounts of revenue, expense, and rate base, its request for interim rates should be dismissed.

SSU filed a response to OPC's motion on September 6, 1995. SSU contends that OPC does not have standing to participate in the interim decision. Section 367.082(3), Florida Statutes, permits a point of entry on interim issues, but only regarding extraordinary or imprudently incurred expenditures, or to increase security for the interim funds. SSU also points out that Rule 25-22.037, Florida Administrative Code, requires that a motion to dismiss must be filed within 20 days of service of the petition. OPC's motion was filed well after SSU's initial petition was filed, and even more than 20 days since the August 2, 1995, amended petition.

SSU also argues that even if the Commission chooses to hear the substance of OPC's motion, OPC's argument that the Commission should not use projected expenses when considering a projected interim test year should be denied. SSU contends that proper statutory interpretation indicates that projected expenses should be considered when using a projected rate base.

Interim rates "attempt to make a utility whole during the pendency of the proceeding without the interjection of any opinion testimony." Citizens v. Florida Public Service Commission, 435 So.2d 784, 786 (Fla. 1983). The interim statute establishes a prima facie entitlement for interim rates. The utility must meet certain requirements in order to establish this prima facie case. Section 367.082, Florida Statutes, and the Commission's procedures do not contemplate parties filing a response or motion regarding a utility's request for interim rates. The Commission's consideration of a motion such as OPC's is clearly discretionary.

The Commission considered a similar situation in the electric industry, when OPC filed a response to Florida Public Utility Company's request for interim rates for its Marianna electric operations. The Commission stated that "the purpose of the interim

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

statute is a 'quick and dirty' review" to be done within 60 days of the utility's filing. The Commission found the responsive pleading to be "inconsistent with the purpose of the interim statute", but nevertheless reviewed OPC's filing. Order No. PSC-93-1640-FOF-EI, issued November 8, 1993.²

OPC's motion, while termed a motion to dismiss, is in essence a response to the utility's request for interim rates, and as such, is inappropriate. Staff recommends that the Commission not consider OPC's motion, on the grounds that Section 367.082 does not contemplate a point of entry by the utility or any party once the request for interim is filed. Furthermore, Section 120.72(3), Florida Statutes, provides a specific exemption for interim proceedings:

Notwithstanding any provisions of this chapter, all public utilities and companies regulated by the Public Service Commission shall be entitled to proceed under the interim rate provisions of Chapter 364 or the procedures for interim rates contained in chapter 74-195, Laws of Florida, or as otherwise provided by law.

Whether it is considered as an answer or a motion to dismiss, OPC's motion was not timely filed. Pursuant to Rules 25-22.037(1) and 25-22.037(2)(a), Florida Administrative Code, an answer to a petition or a motion to dismiss must be filed within 20 days of service of the petition. Even allowing five additional days for mailing, OPC's motion to dismiss was not timely filed. However, the Commission in the past has considered motions to dismiss that were filed beyond the deadline. Therefore, this untimeliness should not be considered fatal.

If the Commission chooses to review the merits of OPC's motion, OPC's argument concerning the use of projected rate base has been addressed in Issue 3 of this recommendation. Staff has recommended in that issue that the entire projected test year concept should be used, and not just rate base. However, Staff has also recommended in Issue 3 that the Commission not grant the utility's request for interim rates because of inappropriately projected items. Therefore, if the Commission approves Staff's primary recommendation in Issue 3, OPC's motion is rendered moot.

²93 FPSC 11:145 (1993) In re: Application for a rate increase for Marianna electric operations by Florida Public Utilities Company.

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

ISSUE 8: Should the Commission grant OPC's Motion to Cap SSU's Maximum Interim and Final Rates in this Proceeding to the Rates Requested by SSU?

RECOMMENDATION: As OPC's motion relates to the determination of interim rates, if the Commission approves Staff's primary recommendation in Issue 3, a ruling on OPC's motion is not necessary. If the Commission approves the alternative recommendation in Issue 3, OPC's motion as it relates to interim should not be considered. However, if the Commission does choose to consider OPC's motion to cap the interim rate, OPC's motion should be denied. With respect to the cap on the final rates, OPC's motion is premature and should not be ruled upon at this time. OPC's request for oral argument should also be denied.
(JABER)

STAFF ANALYSIS: On September 15, 1995, OPC filed its Motion to the Full Commission to Cap SSU's Maximum Interim and Final Rates in this Proceeding to the Rates Requested by SSU. On September 22, 1995, SSU timely filed a Response to OPC's motion.

In its Motion, OPC argues that in order to provide due process to the SSU customers and to comply with the Administrative Procedures Act, the Commission should limit the ultimate maximum interim and final rates to those maximum rates requested in the MFRs, those noticed to customers, and those provided by SSU in supplemental materials sent to its customers. In support of its argument, OPC states the following: 1) Rule 25-22.0407, Florida Administrative Code, requires the utility to provide a copy of its petition, MFRs, and its rate case synopsis at various places within 30 days of the official filing date; 2) the rate case synopsis must include a summary of the section of the MFRs showing a comparison of the present and proposed rates and charges; and 3) SSU sent supplemental materials to customers describing the "maximum rates they might be charged as a result of this rate case"; and customers have relied upon these representation; 4) the MFRs do not contain information showing revenue requirements for uniform rate systems on a system-by-system basis; and 5) a new notice at variance with the MFRs would confuse the customers further.

In its response, SSU requests that the Commission strike OPC's motion because OPC lacks standing to participate in the Commission's interim rate determination. In support thereof, SSU asserts that OPC cites no authority for its right to participate in interim proceedings, there is no such authority, and under Chapter 120, Florida Statutes, substantially affected persons are entitled to notice and a hearing only to proposed agency action. Further, SSU asserts that Section 367.082, Florida Statutes, provides that

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

interim rates are temporary rates, subject to refund, and are designed to ensure that the utility's earnings are increased to the minimum of the previously authorized range. As authority, SSU cites to Citizens v. PSC, 435 So. 2d 784, 786-787 (Fla. 1983).

In the event the Commission does consider OPC's motion, SSU asserts that: 1) OPC cites no authority for the proposition that customers must be notified of the exact extent by which their interest may be affected, and OPC only filed the instant motion in anticipation of the Commission's changing the rate structure for many of SSU's service areas; 2) customers have already been provided legally sufficient notice of potential rate changes arising from Docket No. 920199-WS since the notice in that docket met the requirements of City of Plant City v. Mann, 337 So. 2d 966 (Fla. 1966); 3) Section 367.082, Florida Statutes, imposes on the Commission the duty to authorize rates sufficient to allow the utility to collect the minimum of its last authorized range of returns, and granting OPC's motion would cause the Commission to violate its statutory obligation as set forth in Section 367.082, Florida Statutes; and 4) not allowing a utility to collect its fair rate of return is confiscatory and deprives the utility of its due process rights. See Keystone Water Co. v. Bevis, 278 So.2d 606 (Fla. 1973) and Gulf Power Co. v. Bevis, 289 So.2d 401 (Fla. 1974).

Before beginning the analysis, it is important to note here that the following analysis is necessary only if the Commission denies Staff's primary recommendation in Issue 3, and also chooses to consider OPC's motion as it relates to the determination of interim rates. Staff believes that the Commission should not consider OPC's motion. With respect to the appropriateness of a motion filed in response to a utility's request for interim rates, Staff's analysis in Issue 7 is applicable here. As stated in Issue 7, the interim statute does not allow parties the opportunity to provide input on the interim rate determination. This is confirmed by Section 120.72(3), Florida Statutes, which exempts interim proceedings from Chapter 120. The Legislature was clear in that regard. Case law supports this notion. See Citizens v. Florida Public Service Commission, 435 So. 2d 784, 786 (Fla. 1983), wherein the Court stated that interim rates "attempt to make a utility whole during the pendency of the proceeding without the interjection of an opinion testimony." OPC cites no authority to the contrary.

In the event the Commission does consider the merits of OPC's motion, Staff believes that OPC's motion should be denied for the following reasons.

Statutory Authority

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

Section 367.082(2)(a), Florida Statutes, provides the following:

In a proceeding for an interim increase, the commission shall authorize, within 60 days of filing for such relief, the collection of rates sufficient to earn the minimum of the range of rate of return calculated in accordance with subparagraph (5)(b)2. The difference between the interim rates and the previously authorized rates shall be collected under bond, escrow, letter of credit, or corporate undertaking subject to refund with interest at a rate ordered by the commission. (emphasis added).

The Legislature was very clear that if the utility makes a prima facie showing that it is entitled to interim rate relief, the Commission shall set a rate for the utility which is sufficient for it earn the minimum of the range of rate of return. The statute does not cap the "rates" to what the utility requested. To do anything other than calculating the rate of return as set forth in the interim statute defeats the intent and purpose of the interim rate authority the Commission has, and arguably could put the Commission in the position of violating its statutory obligation (if, of course, the utility has shown a prima facie entitlement).

Practical Considerations

The Commission does not approve a greater revenue requirement than requested. There is no such prohibition on the rates approved to generate that revenue requirement or on any component of rate base. Further, the utility does not request "a rate," it requests a revenue requirement sufficient to generate rates which allow it, in the case of interim, to earn the minimum of the range of return on equity.

Notice

In support of its motion, OPC makes the argument that the notices sent by the utility, the rate case synopsis, and the MFRs do not adequately represent the customers' present and potential rates. To the best of Staff's knowledge, the utility has complied with all of the Commission's rules with respect to notice. Staff agrees that the concurrent decision arising from the remand in Docket No. 920199-WS complicates this rate proceeding. Staff notes that OPC has raised this argument in its motions to dismiss. This

DOCKET NO. 950495-WS
DATE: SEPTEMBER 27, 1995

argument will be addressed further in a subsequent recommendation to be filed which addresses OPC's motions to dismiss the rate proceeding. For purposes of this recommendation, this argument is not relevant, cannot be remedied for interim, and capping the interim rate to what the utility requested does not solve any perceived noticing problem.

Oral Argument

While OPC did not file a request for oral argument with its motion to cap rates, on September 22, 1995, OPC filed a motion requesting that OPC grant oral argument on all motions pending before the Commission. Staff interprets this as a request for oral argument in this instant motion. For the same reasons as set forth in Issue 2 of this recommendation, the Commission should not grant oral argument on this motion. Rule 25-22.0021(1), Florida Administrative Code, precludes parties from speaking on interim rate issues at agenda conference. Additionally, OPC has not demonstrated why oral argument would aid the Commission in its determination, nor did it file its request with the motion, as required by Commission procedure.

Conclusion

A ruling on OPC's motion is not necessary if the Commission denies staff's primary recommendation in issue 3. If the Commission approves Staff's alternate recommendation in issue 3, Staff believes that it is not appropriate to allow parties the opportunity to provide input on interim decisions. Finally, even if the Commission chooses to hear the merits of OPC's motion, Staff recommends that the Commission deny the motion because there is no statutory authority to deny a utility a rate calculated in accordance with Section 367.082.

SSU/ CHARLOTTE / DEEP CREEK
 SCHEDULE OF WATER RATE BASE
 INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 1-A
 DOCKET NO. 950495-WS

COMPONENT	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994
1 UTILITY PLANT IN SERVICE	\$ 4,856,460	\$ 0	\$ 4,856,460	(\$ 148,666)	4,707,794
2 LAND & LAND RIGHTS	9,307	0	9,307	77	9,384
3 NON-USED & USEFUL COMPONENTS	(1,381,687)	0	(1,381,687)	(94,191)	(1,475,878)
4 ACCUMULATED DEPRECIATION	(1,546,937)	0	(1,546,937)	141,784	(1,405,153)
5 CIAC	(543,100)	(36,550)	(579,650)	(13,325)	(592,975)
6 AMORTIZATION OF CIAC	114,598	0	114,598	(17,955)	96,643
7 ACQUISITION ADJUSTMENTS - NET	0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION	0	0	0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS	(17,539)	0	(17,539)	7,288	(10,251)
10 DEFERRED TAXES	(87,813)	0	(87,813)	30,383	(57,430)
11 WORKING CAPITAL ALLOWANCE	175,312	0	175,312	(155,567)	19,745
12 OTHER	0	0	0	0	0
RATE BASE	\$ 1,578,601	\$ (36,550)	\$ 1,542,051	(\$ 250,172)	1,291,879

SSU/ CHARLOTTE / DEEP CREEK
 SCHEDULE OF WASTEWATER RATE BASE
 INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 1-B
 DOCKET NO. 950495-WS

COMPONENT	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994
1 UTILITY PLANT IN SERVICE	\$ 9,113,298	\$ 0	\$ 9,113,298	\$(330,515)	8,782,783
2 LAND	12,280	0	12,280	(2,734)	9,546
3 NON-USED & USEFUL COMPONENTS	180,042	0	180,042	177,546	357,588
4 ACCUMULATED DEPRECIATION	(2,754,927)	0	(2,754,927)	227,163	(2,527,764)
5 CIAC	(9,499,375)	(30,458)	(9,529,833)	(14,144)	(9,543,977)
6 AMORTIZATION OF CIAC	2,768,554	0	2,768,554	(216,449)	2,552,105
7 ACQUISITION ADJUSTMENTS - NET	0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION	0	0	0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS	(17,842)	0	(17,842)	7,414	(10,428)
10 DEFERRED TAXES	(171,712)	0	(171,712)	(1,925)	(173,637)
11 WORKING CAPITAL ALLOWANCE	205,362	0	205,362	(196,911)	8,451
12 CONSTRUCTION WORK IN PROGRESS	0	194,780	194,780	350,554	545,334
RATE BASE	\$ (164,322)	\$ 164,322	\$ 0	\$ 0	0

SSU/ CHARLOTTE / DEEP CREEK
CAPITAL STRUCTURE
INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 2
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 1995							
1 LONG TERM DEBT	\$ 106,133,768	\$ 0	\$(32,634,241)	73,499,527	56.66%	8.91%	5.05%
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	79,582,081	0	\$(24,470,070)	55,112,011	42.49%	11.19%	4.75%
5 CUSTOMER DEPOSITS	1,686,596	0	\$(518,598)	1,167,998	0.90%	6.00%	0.05%
6 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
7 DEFERRED ITC'S-WTD COST	1,381,613	0	\$(424,821)	956,792	0.74%	9.86%	0.07%
8 ADJUSTMENT FOR GAS	<u>(1,480,794)</u>	<u>0</u>	<u>455,317</u>	<u>(1,025,477)</u>	<u>-0.79%</u>	11.19%	<u>-0.09%</u>
9 TOTAL CAPITAL	\$ <u>187,303,264</u>	\$ <u>0</u>	\$ <u>(57,592,413)</u>	<u>129,710,851</u>	<u>100.00%</u>		<u>9.84%</u>
PER STAFF 1994							
10 LONG TERM DEBT	\$ 108,538,089	\$ 0	\$(107,799,909)	738,180	57.14%	8.97%	5.13%
11 SHORT-TERM DEBT	0	0	0	0	0.00%	0.00%	0.00%
12 PREFERRED STOCK	0	2,121,800	\$(2,107,369)	14,431	1.12%	0.00%	0.00%
13 COMMON EQUITY	77,841,709	0	\$(77,312,299)	529,410	40.98%	10.79%	4.42%
14 CUSTOMER DEPOSITS	1,692,993	0	\$(1,681,479)	11,514	0.89%	6.00%	0.05%
15 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
15 DEFERRED ITC'S-WTD COST	1,250,895	0	\$(1,242,388)	8,507	0.66%	9.62%	0.06%
16 ADJUSTMENT FOR GAS	<u>(1,494,363)</u>	<u>0</u>	<u>1,484,200</u>	<u>(10,163)</u>	<u>-0.79%</u>	10.79%	<u>-0.08%</u>
17 TOTAL CAPITAL	\$ <u>187,829,323</u>	\$ <u>2,121,800</u>	\$ <u>(188,659,244)</u>	<u>1,291,879</u>	<u>100.00%</u>		<u>9.58%</u>
RANGE OF REASONABLENESS					<u>LOW</u>	<u>HIGH</u>	
RETURN ON EQUITY					<u>10.79%</u>	<u>12.79%</u>	
OVERALL RATE OF RETURN					<u>9.58%</u>	<u>10.40%</u>	

SSU/ CHARLOTTE / DEEP CREEK
STATEMENT OF WATER OPERATIONS
INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 1,532,334	\$ 467,597	\$ 1,999,931	\$(514,949)	\$ 1,484,982	\$ 4,740	\$ 1,489,722
OPERATING EXPENSES:						0.32%	
2 OPERATION AND MAINTENANCE	\$ 1,402,499	\$ 0	\$ 1,402,499	\$(275,743)	\$ 1,126,756	\$	\$ 1,126,756
3 DEPRECIATION	91,681	0	91,681	(12,853)	78,828		78,828
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	168,401	652	169,053	(31,366)	137,687	213	137,900
6 INCOME TAXES	(89,841)	180,837	90,996	(70,249)	20,747	1,746	22,493
7 TOTAL OPERATING EXPENSES	\$ 1,572,739	\$ 181,489	\$ 1,754,228	\$(390,211)	\$ 1,364,018	\$ 1,959	\$ 1,365,977
8 OPERATING INCOME	\$ (40,405)	\$ 286,108	\$ 245,703	\$(124,738)	\$ 120,964	\$ 2,780	\$ 123,745
9 RATE BASE	\$ 1,578,601	\$	\$ 1,542,051	\$	\$ 1,291,879	\$	\$ 1,291,879
RATE OF RETURN	-2.56%		15.93%		9.36%		9.58%

SSU/ CHARLOTTE / DEEP CREEK
 STATEMENT OF WASTEWATER OPERATIONS
 INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 3-B
 DOCKET NO. 950495-WS

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 1,745,885	\$ 487,637	\$ 2,233,522	\$ (541,028)	\$ 1,692,494	\$ (369,521)	1,322,973
OPERATING EXPENSES						-21.83%	
2 OPERATION AND MAINTENANCE	\$ 1,642,893	\$ 0	\$ 1,642,893	\$ (454,075)	\$ 1,188,818	\$	1,188,818
3 DEPRECIATION	18,517	0	18,517	(9,037)	9,480		9,480
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	199,712	1,446	201,158	(35,739)	165,419	(16,628)	148,791
6 INCOME TAXES	(57,853)	184,347	126,494	(14,481)	112,013	(136,128)	(24,116)
7 TOTAL OPERATING EXPENSES	\$ 1,803,269	\$ 185,793	\$ 1,989,062	\$ (513,332)	\$ 1,475,730	\$ (152,757)	1,322,973
8 OPERATING INCOME	\$ (57,384)	\$ 301,844	\$ 244,460	\$ (27,696)	\$ 216,764	\$ (216,764)	0
9 RATE BASE	\$ (164,322)	\$	\$ 0	\$	\$ 0	\$	\$ 0
RATE OF RETURN	34.92%		0.00%		0.00%		0.00%

UTILITY: SOUTHERN STATES UTILITIES, INC.
 SYSTEM: DEEP CREEK
 COUNTY: CHARLOTTE
 DOCKET NO. 950495-WS

Schedule No. 4

RATE SCHEDULE

Water
 Monthly Rates

RESIDENTIAL, GENERAL SERVICE, AND MULTI-FAMILY	Current Rates	Requested Proposed Interim	- Proposed Final -		Staff's Recommended Interim
			WITH Add'l County Plants	WITHOUT Add'l County Plants	
Base Facility Charge					
5/8"x3/4"	\$13.69	\$17.92	\$8.46	\$9.17	\$13.73
3/4"	\$13.69	\$17.92	\$12.69	\$13.76	\$13.73
1"	\$34.21	\$44.77	\$21.15	\$22.93	\$34.31
1-1/2"	\$68.43	\$89.56	\$42.30	\$45.85	\$68.65
2"	\$109.50	\$143.31	\$67.68	\$73.36	\$109.85
Gallorage Charge per 1,000 gallons	\$4.12	\$5.39	\$1.76	\$2.16	\$4.13

RATE SCHEDULE

Wastewater
 Monthly Rates

RESIDENTIAL	Current Rates	Requested Proposed Interim	- Proposed Final -		Staff's Recommended Interim
			WITH Add'l County Plants	WITHOUT Add'l County Plants	
Base Facility Charge: All Meter Sizes	\$19.40	\$24.81	\$17.21	\$17.59	\$19.40
Gallorage Charge (per 1,000 gals)	\$3.97	\$5.08	\$4.75	\$4.74	\$3.97
Sewer Cap (gallons)	10,000	10,000	6,000	6,000	10,000
All Excess Gallons	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

GENERAL, MULTI-FAMILY

Base Facility Charge:					
5/8"x3/4"	\$19.40	\$24.81	\$17.21	\$17.59	\$19.40
3/4"	\$19.40	\$24.81	\$25.82	\$26.39	\$19.40
1"	\$48.52	\$62.06	\$43.03	\$43.98	\$48.52
1-1/2"	\$97.02	\$124.09	\$66.05	\$67.95	\$97.02
2"	\$155.25	\$198.57	\$137.68	\$140.72	\$155.25
Gallorage Charge (per 1,000 gals)	\$4.75	\$6.08	\$5.70	\$5.69	\$4.75

SSU/VOLUSIA/ENTERPRISE
 SCHEDULE OF WATER RATE BASE
 INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 1-A
 DOCKET NO. 950495-WS

COMPONENT	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994
1 UTILITY PLANT IN SERVICE	\$ 273,711	\$ 0	\$ 273,711	\$(12,860)	260,851
2 LAND & LAND RIGHTS	6,587	0	6,587	6	6,593
3 NON-USED & USEFUL COMPONENTS	1,575	0	1,575	1,219	2,794
4 ACCUMULATED DEPRECIATION	(131,735)	0	(131,735)	9,529	(122,206)
5 CIAC	(229,170)	0	(229,170)	1,375	(227,795)
6 AMORTIZATION OF CIAC	95,852	0	95,852	(6,510)	89,342
7 ACQUISITION ADJUSTMENTS - NET	0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION	0	0	0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS	(1,295)	0	(1,295)	538	(757)
10 DEFERRED TAXES	(1,039)	0	(1,039)	596	(443)
11 WORKING CAPITAL ALLOWANCE	6,636	0	6,636	(5,178)	1,458
12 OTHER	0	0	0	0	0
RATE BASE	\$ 21,122	\$ 0	\$ 21,122	\$(11,285)	9,837

SSU/VOLUSIA/ENTERPRISE
 SCHEDULE OF WASTEWATER RATE BASE
 INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 1-B
 DOCKET NO. 950495-WS

COMPONENT	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994
1 UTILITY PLANT IN SERVICE	\$ 114,615	\$ 0	\$ 114,615	(\$ 6,303)	108,312
2 LAND	3,193	0	3,193	(116)	3,077
3 NON-USED & USEFUL COMPONENTS	(7,461)	0	(7,461)	(2,193)	(9,654)
4 ACCUMULATED DEPRECIATION	(70,781)	0	(70,781)	5,561	(65,220)
5 CIAC	(63,955)	0	(63,955)	0	(63,955)
6 AMORTIZATION OF CIAC	54,259	0	54,259	(3,612)	50,647
7 ACQUISITION ADJUSTMENTS - NET	0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION	0	0	0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS	(760)	0	(760)	316	(444)
10 DEFERRED TAXES	(1,913)	0	(1,913)	(277)	(2,190)
11 WORKING CAPITAL ALLOWANCE	5,907	0	5,907	(5,547)	360
12 OTHER	0	0	0	0	0
RATE BASE	\$ 33,104	\$ 0	\$ 33,104	(\$ 12,171)	20,933

SSU/VOLUSIA/ENTERPRISE
CAPITAL STRUCTURE
INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 2
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 1995							
1 LONG TERM DEBT	\$ 106,133,768	\$ 0	\$(32,634,241)	73,499,527	56.66%	8.91%	5.05%
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	79,582,081	0	(24,470,070)	55,112,011	42.49%	11.19%	4.75%
5 CUSTOMER DEPOSITS	1,686,596	0	(518,598)	1,167,998	0.90%	6.00%	0.05%
6 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
7 DEFERRED ITC'S-WTD COST	1,381,613	0	(424,821)	956,792	0.74%	9.86%	0.07%
8 ADJUSTMENT FOR GAS	(1,480,794)	0	455,317	(1,025,477)	-0.79%	11.19%	-0.09%
9 TOTAL CAPITAL	\$ <u>187,303,264</u>	\$ 0	<u>\$(57,592,413)</u>	<u>129,710,851</u>	<u>100.00%</u>		<u>9.84%</u>
PER STAFF 1994							
10 LONG TERM DEBT	\$ 108,538,089	\$ 0	\$(108,520,507)	17,582	57.14%	8.97%	5.13%
11 SHORT-TERM DEBT	0	0	0	0	0.00%	0.00%	0.00%
12 PREFERRED STOCK	0	2,121,800	(2,121,456)	344	1.12%	0.00%	0.00%
13 COMMON EQUITY	77,841,709	0	(77,829,099)	12,610	40.98%	10.79%	4.42%
14 CUSTOMER DEPOSITS	1,692,993	0	(1,692,719)	274	0.89%	6.00%	0.05%
15 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
15 DEFERRED ITC'S-WTD COST	1,250,895	0	(1,250,692)	203	0.66%	9.62%	0.06%
16 ADJUSTMENT FOR GAS	(1,494,363)	0	1,494,121	(242)	-0.79%	10.79%	-0.08%
17 TOTAL CAPITAL	\$ <u>187,829,323</u>	\$ <u>2,121,800</u>	<u>\$(189,920,353)</u>	<u>30,770</u>	<u>100.00%</u>		<u>9.58%</u>
RANGE OF REASONABLENESS					<u>LOW</u>	<u>HIGH</u>	
RETURN ON EQUITY					<u>10.79%</u>	<u>12.79%</u>	
OVERALL RATE OF RETURN					<u>9.58%</u>	<u>10.40%</u>	

SSU/VOLUSIA/ENTERPRISE
STATEMENT OF WATER OPERATIONS
INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 69,832	\$ 21,180	\$ 91,012	\$(21,252)	\$ 69,760	\$(40,657)	29,103
OPERATING EXPENSES:						-58.28%	
2 OPERATION AND MAINTENANCE	\$ 53,090	\$ 0	\$ 53,090	\$(30,356)	\$ 22,734	\$	22,734
3 DEPRECIATION	4,192	0	4,192	(849)	3,343		3,343
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	4,622	936	5,558	(1,329)	4,229	(1,830)	2,399
6 INCOME TAXES	2,148	7,810	9,958	4,624	14,582	(14,978)	(396)
7 TOTAL OPERATING EXPENSES	\$ 64,052	\$ 8,746	\$ 72,798	\$(27,910)	\$ 44,888	\$(16,807)	28,080
8 OPERATING INCOME	\$ 5,780	\$ 12,434	\$ 18,214	\$ 6,658	\$ 24,872	\$(23,850)	1,023
9 RATE BASE	\$ 21,122	\$ 21,122	\$ 21,122	\$ 9,837	\$ 9,837		
RATE OF RETURN	27.36%		86.23%		252.85%		10.40%

SSU/VOLUSIA/ENTERPRISE
STATEMENT OF WASTEWATER OPERATIONS
INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 49,198	\$ 13,731	\$ 62,929	(\$ 15,721)	\$ 47,208	\$ 15,721	\$ 62,929
OPERATING EXPENSES						33.30%	
2 OPERATION AND MAINTENANCE	\$ 47,253	\$ 0	\$ 47,253	\$ 20,661	\$ 67,914	\$	\$ 67,914
3 DEPRECIATION	1,705	0	1,705	(710)	995		995
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	3,654	584	4,238	(250)	3,988	707	4,695
6 INCOME TAXES	(2,171)	5,071	2,900	(13,413)	(10,513)	5,791	(4,722)
7 TOTAL OPERATING EXPENSES	\$ 50,441	\$ 5,655	\$ 56,096	\$ 6,288	\$ 62,384	\$ 6,499	\$ 68,882
8 OPERATING INCOME	\$ (1,243)	\$ 8,076	\$ 6,833	(\$ 22,009)	(\$ 15,176)	\$ 9,222	(\$ 5,953)
9 RATE BASE	\$ 33,104	\$	\$ 33,104	\$	\$ 20,933	\$	\$ 20,933
RATE OF RETURN	-3.75%		20.64%		-72.50%		-28.44%

UTILITY: SOUTHERN STATES UTILITIES, INC.
 SYSTEM: ENTERPRISE
 COUNTY: VOLUSIA
 DOCKET NO. 950495-WS

Schedule No. 4

RATE SCHEDULE

**Water
 Monthly Rates**

RESIDENTIAL, GENERAL SERVICE, AND MULTI-FAMILY	Current Rates	Requested Proposed Interim	- Proposed Final -		Staff's Recommended Interim
			WITH Add'l County Plants	WITHOUT Add'l County Plants	
Base Facility Charge					
5/8"x3/4"	\$8.58	\$11.23	\$8.46	\$9.17	\$8.58
3/4"	\$8.58	\$11.23	\$12.69	\$13.76	\$8.58
1"	\$21.43	\$28.05	\$21.15	\$22.93	\$21.43
1-1/2"	\$42.87	\$56.11	\$42.30	\$45.85	\$42.87
2"	\$68.58	\$89.75	\$67.68	\$73.36	\$68.58
Gallage Charge per 1,000 gallons	\$2.21	\$2.89	\$1.76	\$2.16	\$2.21

RATE SCHEDULE

**Wastewater
 Monthly Rates**

RESIDENTIAL	Current Rates	Requested Proposed Interim	- Proposed Final -		Staff's Recommended Interim
			WITH Add'l County Plants	WITHOUT Add'l County Plants	
Base Facility Charge: All Meter Sizes	\$13.11	\$16.77	\$17.21	\$17.59	\$17.48
Gallage Charge (per 1,000 gals)	\$3.01	\$3.85	\$4.75	\$4.74	\$4.01
Sewer Cap (gallons)	10,000	10,000	6,000	6,000	10,000
All Excess Gallons	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

SSU/ GENEVA LAKE ESTATES
 SCHEDULE OF WATER RATE BASE
 INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 1-A
 DOCKET NO. 950495 - WS

COMPONENT	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994
1 UTILITY PLANT IN SERVICE	\$ 108,822	\$ 0	\$ 108,822	\$(3,923)	104,899
2 LAND & LAND RIGHTS	1,293	0	1,293	3	1,296
3 NON-USED & USEFUL COMPONENTS	(6,310)	0	(6,310)	(387)	(6,697)
4 ACCUMULATED DEPRECIATION	(23,926)	0	(23,926)	3,362	(20,564)
5 CIAC	(15,413)	0	(15,413)	363	(15,050)
6 AMORTIZATION OF CIAC	3,685	0	3,685	(380)	3,305
7 ACQUISITION ADJUSTMENTS - NET	0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION	0	0	0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS	(517)	0	(517)	215	(302)
10 DEFERRED TAXES	(1,140)	0	(1,140)	468	(672)
11 WORKING CAPITAL ALLOWANCE	2,534	0	2,534	(1,952)	582
12 OTHER	0	0	0	0	0
RATE BASE	\$ 69,028	\$ 0	\$ 69,028	\$(2,231)	66,797

SSU/ GENEVA LAKE ESTATES
CAPITAL STRUCTURE
INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 2
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 1995							
1 LONG TERM DEBT	\$ 106,133,768	\$ 0	\$(32,634,241)	73,499,527	56.66%	8.91%	5.05%
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	79,582,081	0	\$(24,470,070)	55,112,011	42.49%	11.19%	4.75%
5 CUSTOMER DEPOSITS	1,686,596	0	\$(518,598)	1,167,998	0.90%	6.00%	0.05%
6 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
7 DEFERRED ITC'S - WTD COST	1,381,613	0	\$(424,821)	956,792	0.74%	9.86%	0.07%
8 ADJUSTMENT FOR GAS	<u>(1,480,794)</u>	<u>0</u>	<u>455,317</u>	<u>(1,025,477)</u>	<u>-0.79%</u>	<u>11.19%</u>	<u>-0.09%</u>
9 TOTAL CAPITAL	\$ <u>187,303,264</u>	\$ <u>0</u>	\$ <u>(57,592,413)</u>	<u>129,710,851</u>	<u>100.00%</u>		<u>9.84%</u>
PER STAFF 1994							
10 LONG TERM DEBT	\$ 108,538,089	\$ 0	\$(108,499,921)	38,168	57.14%	8.97%	5.13%
11 SHORT - TERM DEBT	0	0	0	0	0.00%	0.00%	0.00%
12 PREFERRED STOCK	0	2,121,800	\$(2,121,054)	746	1.12%	0.00%	0.00%
13 COMMON EQUITY	77,841,709	0	\$(77,814,336)	27,373	40.98%	10.79%	4.42%
14 CUSTOMER DEPOSITS	1,692,993	0	\$(1,692,398)	595	0.89%	6.00%	0.05%
15 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
15 DEFERRED ITC'S - WTD COST	1,250,895	0	\$(1,250,455)	440	0.66%	9.62%	0.06%
16 ADJUSTMENT FOR GAS	<u>(1,494,363)</u>	<u>0</u>	<u>1,493,838</u>	<u>(525)</u>	<u>-0.79%</u>	<u>10.79%</u>	<u>-0.08%</u>
17 TOTAL CAPITAL	\$ <u>187,829,323</u>	\$ <u>2,121,800</u>	\$ <u>(189,884,326)</u>	<u>66,797</u>	<u>100.00%</u>		<u>9.58%</u>
RANGE OF REASONABLENESS					LOW	HIGH	
RETURN ON EQUITY					<u>10.79%</u>	<u>12.79%</u>	
OVERALL RATE OF RETURN					<u>9.58%</u>	<u>10.40%</u>	

SSU/ GENEVA LAKE ESTATES
 STATEMENT OF WATER OPERATIONS
 INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 3-A
 DOCKET NO. 950495-WS

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 29,654	\$ 9,002	\$ 38,656	(\$ 8,730)	\$ 29,926	\$ 1,807	\$ 31,733
OPERATING EXPENSES:						6.04%	
2 OPERATION AND MAINTENANCE	\$ 20,272	\$ 0	\$ 20,272	(\$ 2,868)	\$ 17,404	\$	\$ 17,404
3 DEPRECIATION	3,219	0	3,219	(291)	2,928		2,928
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	3,724	275	3,999	(621)	3,378	81	3,459
6 INCOME TAXES	(602)	3,366	2,764	(1,886)	878	666	1,543
7 TOTAL OPERATING EXPENSES	\$ 26,613	\$ 3,641	\$ 30,254	(\$ 5,666)	\$ 24,588	\$ 747	\$ 25,335
8 OPERATING INCOME	\$ 3,041	\$ 5,361	\$ 8,402	(\$ 3,064)	\$ 5,338	\$ 1,060	\$ 6,398
9 RATE BASE	\$ 69,028	\$	\$ 69,028	\$	\$ 66,797	\$	\$ 66,797
RATE OF RETURN	4.41%		12.17%		7.99%		9.58%

UTILITY: SOUTHERN STATES UTILITIES, INC.
 SYSTEM: GENEVA LAKE ESTATES
 COUNTY: BRADFORD
 DOCKET NO. 950495-WS

Schedule No. 4

RATE SCHEDULE

Water
 Monthly Rates

RESIDENTIAL, GENERAL SERVICE, AND MULTI-FAMILY	Current Rates	Requested Proposed Interim	- Proposed Final -		Staff's Recommended Interim
			WITH Add'l County Plants	WITHOUT Add'l County Plants	
Base Facility Charge					
5/8"x3/4"	\$4.97	\$6.50	\$8.46	\$9.17	\$5.28
3/4"	\$7.45	\$9.75	\$12.69	\$13.76	\$7.90
1"	\$12.42	\$16.25	\$21.15	\$22.93	\$13.18
1-1/2"	\$24.83	\$32.50	\$42.30	\$45.85	\$26.35
2"	\$39.75	\$52.00	\$67.68	\$73.36	\$42.19
Gallorage Charge per 1,000 gallons	\$2.07	\$2.71	\$1.76	\$2.16	\$2.20

SSU/ KEYSTONE CLUB ESTATES
 SCHEDULE OF WATER RATE BASE
 INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 1-A
 DOCKET NO. 950495-WS

COMPONENT	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994
1 UTILITY PLANT IN SERVICE	\$ 283,164	\$ 0	\$ 283,164	(\$32,929)	250,235
2 LAND & LAND RIGHTS	12,878	0	12,878	4	12,882
3 NON-USED & USEFUL COMPONENTS	(71,132)	0	(71,132)	1,978	(69,154)
4 ACCUMULATED DEPRECIATION	(56,430)	0	(56,430)	7,874	(48,556)
5 CIAC	(10,102)	0	(10,102)	438	(9,664)
6 AMORTIZATION OF CIAC	1,209	0	1,209	(248)	961
7 ACQUISITION ADJUSTMENTS - NET	0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION	0	0	0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS	(903)	0	(903)	375	(528)
10 DEFERRED TAXES	(4,404)	0	(4,404)	1,076	(3,328)
11 WORKING CAPITAL ALLOWANCE	3,182	0	3,182	(2,165)	1,017
12 OTHER	0	0	0	0	0
RATE BASE	\$ 157,462	\$ 0	\$ 157,462	(\$23,597)	133,865

SSU/ KEYSTONE CLUB ESTATES
CAPITAL STRUCTURE
INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 2
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 1995							
1 LONG TERM DEBT	\$ 106,133,768	\$ 0	\$(32,634,241)	73,499,527	56.66%	8.91%	5.05%
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	79,582,081	0	\$(24,470,070)	55,112,011	42.49%	11.19%	4.75%
5 CUSTOMER DEPOSITS	1,686,596	0	\$(518,598)	1,167,998	0.90%	6.00%	0.05%
6 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
7 DEFERRED ITC'S-WTD COST	1,381,613	0	\$(424,821)	956,792	0.74%	9.86%	0.07%
8 ADJUSTMENT FOR GAS	<u>(1,480,794)</u>	0	<u>455,317</u>	<u>(1,025,477)</u>	<u>-0.79%</u>	11.19%	<u>-0.09%</u>
9 TOTAL CAPITAL	\$ <u>187,303,264</u>	\$ 0	<u>\$(57,592,413)</u>	<u>129,710,851</u>	<u>100.00%</u>		<u>9.84%</u>
PER STAFF 1994							
10 LONG TERM DEBT	\$ 108,538,089	\$ 0	\$(108,461,599)	76,490	57.14%	8.97%	5.13%
11 SHORT-TERM DEBT	0	0	0	0	0.00%	0.00%	0.00%
12 PREFERRED STOCK	0	2,121,800	\$(2,120,305)	1,495	1.12%	0.00%	0.00%
13 COMMON EQUITY	77,841,709	0	\$(77,786,851)	54,858	40.98%	10.79%	4.42%
14 CUSTOMER DEPOSITS	1,692,993	0	\$(1,691,800)	1,193	0.89%	6.00%	0.05%
15 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
15 DEFERRED ITC'S-WTD COST	1,250,895	0	\$(1,250,013)	882	0.66%	9.62%	0.06%
16 ADJUSTMENT FOR GAS	<u>(1,494,363)</u>	0	<u>1,493,310</u>	<u>(1,053)</u>	<u>-0.79%</u>	10.79%	<u>-0.08%</u>
17 TOTAL CAPITAL	\$ <u>187,829,323</u>	\$ <u>2,121,800</u>	<u>\$(189,817,258)</u>	<u>133,865</u>	<u>100.00%</u>		<u>9.58%</u>
RANGE OF REASONABLENESS					<u>LOW</u>	<u>HIGH</u>	
RETURN ON EQUITY					<u>10.79%</u>	<u>12.79%</u>	
OVERALL RATE OF RETURN					<u>9.58%</u>	<u>10.40%</u>	

SSU/ KEYSTONE CLUB ESTATES
STATEMENT OF WATER OPERATIONS
INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 30,034	\$ 8,934	\$ 38,968	\$(4,466)	\$ 34,502	\$ 4,466	38,968
OPERATING EXPENSES:						12.94%	
2 OPERATION AND MAINTENANCE	\$ 25,456	\$ 0	\$ 25,456	\$ 788	\$ 26,244	\$	26,244
3 DEPRECIATION	6,586	0	6,586	(1,080)	5,506		5,506
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	6,239	(726)	5,513	(498)	5,015	201	5,216
6 INCOME TAXES	(6,765)	3,726	(3,039)	(948)	(3,987)	1,645	(2,342)
7 TOTAL OPERATING EXPENSES	\$ 31,516	\$ 3,000	\$ 34,516	\$(1,738)	\$ 32,778	\$ 1,846	34,624
8 OPERATING INCOME	\$(1,482)	\$ 5,934	\$ 4,452	\$(2,728)	\$ 1,724	\$ 2,620	4,344
9 RATE BASE	\$ 157,462	\$	\$ 157,462	\$	\$ 133,865	\$	\$ 133,865
RATE OF RETURN	-0.94%		2.83%		1.29%		3.24%

UTILITY: SOUTHERN STATES UTILITIES, INC.
 SYSTEM: KEYSTONE CLUB ESTATES
 COUNTY: BRADFORD
 DOCKET NO. 950495-WS

Schedule No. 4

RATE SCHEDULE

Water
 Monthly Rates

RESIDENTIAL, GENERAL SERVICE, AND MULTI-FAMILY	Current Rates	Requested Proposed Interim	- Proposed Final -		Staff's Recommended Interim
			WITH Add'l County Plants	WITHOUT Add'l County Plants	
Base Facility Charge					
5/8"x3/4"	\$4.97	\$6.50	\$8.46	\$9.17	\$5.63
3/4"	\$7.45	\$9.75	\$12.69	\$13.76	\$8.44
1"	\$12.42	\$16.25	\$21.15	\$22.93	\$14.07
1-1/2"	\$24.83	\$32.50	\$42.30	\$45.85	\$28.15
2"	\$39.73	\$52.00	\$67.68	\$73.36	\$45.04
Gallorage Charge per 1,000 gallons	\$2.07	\$2.71	\$1.76	\$2.16	\$2.35

SSU/ LEHIGH
 SCHEDULE OF WATER RATE BASE
 INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 1-A
 DOCKET NO. 950495-WS

COMPONENT	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994
1 UTILITY PLANT IN SERVICE	\$ 12,564,737	\$ 801,000	\$ 13,365,737	\$(2,150,621)	11,215,116
2 LAND & LAND RIGHTS	137,588	0	137,588	(76,797)	60,791
3 NON-USED & USEFUL COMPONENTS	(327,057)	0	(327,057)	(300,243)	(627,300)
4 ACCUMULATED DEPRECIATION	(4,030,249)	0	(4,030,249)	357,109	(3,673,140)
5 CIAC	(4,189,080)	(71,546)	(4,260,626)	363,031	(3,897,595)
6 AMORTIZATION OF CIAC	1,257,595	0	1,257,595	(147,138)	1,110,457
7 ACQUISITION ADJUSTMENTS - NET	0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION	(1,151,480)	0	(1,151,480)	637,319	(514,161)
9 UNFUNDED POST-RETIRE. BENEFITS	(51,007)	0	(51,007)	21,194	(29,813)
10 DEFERRED TAXES	320,934	0	320,934	1,096,285	1,417,219
11 WORKING CAPITAL ALLOWANCE	162,227	0	162,227	(6,514)	155,713
12 OTHER	0	0	0	0	0
RATE BASE	\$ 4,694,208	\$ 729,454	\$ 5,423,662	\$(206,375)	5,217,287

SSU/ LEHIGH
 SCHEDULE OF WASTEWATER RATE BASE
 INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 1-B
 DOCKET NO. 950495-WS

COMPONENT	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994
1 UTILITY PLANT IN SERVICE	\$ 15,225,914	\$ 452,500	\$ 15,678,414	\$(1,429,787)	14,248,627
2 LAND	211,592	0	211,592	(136,462)	75,130
3 NON-USED & USEFUL COMPONENTS	376,563	0	376,563	(522,845)	(146,282)
4 ACCUMULATED DEPRECIATION	(4,353,947)	0	(4,353,947)	572,134	(3,781,813)
5 CIAC	(4,443,660)	(83,825)	(4,527,485)	284,956	(4,242,529)
6 AMORTIZATION OF CIAC	1,617,747	0	1,617,747	(189,134)	1,428,613
7 ACQUISITION ADJUSTMENTS - NET	0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION	(1,171,489)	0	(1,171,489)	513,212	(658,277)
9 UNFUNDED POST-RETIRE. BENEFITS	(40,348)	0	(40,348)	16,765	(23,583)
10 DEFERRED TAXES	190,658	0	190,658	757,016	947,674
11 WORKING CAPITAL ALLOWANCE	151,326	0	151,326	4,023	155,349
12 OTHER	0	0	0	0	0
RATE BASE	\$ 7,764,356	\$ 368,675	\$ 8,133,031	\$(130,122)	8,002,909

SSU/ LEHIGH
CAPITAL STRUCTURE
INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 2
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 1995							
1 LONG TERM DEBT	\$ 106,133,768	\$ 0	\$(32,634,241)	73,499,527	56.66%	8.91%	5.05%
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	79,582,081	0	\$(24,470,070)	55,112,011	42.49%	11.19%	4.75%
5 CUSTOMER DEPOSITS	1,686,596	0	\$(518,598)	1,167,998	0.90%	6.00%	0.05%
6 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
7 DEFERRED ITC'S-WTD COST	1,381,613	0	\$(424,821)	956,792	0.74%	9.86%	0.07%
8 ADJUSTMENT FOR GAS	\$(1,480,794)	0	455,317	\$(1,025,477)	-0.79%	11.19%	-0.09%
9 TOTAL CAPITAL	\$ <u>187,303,264</u>	\$ 0	\$(57,592,413)	<u>129,710,851</u>	<u>100.00%</u>		<u>9.84%</u>
PER STAFF 1994							
10 LONG TERM DEBT	\$ 108,538,089	\$ 0	\$(100,984,068)	7,554,021	57.14%	8.97%	5.13%
11 SHORT-TERM DEBT	0	0	0	0	0.00%	0.00%	0.00%
12 PREFERRED STOCK	0	2,121,800	\$(1,974,127)	147,673	1.12%	0.00%	0.00%
13 COMMON EQUITY	77,841,709	0	\$(72,424,091)	5,417,618	40.98%	11.19%	4.59%
14 CUSTOMER DEPOSITS	1,692,993	0	\$(1,575,164)	117,829	0.89%	6.00%	0.05%
15 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
15 DEFERRED ITC'S-WTD COST	1,250,895	0	\$(1,163,835)	87,060	0.66%	0.00%	0.00%
16 ADJUSTMENT FOR GAS	\$(1,494,363)	0	1,390,358	\$(104,005)	-0.79%	11.19%	-0.09%
17 TOTAL CAPITAL	\$ <u>187,829,323</u>	\$ <u>2,121,800</u>	\$(176,730,927)	<u>13,220,196</u>	<u>100.00%</u>		<u>9.68%</u>
RANGE OF REASONABLENESS					LOW	HIGH	
RETURN ON EQUITY					<u>11.44%</u>	<u>13.44%</u>	
OVERALL RATE OF RETURN					<u>9.78%</u>	<u>10.60%</u>	

SSU/ LEHIGH
STATEMENT OF WATER OPERATIONS
INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 2,031,388	\$ 610,228	\$ 2,641,616	\$(619,606)	\$ 2,022,010	\$ 319,385	\$ 2,341,395
OPERATING EXPENSES:						15.80%	
2 OPERATION AND MAINTENANCE	\$ 1,297,812	\$ 0	\$ 1,297,812	\$(52,110)	\$ 1,245,702	\$	\$ 1,245,702
3 DEPRECIATION	274,459	0	274,459	(53,648)	220,811		220,811
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	266,783	7,189	273,972	(39,862)	234,110	14,372	248,482
6 INCOME TAXES	(41,600)	218,413	176,813	(172,926)	3,887	117,658	121,546
7 TOTAL OPERATING EXPENSES	\$ 1,797,454	\$ 225,602	\$ 2,023,056	\$(318,546)	\$ 1,704,510	\$ 132,031	\$ 1,836,541
8 OPERATING INCOME	\$ 233,934	\$ 384,626	\$ 618,560	\$(301,060)	\$ 317,500	\$ 187,354	\$ 504,853
9 RATE BASE	\$ 4,694,208	\$	\$ 5,423,662	\$	\$ 5,217,287	\$	\$ 5,217,287
RATE OF RETURN	4.98%		11.40%		6.09%		9.68%

SSU/ LEHIGH
STATEMENT OF WASTEWATER OPERATIONS
INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 2,523,933	\$ 704,593	\$ 3,228,526	\$(766,642)	\$ 2,461,884	\$ 453,462	\$ 2,915,346
OPERATING EXPENSES						18.42%	
2 OPERATION AND MAINTENANCE	\$ 1,210,611	\$ 0	\$ 1,210,611	\$ 32,172	\$ 1,242,783	\$	\$ 1,242,783
3 DEPRECIATION	398,216	0	398,216	(47,447)	350,769		350,769
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	378,573	14,157	392,730	(58,991)	333,739	20,406	354,145
6 INCOME TAXES	27,154	259,154	286,308	(260,116)	26,192	167,051	193,244
7 TOTAL OPERATING EXPENSES	\$ 2,014,554	\$ 273,311	\$ 2,287,865	\$(334,382)	\$ 1,953,483	\$ 187,457	\$ 2,140,940
8 OPERATING INCOME	\$ 509,379	\$ 431,282	\$ 940,661	\$(432,260)	\$ 508,401	\$ 266,005	\$ 774,405
9 RATE BASE	\$ 7,764,356	\$	\$ 8,133,031	\$	\$ 8,002,909	\$	\$ 8,002,909
RATE OF RETURN	6.56%		11.57%		6.35%		9.68%

-53-

UTILITY: SOUTHERN STATES UTILITIES, INC.
 SYSTEM: LEHIGH
 COUNTY: LEE
 DOCKET NO. 950495-WS

Schedule No. 4

RATE SCHEDULE

**Water
Monthly Rates**

RESIDENTIAL, GENERAL SERVICE, AND MULTI-FAMILY	Current Rates	Requested Proposed Interim	- Proposed Final -		Staff's Recommended Interim
			WITH Add'l County Plants	WITHOUT Add'l County Plants	
Base Facility Charge					
5/8"x3/4"	\$9.03	\$11.82	\$8.46	\$9.17	\$10.49
3/4"	\$13.55	\$17.73	\$12.69	\$13.76	\$15.74
1"	\$22.57	\$29.54	\$21.15	\$22.93	\$26.23
1-1/2"	\$45.13	\$59.06	\$42.30	\$45.85	\$52.45
2"	\$72.22	\$94.52	\$67.68	\$73.36	\$83.93
Gallage Charge per 1,000 gallons	\$2.40	\$3.14	\$1.76	\$2.16	\$2.79

RATE SCHEDULE

**Wastewater
Monthly Rates**

RESIDENTIAL	Current Rates	Requested Proposed Interim	- Proposed Final -		Staff's Recommended Interim
			WITH Add'l County Plants	WITHOUT Add'l County Plants	
Base Facility Charge: All Meter Sizes	\$15.45	\$19.76	\$17.21	\$17.59	\$18.30
Gallage Charge (per 1,000 gals)	\$3.86	\$4.94	\$4.75	\$4.74	\$4.57
Sewer Cap (gallons)	6,000	6,000	6,000	6,000	6,000
All Excess Gallons	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

RESIDENTIAL WASTEWATER ONLY

Flat Rate:	\$27.81	\$35.57	\$44.09	\$44.27	\$32.93
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GENERAL, MULTI-FAMILY

Base Facility Charge:					
5/8"x3/4"	\$15.45	\$19.76	\$17.21	\$17.59	\$18.30
3/4"	\$23.18	\$29.65	\$25.82	\$26.39	\$27.44
1"	\$38.64	\$49.42	\$43.03	\$43.98	\$45.75
1-1/2"	\$77.27	\$98.83	\$86.05	\$87.95	\$91.50
2"	\$123.63	\$158.13	\$137.68	\$140.72	\$146.40
Gallage Charge (per 1,000 gals)	\$4.63	\$5.92	\$5.70	\$5.69	\$5.48

SSU/ MARCO ISLAND
 SCHEDULE OF WATER RATE BASE
 INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 1-A
 DOCKET NO. 950495-WS

COMPONENT	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994
1 UTILITY PLANT IN SERVICE	\$ 38,261,999	\$ 0	\$ 38,261,999	\$(1,840,975)	36,421,024
2 LAND & LAND RIGHTS	7,168,434	0	7,168,434	(4,599,848)	2,568,586
3 NON-USED & USEFUL COMPONENTS	(486,409)	0	(486,409)	486,409	0
4 ACCUMULATED DEPRECIATION	(9,846,114)	0	(9,846,114)	1,533,848	(8,312,266)
5 CIAC	(5,639,355)	0	(5,639,355)	411,796	(5,227,559)
6 AMORTIZATION OF CIAC	1,358,652	0	1,358,652	(198,344)	1,160,308
7 ACQUISITION ADJUSTMENTS - NET	0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION	0	0	0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS	(34,478)	0	(34,478)	14,326	(20,152)
10 DEFERRED TAXES	1,219,634	0	1,219,634	(1,255,996)	(36,362)
11 WORKING CAPITAL ALLOWANCE	333,474	0	333,474	2,371	335,845
12 OTHER	1,465,808	0	1,465,808	(1,465,808)	0
RATE BASE	\$ 33,801,645	\$ 0	\$ 33,801,645	\$(6,912,221)	26,889,424

SSU/ MARCO ISLAND
 SCHEDULE OF WASTEWATER RATE BASE
 INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 1-B
 DOCKET NO. 950495-WS

COMPONENT	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994
1 UTILITY PLANT IN SERVICE	\$ 22,847,434	\$ 0	\$ 22,847,434	\$ 20,699	22,868,133
2 LAND	18,330	0	18,330	(1,748)	16,582
3 NON-USED & USEFUL COMPONENTS	(2,598,926)	0	(2,598,926)	(192,979)	(2,791,905)
4 ACCUMULATED DEPRECIATION	(6,214,070)	0	(6,214,070)	1,025,630	(5,188,440)
5 CIAC	(4,200,493)	(6,877)	(4,207,370)	75,886	(4,131,484)
6 AMORTIZATION OF CIAC	1,667,824	0	1,667,824	(187,366)	1,480,458
7 ACQUISITION ADJUSTMENTS - NET	0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION	0	0	0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS	(11,407)	0	(11,407)	4,740	(6,667)
10 DEFERRED TAXES	(412,262)	0	(412,262)	338,088	(74,174)
11 WORKING CAPITAL ALLOWANCE	106,599	0	106,599	(3,969)	102,630
12 OTHER	0	0	0	0	0
RATE BASE	\$ 11,203,029	\$ (6,877)	\$ 11,196,152	\$ 1,078,981	12,275,133

SSU/ MARCO ISLAND
CAPITAL STRUCTURE
INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 2
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 1995							
1 LONG TERM DEBT	\$ 106,133,768	0	\$(32,634,241)	73,499,527	56.66%	8.91%	5.05%
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	79,582,081	0	\$(24,470,070)	55,112,011	42.49%	11.19%	4.75%
5 CUSTOMER DEPOSITS	1,686,596	0	\$(518,598)	1,167,998	0.90%	6.00%	0.05%
6 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
7 DEFERRED ITC'S-WTD COST	1,381,613	0	\$(424,821)	956,792	0.74%	9.86%	0.07%
8 ADJUSTMENT FOR GAS	<u>(1,480,794)</u>	0	<u>455,317</u>	<u>(1,025,477)</u>	<u>-0.79%</u>	11.19%	<u>-0.09%</u>
9 TOTAL CAPITAL	\$ <u>187,303,264</u>	0	<u>\$(57,592,413)</u>	<u>129,710,851</u>	<u>100.00%</u>		<u>9.84%</u>
PER STAFF 1994							
10 LONG TERM DEBT	\$ 108,538,089	0	\$(86,159,458)	22,378,631	57.14%	8.97%	5.13%
11 SHORT-TERM DEBT	0	0	0	0	0.00%	0.00%	0.00%
12 PREFERRED STOCK	0	2,121,800	\$(1,684,322)	437,478	1.12%	0.00%	0.00%
13 COMMON EQUITY	77,841,709	0	\$(61,792,127)	16,049,582	40.98%	11.19%	4.59%
14 CUSTOMER DEPOSITS	1,692,993	0	\$(1,343,928)	349,065	0.89%	6.00%	0.05%
15 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
15 DEFERRED ITC'S-WTD COST	1,250,895	0	\$(992,983)	257,912	0.66%	9.79%	0.06%
16 ADJUSTMENT FOR GAS	<u>(1,494,363)</u>	0	<u>1,186,252</u>	<u>(308,111)</u>	<u>-0.79%</u>	11.19%	<u>-0.09%</u>
17 TOTAL CAPITAL	\$ <u>187,829,323</u>	<u>2,121,800</u>	<u>\$(150,786,566)</u>	<u>39,164,557</u>	<u>100.00%</u>		<u>9.74%</u>
RANGE OF REASONABLENESS					<u>LOW</u>	<u>HIGH</u>	
RETURN ON EQUITY					<u>11.19%</u>	<u>13.19%</u>	
OVERALL RATE OF RETURN					<u>9.74%</u>	<u>10.56%</u>	

- 57 -

SSU/ MARCO ISLAND
STATEMENT OF WATER OPERATIONS
INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 8,008,321	\$ 2,457,639	\$ 10,465,960	\$(2,690,421)	\$ 7,775,539	\$ 642,909	\$ 8,418,448
OPERATING EXPENSES:						8.27%	
2 OPERATION AND MAINTENANCE	\$ 2,667,795	\$ 0	\$ 2,667,795	\$ 18,965	\$ 2,686,760	\$	\$ 2,686,760
3 DEPRECIATION	1,501,374	0	1,501,374	(58,675)	1,442,699		1,442,699
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	1,026,744	109,301	1,136,045	(159,918)	976,127	28,931	1,005,058
6 INCOME TAXES	356,717	905,872	1,262,589	(834,797)	427,792	236,842	664,634
7 TOTAL OPERATING EXPENSES	\$ 5,552,630	\$ 1,015,173	\$ 6,567,803	\$(1,034,425)	\$ 5,533,378	\$ 265,773	\$ 5,799,151
8 OPERATING INCOME	\$ 2,455,691	\$ 1,442,466	\$ 3,898,157	\$(1,655,996)	\$ 2,242,161	\$ 377,136	\$ 2,619,297
9 RATE BASE	\$ 33,801,645	\$	\$ 33,801,645	\$	\$ 26,889,424	\$	\$ 26,889,424
RATE OF RETURN	7.27%		11.53%		8.34%		9.74%

SSU/ MARCO ISLAND
STATEMENT OF WASTEWATER OPERATIONS
INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 2,970,429	\$ 826,360	\$ 3,796,789	(\$ 849,995)	\$ 2,946,794	\$ 536,046	\$ 3,482,840
OPERATING EXPENSES						18.19%	
2 OPERATION AND MAINTENANCE	\$ 852,791	\$ 0	\$ 852,791	(\$ 31,752)	\$ 821,039	\$	\$ 821,039
3 DEPRECIATION	683,536	0	683,536	1,715	685,251		685,251
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	546,395 *	(13,986)	532,409	(61,972)	470,437	24,122	494,559
6 INCOME TAXES	82,573	324,297	406,870	(318,074)	88,796	197,475	286,271
7 TOTAL OPERATING EXPENSES	\$ 2,165,295	\$ 310,311	\$ 2,475,606	(\$ 410,083)	\$ 2,065,523	\$ 221,597	\$ 2,287,120
8 OPERATING INCOME	\$ 805,134	\$ 516,049	\$ 1,321,183	(\$ 439,912)	\$ 881,271	\$ 314,449	\$ 1,195,720
9 RATE BASE	\$ 11,203,029	\$	\$ 11,196,152		\$ 12,275,133	\$	\$ 12,275,133
RATE OF RETURN	7.19%		11.80%		7.18%		9.74%

RATE SCHEDULE

**Water
Monthly Rates**

RESIDENTIAL, GENERAL SERVICE, AND MULTI-FAMILY	Current Rates	Requested Proposed Interim	- Proposed Final -		Staff's Recommended Interim
			WITH Add'l County Plants	WITHOUT Add'l County Plants	
Base Facility Charge					
5/8"x3/4"	\$7.88	\$10.31	\$23.62	\$23.62	\$8.53
3/4"	\$11.83	\$15.48	\$35.43	\$35.43	\$12.81
1"	\$19.71	\$25.80	\$59.05	\$59.05	\$21.34
1-1/2"	\$39.42	\$51.59	\$118.10	\$118.10	\$42.69
2"	\$63.07	\$82.54	\$188.96	\$188.96	\$68.30
Gallonge Charge per 1,000 gallons	\$2.96	\$3.87	\$3.27	\$3.27	\$3.21

RATE SCHEDULE

**Wastewater
Monthly Rates**

RESIDENTIAL	Current Rates	Requested Proposed Interim	- Proposed Final -		Staff's Recommended Interim
			WITH Add'l County Plants	WITHOUT Add'l County Plants	
Base Facility Charge: All Meter Sizes	\$11.10	\$14.20	\$17.21	\$17.59	\$13.12
Gallonge Charge (per 1,000 gals)	\$3.20	\$4.09	\$4.75	\$4.74	\$3.78
Sewer Cap (gallons)	10,000	10,000	6,000	6,000	6,000
All Excess Gallons	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

GENERAL, MULTI-FAMILY, and BULK WASTEWATER SERVICE

Base Facility Charge:					
5/8"x3/4"	\$11.10	\$14.20	\$17.21	\$17.59	\$13.12
3/4"	\$16.65	\$21.30	\$25.82	\$26.39	\$19.68
1"	\$22.20	\$28.39	\$43.03	\$43.98	\$26.24
1-1/2"	\$55.51	\$71.00	\$86.05	\$87.95	\$65.61
2"	\$88.81	\$113.59	\$137.68	\$140.72	\$104.96
Gallonge Charge (per 1,000 gals)	\$3.85	\$4.92	\$5.70	\$5.69	\$4.55

SHADOWRIDGE

Flat Rate Per Unit	\$26.80	\$34.28	\$44.00	\$44.27	\$31.67
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SSU/ PALM VALLEY
 SCHEDULE OF WATER RATE BASE
 INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 1-A
 DOCKET NO. 950495-WS

COMPONENT	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994
1 UTILITY PLANT IN SERVICE	\$ 1,291,225	\$ 0	\$ 1,291,225	(\$ 29,027)	1,262,198
2 LAND & LAND RIGHTS	7,130	0	7,130	6	7,136
3 NON-USED & USEFUL COMPONENTS	0	0	0	(2,700)	(2,700)
4 ACCUMULATED DEPRECIATION	(116,213)	0	(116,213)	33,556	(82,657)
5 CIAC	(12,057)	0	(12,057)	938	(11,119)
6 AMORTIZATION OF CIAC	1,584	0	1,584	(289)	1,295
7 ACQUISITION ADJUSTMENTS - NET	0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION	0	0	0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS	(1,224)	0	(1,224)	509	(715)
10 DEFERRED TAXES	(23,130)	0	(23,130)	(358)	(23,488)
11 WORKING CAPITAL ALLOWANCE	4,987	0	4,987	(3,609)	1,378
12 OTHER	0	0	0	0	0
RATE BASE	\$ 1,152,302	\$ 0	\$ 1,152,302	(\$ 974)	1,151,328

SSU/ PALM VALLEY
CAPITAL STRUCTURE
INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 2
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 1995							
1 LONG TERM DEBT	\$ 106,133,768	\$ 0	\$(32,634,241)	73,499,527	56.34%	8.91%	5.02%
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	79,582,081	0	\$(24,470,070)	55,112,011	42.25%	11.19%	4.73%
5 CUSTOMER DEPOSITS	1,686,596	0	\$(518,598)	1,167,998	0.90%	6.00%	0.05%
6 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
7 DEFERRED ITC'S-WTD COST	1,381,613	0	\$(424,821)	956,792	0.73%	9.86%	0.07%
8 ADJUSTMENT FOR GAS	<u>(1,480,794)</u>	0	<u>1,198,144</u>	<u>(282,650)</u>	<u>-0.22%</u>	11.19%	<u>-0.02%</u>
9 TOTAL CAPITAL	\$ <u>187,303,264</u>	\$ 0	<u>\$(56,849,586)</u>	<u>130,453,678</u>	<u>100.00%</u>		<u>9.85%</u>
PER STAFF 1994							
10 LONG TERM DEBT	\$ 108,538,089	\$ 0	\$(107,880,220)	657,869	57.14%	8.97%	5.13%
11 SHORT-TERM DEBT	0	0	0	0	0.00%	0.00%	0.00%
12 PREFERRED STOCK	0	2,121,800	\$(2,108,939)	12,861	1.12%	0.00%	0.00%
13 COMMON EQUITY	77,841,709	0	\$(77,369,896)	471,813	40.98%	10.79%	4.42%
14 CUSTOMER DEPOSITS	1,692,993	0	\$(1,682,731)	10,262	0.89%	6.00%	0.05%
15 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
15 DEFERRED ITC'S-WTD COST	1,250,895	0	\$(1,243,313)	7,582	0.66%	9.62%	0.06%
16 ADJUSTMENT FOR GAS	<u>(1,494,363)</u>	0	<u>1,485,305</u>	<u>(9,058)</u>	<u>-0.79%</u>	10.79%	<u>-0.08%</u>
17 TOTAL CAPITAL	\$ <u>187,829,323</u>	<u>2,121,800</u>	<u>\$(188,799,795)</u>	<u>1,151,328</u>	<u>100.00%</u>		<u>9.58%</u>

RANGE OF REASONABLENESS

LOW

HIGH

RETURN ON EQUITY

10.79%

12.79%

OVERALL RATE OF RETURN

9.58%

10.40%

SSU/ PALM VALLEY
STATEMENT OF WATER OPERATIONS
INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 38,785	\$ 11,639	\$ 50,424	\$(10,247)	\$ 40,177	\$ 10,247	50,424
OPERATING EXPENSES:						25.50%	
2 OPERATION AND MAINTENANCE	\$ 39,898	\$ 0	\$ 39,898	\$(820)	\$ 39,078	\$	39,078
3 DEPRECIATION	34,588	0	34,588	(1,228)	33,360		33,360
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	40,196	524	40,720	(3,166)	37,554	461	38,015
6 INCOME TAXES	(54,077)	4,288	(49,789)	(2,423)	(52,212)	3,775	(48,437)
7 TOTAL OPERATING EXPENSES	\$ 60,605	\$ 4,812	\$ 65,417	\$(7,637)	\$ 57,780	\$ 4,236	62,016
8 OPERATING INCOME	\$(21,820)	\$ 6,827	\$(14,993)	\$(2,610)	\$(17,603)	\$ 6,011	\$(11,592)
9 RATE BASE	\$ 1,152,302	\$	1,152,302	\$	1,151,328	\$	1,151,328
RATE OF RETURN	-1.89%		-1.30%		-1.53%		-1.01%

UTILITY: SOUTHERN STATES UTILITIES, INC.
 SYSTEM: PALM VALLEY
 COUNTY: ST. JOHNS
 DOCKET NO. 950495-WS

Schedule No. 4

RATE SCHEDULE

Water
 Monthly Rates

RESIDENTIAL, GENERAL SERVICE, AND MULTI-FAMILY	Current Rates	Requested Proposed Interim	- Proposed Final -		Staff's Recommended Interim
			WITH Add'l County Plants	WITHOUT Add'l County Plants	
Base Facility Charge					
5/8"x3/4"	\$9.35	\$12.24	\$6.46	\$9.17	\$11.80
3/4"	\$9.35	\$12.24	\$12.69	\$13.76	\$11.80
1"	\$9.35	\$12.24	\$21.15	\$22.93	\$11.80
1-1/2"	\$9.35	\$12.24	\$42.30	\$45.85	\$11.80
2"	\$9.35	\$12.24	\$67.68	\$73.36	\$11.80
Gallonge Charge					
0 - 3,000 gallons	\$0.00	\$0.00	\$1.76	\$2.16	\$0.00
All Excess Gallons	\$0.94	\$1.23	\$1.76	\$2.16	\$1.19

SSU/REMINGTON FOREST
 SCHEDULE OF WATER RATE BASE
 INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 1-A
 DOCKET NO. 950495-WS

COMPONENT	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994
1 UTILITY PLANT IN SERVICE	\$ 154,334	\$ 0	\$ 154,334	(5,848)	148,486
2 LAND & LAND RIGHTS	25,202	0	25,202	1	25,203
3 NON-USED & USEFUL COMPONENTS	(2,643)	0	(2,643)	(3,903)	(6,546)
4 ACCUMULATED DEPRECIATION	(36,418)	0	(36,418)	3,494	(32,924)
5 CIAC	(75,813)	0	(75,813)	1,538	(74,275)
6 AMORTIZATION OF CIAC	16,701	0	16,701	(1,876)	14,825
7 ACQUISITION ADJUSTMENTS - NET	0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION	0	0	0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS	(380)	0	(380)	158	(222)
10 DEFERRED TAXES	(1,587)	0	(1,587)	6,549	4,962
11 WORKING CAPITAL ALLOWANCE	2,492	0	2,492	(2,064)	428
12 OTHER	0	0	0	0	0
RATE BASE	\$ 81,888	\$ 0	\$ 81,888	(1,951)	79,937

SSU/REMINGTON FOREST
CAPITAL STRUCTURE
INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 2
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 1995							
1 LONG TERM DEBT	\$ 106,133,768	\$ 0	\$(32,634,241)	73,499,527	56.34%	8.91%	5.02%
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	79,582,081	0	\$(24,470,070)	55,112,011	42.25%	11.19%	4.73%
5 CUSTOMER DEPOSITS	1,686,596	0	\$(518,598)	1,167,998	0.90%	6.00%	0.05%
6 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
7 DEFERRED ITC'S-WTD COST	1,381,613	0	\$(424,821)	956,792	0.73%	9.86%	0.07%
8 ADJUSTMENT FOR GAS	<u>(1,480,794)</u>	0	<u>1,198,144</u>	<u>(282,650)</u>	<u>-0.22%</u>	11.19%	<u>-0.02%</u>
9 TOTAL CAPITAL	\$ <u>187,303,264</u>	\$ 0	<u>\$(56,849,586)</u>	<u>130,453,678</u>	<u>100.00%</u>		<u>9.85%</u>
PER STAFF 1994							
10 LONG TERM DEBT	\$ 108,538,089	\$ 0	\$(108,492,413)	45,676	57.14%	8.97%	5.13%
11 SHORT-TERM DEBT	0	0	0	0	0.00%	0.00%	0.00%
12 PREFERRED STOCK	0	2,121,800	\$(2,120,907)	893	1.12%	0.00%	0.00%
13 COMMON EQUITY	77,841,709	0	\$(77,808,951)	32,758	40.98%	10.79%	4.42%
14 CUSTOMER DEPOSITS	1,692,993	0	\$(1,692,281)	712	0.89%	6.00%	0.05%
15 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
15 DEFERRED ITC'S-WTD COST	1,250,895	0	\$(1,250,369)	526	0.66%	9.62%	0.06%
16 ADJUSTMENT FOR GAS	<u>(1,494,363)</u>	0	<u>1,493,734</u>	<u>(629)</u>	<u>-0.79%</u>	10.79%	<u>-0.08%</u>
17 TOTAL CAPITAL	\$ <u>187,829,323</u>	<u>2,121,800</u>	<u>\$(189,871,186)</u>	<u>79,937</u>	<u>100.00%</u>		<u>9.58%</u>
RANGE OF REASONABLENESS					LOW	HIGH	
RETURN ON EQUITY					<u>10.79%</u>	<u>12.79%</u>	
OVERALL RATE OF RETURN					<u>9.58%</u>	<u>10.40%</u>	

SSU/REMINGTON FOREST
STATEMENT OF WATER OPERATIONS
INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 19,594	\$ 5,938	\$ 25,532	\$(9,525)	\$ 16,007	\$ 9,525	25,532
OPERATING EXPENSES:						59.51%	
2 OPERATION AND MAINTENANCE	\$ 19,936	\$ 0	\$ 19,936	\$(1,709)	\$ 18,227	\$	18,227
3 DEPRECIATION	2,686	0	2,686	(373)	2,313		2,313
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	3,080	239	3,319	(699)	2,620	429	3,049
6 INCOME TAXES	(4,233)	2,199	(2,034)	(2,583)	(4,617)	3,509	(1,108)
7 TOTAL OPERATING EXPENSES	\$ 21,469	\$ 2,438	\$ 23,907	\$(5,364)	\$ 18,543	\$ 3,938	22,481
8 OPERATING INCOME	\$(1,875)	\$ 3,500	\$ 1,625	\$(4,161)	\$(2,536)	\$ 5,587	3,051
9 RATE BASE	\$ 81,888	\$	\$ 81,888	\$	\$ 79,937	\$	\$ 79,937
RATE OF RETURN	-2.29%		1.98%		-3.17%		3.82%

UTILITY: SOUTHERN STATES UTILITIES, INC.
 SYSTEM: REMINGTON FOREST
 COUNTY: ST. JOHNS
 DOCKET NO. 950495-WS

Schedule No. 4

RATE SCHEDULE

Water
 Monthly Rates

RESIDENTIAL, GENERAL SERVICE, AND MULTI-FAMILY	Current Rates	Requested Proposed Interim	- Proposed Final -		Staff's Recommended Interim
			WITH Add'l County Plants	WITHOUT Add'l County Plants	
Base Facility Charge					
5/8"x3/4"	\$20.30	\$26.57	\$8.46	\$9.17	\$32.67
3/4"	\$20.30	\$26.57	\$12.69	\$13.76	\$32.67
1"	\$20.30	\$26.57	\$21.15	\$22.93	\$32.67
1-1/2"	\$20.30	\$26.57	\$42.30	\$45.85	\$32.67
2"	\$20.30	\$26.57	\$67.68	\$73.36	\$32.67
Gallorage Charge per 1,000 gallons	\$0.00	\$0.00	\$1.76	\$2.16	\$0.00

SSU/TROPICAL ISLES
 SCHEDULE OF WASTEWATER RATE BASE
 INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 1-B
 DOCKET NO. 950495-WS

COMPONENT	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994
1 UTILITY PLANT IN SERVICE	\$ 507,781	\$ 0	\$ 507,781	(10,924)	496,857
2 LAND	1,342	0	1,342	(200)	1,142
3 NON-USED & USEFUL COMPONENTS	(31,511)	0	(31,511)	(22,605)	(54,116)
4 ACCUMULATED DEPRECIATION	(110,902)	0	(110,902)	14,295	(96,607)
5 CIAC	(101,920)	0	(101,920)	0	(101,920)
6 AMORTIZATION OF CIAC	20,506	0	20,506	(2,548)	17,958
7 ACQUISITION ADJUSTMENTS - NET	0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION	0	0	0	0	0
9 UNFUNDED POST-RETIRE. BENEFITS	(1,301)	0	(1,301)	540	(761)
10 DEFERRED TAXES	(9,426)	0	(9,426)	(1,204)	(10,630)
11 WORKING CAPITAL ALLOWANCE	6,361	0	6,361	(5,745)	616
12 OTHER	0	0	0	0	0
RATE BASE	\$ 280,930	\$ 0	\$ 280,930	(28,391)	252,539

SSU/TROPICAL ISLES
CAPITAL STRUCTURE
INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 2
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 1995							
1 LONG TERM DEBT	\$ 106,133,768	\$ 0	0 \$ (32,634,241)	\$ 73,499,527	56.34%	8.91%	5.02%
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	79,582,081	0	(24,470,070)	55,112,011	42.25%	11.19%	4.73%
5 CUSTOMER DEPOSITS	1,686,596	0	(518,598)	1,167,998	0.90%	6.00%	0.05%
6 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
7 DEFERRED ITC'S-WTD COST	1,381,613	0	(424,821)	956,792	0.73%	9.86%	0.07%
8 ADJUSTMENT FOR GAS	(1,480,794)	0	1,198,144	(282,650)	-0.22%	11.19%	-0.02%
9 TOTAL CAPITAL	\$ <u>187,303,264</u>	\$ 0	<u>(56,849,586)</u>	<u>130,453,678</u>	<u>100.00%</u>		<u>9.85%</u>
PER STAFF 1994							
10 LONG TERM DEBT	\$ 108,538,089	\$ 0	0 \$ (108,393,788)	\$ 144,301	57.14%	8.97%	5.13%
11 SHORT-TERM DEBT	0	0	0	0	0.00%	0.00%	0.00%
12 PREFERRED STOCK	0	2,121,800	(2,118,979)	2,821	1.12%	0.00%	0.00%
13 COMMON EQUITY	77,841,709	0	(77,738,219)	103,490	40.98%	10.79%	4.42%
14 CUSTOMER DEPOSITS	1,692,993	0	(1,690,742)	2,251	0.89%	6.00%	0.05%
15 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
15 DEFERRED ITC'S-WTD COST	1,250,895	0	(1,249,232)	1,663	0.66%	9.62%	0.06%
16 ADJUSTMENT FOR GAS	(1,494,363)	0	1,492,376	(1,987)	-0.79%	10.79%	-0.08%
17 TOTAL CAPITAL	\$ <u>187,829,323</u>	<u>2,121,800</u>	<u>(189,698,584)</u>	<u>252,539</u>	<u>100.00%</u>		<u>9.58%</u>
RANGE OF REASONABLENESS					LOW	HIGH	
RETURN ON EQUITY					<u>10.79%</u>	<u>12.79%</u>	
OVERALL RATE OF RETURN					<u>9.58%</u>	<u>10.40%</u>	

SSU/TROPICAL ISLES
STATEMENT OF WASTEWATER OPERATIONS
INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 39,883	\$ 11,131	\$ 51,014	(\$ 15,804)	\$ 35,210	\$ 15,804	\$ 51,014
OPERATING EXPENSES						44.88%	
2 OPERATION AND MAINTENANCE	\$ 50,884	\$ 0	\$ 50,884	(\$ 2,544)	\$ 48,340	\$	\$ 48,340
3 DEPRECIATION	11,934	0	11,934	(1,423)	10,511		10,511
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	9,899	(197)	9,702	(1,718)	7,984	711	8,695
6 INCOME TAXES	(19,063)	4,370	(14,693)	(3,423)	(18,116)	5,822	(12,294)
7 TOTAL OPERATING EXPENSES	\$ 53,654	\$ 4,173	\$ 57,827	(\$ 9,108)	\$ 48,719	\$ 6,533	\$ 55,253
8 OPERATING INCOME	\$ (13,771)	\$ 6,958	(\$ 6,813)	(\$ 6,696)	(\$ 13,509)	\$ 9,271	(\$ 4,239)
9 RATE BASE	\$ 280,930	\$ 280,930	\$ 280,930	\$ 252,539	\$ 252,539	\$ 252,539	\$ 252,539
RATE OF RETURN	-4.90%		-2.43%		-5.35%		-1.68%

-71-

UTILITY: SOUTHERN STATES UTILITIES, INC.
 SYSTEM: TROPICAL ISLES
 COUNTY: ST. LUCIE
 DOCKET NO. 950495-WS

Schedule No. 4

RATE SCHEDULE

Wastewater
 Monthly Rates

<u>RESIDENTIAL</u>	<u>Current Rates</u>	<u>Requested Proposed Interim</u>	<u>- Proposed Final -</u>		<u>Staff's Recommended Interim</u>
			<u>WITH Add'l County Plants</u>	<u>WITHOUT Add'l County Plants</u>	
FLAT RATE	\$13.33	\$17.05	\$44.09	\$44.27	\$19.40

SSU/ UNIFORM
 SCHEDULE OF WATER RATE BASE
 INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 1-A
 DOCKET NO. 950495-WS

COMPONENT	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994
1 UTILITY PLANT IN SERVICE	\$ 91,660,500	\$ 0	\$ 91,660,500	(\$ 10,018,834)	81,641,666
2 LAND & LAND RIGHTS	928,012	0	928,012	9,846	937,858
3 NON-USED & USEFUL COMPONENTS	(11,010,402)	0	(11,010,402)	(531,087)	(11,541,489)
4 ACCUMULATED DEPRECIATION	(23,039,768)	0	(23,039,768)	2,838,368	(20,201,400)
5 CIAC	(28,699,969)	(312,385)	(29,012,354)	1,080,082	(27,932,272)
6 AMORTIZATION OF CIAC	6,496,069	0	6,496,069	(862,516)	5,633,553
7 ACQUISITION ADJUSTMENTS - NET	(37,687)	0	(37,687)	(635)	(38,322)
8 ADVANCES FOR CONSTRUCTION	(3,341,701)	0	(3,341,701)	781,865	(2,559,836)
9 UNFUNDED POST-RETIRE. BENEFITS	(330,876)	0	(330,876)	137,484	(193,392)
10 DEFERRED TAXES	2,287,840	0	2,287,840	(793,750)	1,494,090
11 WORKING CAPITAL ALLOWANCE	1,149,274	3,048	1,152,322	(51,632)	1,100,691
12 OTHER	0	0	0	0	0
RATE BASE	\$ 36,061,292	\$ (309,337)	\$ 35,751,955	\$ (7,410,809)	28,341,147

SSU/ UNIFORM
 SCHEDULE OF WASTEWATER RATE BASE
 INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 1-B
 DOCKET NO. 950495-WS

COMPONENT	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994
1 UTILITY PLANT IN SERVICE	\$ 73,332,220	0	\$ 73,332,220	(4,844,821)	\$ 68,487,399
2 LAND	2,717,173	0	2,717,173	(614)	2,716,559
3 NON-USED & USEFUL COMPONENTS	(4,080,319)	0	(4,080,319)	133,762	(3,946,557)
4 ACCUMULATED DEPRECIATION	(20,953,042)	0	(20,953,042)	2,682,415	(18,270,627)
5 CIAC	(29,504,014)	(31,832)	(29,535,846)	360,470	(29,175,376)
6 AMORTIZATION OF CIAC	7,503,943	0	7,503,943	(945,304)	6,558,639
7 ACQUISITION ADJUSTMENTS - NET	(306,503)	0	(306,503)	(12,271)	(318,774)
8 ADVANCES FOR CONSTRUCTION	(229,390)	0	(229,390)	(37,362)	(266,752)
9 UNFUNDED POST-RETIRE. BENEFITS	(134,365)	0	(134,365)	55,831	(78,534)
10 DEFERRED TAXES	(159,949)	0	(159,949)	(178,365)	(338,314)
11 WORKING CAPITAL ALLOWANCE	864,944	0	864,944	(78,073)	786,871
12 OTHER	2,309,387	0	2,309,387	(2,309,387)	0
RATE BASE	\$ 31,360,085	(31,832)	\$ 31,328,253	(5,173,719)	\$ 26,154,534

SSU/ UNIFORM
CAPITAL STRUCTURE
INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 2
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 1995							
1 LONG TERM DEBT	\$ 106,133,768	\$ 0	\$(32,634,241)	73,499,527	56.66%	8.91%	5.05%
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	79,582,081	0	\$(24,470,070)	55,112,011	42.49%	11.19%	4.75%
5 CUSTOMER DEPOSITS	1,686,596	0	\$(518,598)	1,167,998	0.90%	6.00%	0.05%
6 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
7 DEFERRED ITC'S - WTD COST	1,381,613	0	\$(424,821)	956,792	0.74%	9.86%	0.07%
8 ADJUSTMENT FOR GAS	<u>(1,480,794)</u>	<u>0</u>	<u>455,317</u>	<u>(1,025,477)</u>	<u>-0.79%</u>	11.19%	<u>-0.09%</u>
9 TOTAL CAPITAL	\$ <u>187,303,264</u>	\$ <u>0</u>	<u>\$(57,592,413)</u>	<u>129,710,851</u>	<u>100.00%</u>		<u>9.84%</u>
PER STAFF 1994							
10 LONG TERM DEBT	\$ 108,538,089	\$ 0	\$(77,399,252)	31,138,837	57.14%	8.97%	5.13%
11 SHORT-TERM DEBT	0	0	0	0	0.00%	0.00%	0.00%
12 PREFERRED STOCK	0	2,121,800	\$(1,513,070)	608,730	1.12%	0.00%	0.00%
13 COMMON EQUITY	77,841,709	0	\$(55,509,454)	22,332,255	40.98%	11.14%	4.57%
14 CUSTOMER DEPOSITS	1,692,993	0	\$(1,207,285)	485,708	0.89%	6.00%	0.05%
15 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
15 DEFERRED ITC'S - WTD COST	1,250,895	0	\$(892,022)	358,873	0.66%	2.22%	0.01%
16 ADJUSTMENT FOR GAS	<u>(1,494,363)</u>	<u>0</u>	<u>1,065,640</u>	<u>(428,723)</u>	<u>-0.79%</u>	11.14%	<u>-0.09%</u>
17 TOTAL CAPITAL	\$ <u>187,829,323</u>	\$ <u>2,121,800</u>	<u>\$(135,455,443)</u>	<u>54,495,680</u>	<u>100.00%</u>		<u>9.67%</u>
RANGE OF REASONABLENESS					LOW	HIGH	
RETURN ON EQUITY					<u>11.14%</u>	<u>13.14%</u>	
OVERALL RATE OF RETURN					<u>9.67%</u>	<u>10.49%</u>	

SSU/ UNIFORM
STATEMENT OF WATER OPERATIONS
INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 3-A
DOCKET NO. 950495-WS

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 12,661,194	\$ 3,811,825	\$ 16,473,019	(\$ 4,447,633)	\$ 12,025,386	\$ 3,453,687	15,479,073
OPERATING EXPENSES:						28.72%	
2 OPERATION AND MAINTENANCE	\$ 9,194,170	\$ 24,387	\$ 9,218,557	(\$ 413,033)	\$ 8,805,524	\$	8,805,524
3 DEPRECIATION	2,102,451	0	2,102,451	(403,879)	1,698,572		1,698,572
4 AMORTIZATION	(688)	0	(688)	3	(685)		(685)
5 TAXES OTHER THAN INCOME	1,725,374	52,474	1,777,848	(289,864)	1,487,984	155,416	1,643,400
6 INCOME TAXES	(1,008,377)	1,446,789		(680,938)	(680,938)	1,272,308	591,370
7 TOTAL OPERATING EXPENSES	\$ 12,012,930	\$ 1,523,650	\$ 13,098,168	(\$ 1,787,711)	\$ 11,310,457	\$ 1,427,724	12,738,181
8 OPERATING INCOME	\$ 648,264	\$ 2,288,175	\$ 3,374,851	(\$ 2,659,922)	\$ 714,929	\$ 2,025,963	2,740,893
9 RATE BASE	\$ 36,061,292		\$ 35,751,955		\$ 28,341,147		\$ 28,341,147
RATE OF RETURN	1.80%		9.44%		2.52%		9.67%

-76-

SSU/ UNIFORM
STATEMENT OF WASTEWATER OPERATIONS
INTERIM TEST YEAR ENDED 12/31/94

SCHEDULE NO. 3-B
DOCKET NO. 950495-WS

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR 1994	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 10,225,769	\$ 2,850,753	\$ 13,076,522	\$(3,275,000)	\$ 9,801,514	\$ 2,466,349	12,267,863
OPERATING EXPENSES						25.16%	
2 OPERATION AND MAINTENANCE	\$ 6,919,531	\$ 0	\$ 6,919,531	\$(624,594)	\$ 6,294,937	\$	6,294,937
3 DEPRECIATION	1,827,830	0	1,827,830	(245,690)	1,582,140		1,582,140
4 AMORTIZATION	(11,548)	0	(11,548)	105	(11,443)		(11,443)
5 TAXES OTHER THAN INCOME	1,440,081	3,209	1,443,290	(237,815)	1,205,475	110,986	1,316,461
6 INCOME TAXES	(725,258)	1,099,061	373,803	(726,040)	(352,237)	908,581	556,344
7 TOTAL OPERATING EXPENSES	\$ 9,450,636	\$ 1,102,270	\$ 10,552,906	\$(1,834,034)	\$ 8,718,872	\$ 1,019,567	\$ 9,738,439
8 OPERATING INCOME	\$ 775,133	\$ 1,748,483	\$ 2,523,616	\$(1,440,974)	\$ 1,082,642	\$ 1,446,782	\$ 2,529,424
9 RATE BASE	\$ 31,360,085	\$	\$ 31,328,253	\$	\$ 26,154,534	\$	\$ 26,154,534
RATE OF RETURN	2.47%		8.06%		4.14%		9.67%

-77-