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Tallahassee

REPLY TO:

March 2, 1992

**ORIGINAL  
FILE COPY**

HAND DELIVERY

920199-WS

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

Re: Southern States Utilities, Inc., Deltona Utilities, Inc.  
and United Florida Utilities Corporation

Dear Mr. Tribble:

Pursuant to Rule 25-30.430(1), Florida Administrative Code, enclosed for filing is an original and fifteen (15) copies of the written request of Southern States Utilities, Inc., Deltona Utilities, Inc. and United Florida Utilities Corporation (referred to collectively as "Southern States") for approval of a historical test year ending December 31, 1991 for a rate case to be filed on behalf of Southern States within ninety (90) days of approval of the test year letter.

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

Thank you for your assistance with this filing.

Sincerely yours,

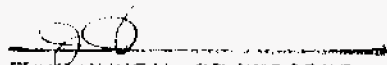


Laura L. Wilson

LLW/rl  
Enclosures

cc: Brian P. Armstrong, Esq.

RECEIVED & FILED

  
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

02143 MAR-2 1992

FPSC-RECORDS/REPORTING

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**Tallahassee**

REPLY TO:

March 2, 1992

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

HAND DELIVERY

Re: Southern States Utilities, Inc.,  
Deltona Utilities, Inc. and  
United Florida Utilities Corporation

Dear Mr. Tribble:

By this letter, we ask for approval of a historical test year ending December 31, 1991 for a rate case (MFRs) to be filed on behalf of Southern States Utilities, Inc., Deltona Utilities, Inc. and United Florida Utilities Corporation within ninety (90) days of approval of this test year letter. Southern States Utilities, Inc. ("Southern States") expects to complete the consolidation of these utilities and their subsidiaries prior to approval of the MFRs in this proceeding. As a result of the consolidation, the utilities will operate under the name of Southern States Utilities, Inc. Accordingly, the utilities will be referred to collectively in this letter as Southern States or the "Company."

The rate case will include all of Southern States' Commission-regulated water and wastewater systems with the exception of the Marco Island water and wastewater systems.<sup>1</sup> The 127 systems to be included in this proceeding and the counties in which they are

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<sup>1</sup>Southern States' newest affiliate, Lehigh Utilities, Inc. ("Lehigh"), operates a water and wastewater system in Lee County which is subject to the Commission's jurisdiction. Lehigh has received Commission approval to file a separate rate case in Docket No. 911188-WS. Lehigh will not be consolidated into Southern States in the near future.

DOCUMENT NUMBER-DATE

02143 MAR -2 1992

F-PSC-RECORDS/REPORTING

Mr. Steve Tribble  
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March 2, 1992

located are identified in Appendix A hereto. One hundred percent (100%) of the stock of Southern States is owned by Topeka Group Incorporated. Thus, Topeka Group Incorporated has ultimate ownership and operational control of Southern States.

Major plant improvements, expansions and refurbishments which have been placed in service between January 1, 1990 and December 31, 1991 (the end of the requested test year) which Southern States seeks to have included in rate base are identified in Appendix B which is attached hereto. Southern States also seeks to recover a return on plant improvements, expansions and refurbishments made prior to January 1, 1990 and normal additions of transmission, distribution and collection mains and lines as well as increases in operations and maintenance expenses associated with all of the expansions, improvements, refurbishments and additions which have occurred on each system since rates were last determined by the Commission.

Also, please be advised that Southern States Utility Services, Inc. (SSUSI) will be consolidated into Southern States. The administrative and general expenses of Southern States will include all of SSUSI's former administrative and general expenses as well as the administrative and general expenses of Lehigh. A portion of the combined administrative and general expenses will be allocated to each of the systems in this proceeding.

Southern States seeks approval of the use of a historical test year rather than a projected test year due to the magnitude of the information which must be presented by the Company and considered by the Commission in this proceeding. All of the plant expansions, improvements, refurbishments and additions to be included in this proceeding have been placed in service as of December 31, 1991. The operations and maintenance expenses, administrative and general expenses, taxes, regulatory assessment fees and other expenses to be included in this proceeding are Southern States' actual costs from the historical 1991 fiscal and test year. For these reasons, the historical test year ended December 31, 1991 is representative of current utility operations.

Southern States intends to utilize a beginning and year end simple average rate base as currently required by Commission Form PSC/WAS 17 (entitled "Financial, Rate and Engineering Minimum Filing Requirements - Class A and B Utilities," which is incorporated into Rule 25-30.437, Florida Administrative Code, by reference). Southern States intends to utilize the one-eighth (1/8) formula method of determining the working capital allowance, as also required by Form PSC/WAS 17. Southern States further intends to determine the Company's cost of equity by utilizing the Commission's leverage formula.

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Southern States also intends to make appropriate pro forma adjustments to final rates relating to an additional annual expense of approximately \$1.4 million to satisfy obligations to be incurred as of January 1, 1993 regarding the funding of post-retirement benefits, as required by FASB 206. The \$1.4 million liability is based on an actuarial study of Southern States' 460 existing and retired employees as adjusted to include estimated additional obligations relating to Lehigh employees.

Southern States requests authority to file testimony and exhibits in support of the MFRs within thirty (30) days after Commission acceptance of the MFRs.

Finally, Southern States requests that the full Commission be assigned to consider its request for rate relief in this proceeding due to the consolidation of Southern States Utilities, Inc. with Southern States Utility Services, Inc., Deltona Utilities, Inc., United Florida Utilities Corp., et al., the potential complexity of the issues related to such consolidation and its effect on the Commission's consideration of the merits of Southern States' application.

Thank you for your consideration of the requests made in this letter.

Sincerely yours,



Kenneth A. Hoffman  
Laura L. Wilson  
Messer, Vickers, Caparello, Madsen,  
Lewis, Goldman and Metz, P.A.  
P. O. Box 1876  
Tallahassee, Florida 32302  
(904) 222-0720

and

Brian P. Armstrong  
Southern States Utilities, Inc.  
1000 Color Place  
Apopka, Florida 32703  
(407) 880-0058

Attorneys for Southern States  
Utilities, Inc., Deltona Utilities,  
Inc. and United Florida Utilities  
Corporation

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 D

WATER SYSTEMS INCLUDED IN THE 1992 FPSC RATE FILING

SYSTEM NAME	COUNTY	SYSTEM NAME	COUNTY
1 Amelia Island	10 Nassau	46 Marion Oaks Utilities	4 Marion WS159
2 Apache Shores	Citrus	47 Meredith Manor	Seminole
3 Apple Valley	Seminole	48 Morningview	Lake
4 Bay Lake Estates	Osceola	49 Oak Forest	Citrus
5 Beacon Hills	5 Duval	50 Oakwood	1 Brevard
6 Beecher's Point	Putnam	51 Palisades Country Club	Lake
7 Burnt Store	2 Charlotte / Lee	52 Palm Port	Putnam
8 Carlton Village	7 Lake	53 Palm Terrace	1 Pasco
9 Chuluota	Seminole	54 Palms Mobile Home Park	Lake
10 Citrus Park	8 Marion	55 Park Manor	Putnam
11 Citrus Springs Utilities	9 Citrus	56 Picciola Island	Lake
12 Crystal River Highlands	Citrus	57 Pine Ridge Estates	Osceola
13 Daetwyler Shores	11 Orange	58 Pine Ridge Utilities	3 Citrus W4505
14 Deltona Utilities	3 Volusia W505X	59 Piney Woods	Lake
15 Dol Ray Manor	Seminole	60 Point O' Woods	Citrus
16 Druid Hills	Seminole	61 Pomona Park	Putnam
17 East Lake Harris Estates	Lake	62 Postmaster Village	Clay
18 Fern Park	Seminole	63 Quail Ridge	Lake
19 Fern Terrace	Lake	64 River Grove	Putnam
20 Fisherman's Haven	9 Martin	65 River Park	Putnam
21 Fountains	Osceola	66 Rolling Green	Citrus
22 Fox Run	Martin	67 Rosemont	Citrus
23 Friendly Center	Lake	68 Salt Springs	Marion
24 Golden Terrace	3 Citrus	69 Samira Villas	Marion
25 Gospel Island Estates	Citrus	70 Saratoga Harbour	Putnam
26 Grand Terrace	Lake	71 Silver Lake Estates	Lake
27 Harmony Homes	15 Seminole	72 Silver Lake Oaks	Putnam
28 Hermits Cove	Putnam	73 Skycrest	Lake
29 Hobby Hills	Lake	74 Spring Hill Utilities	3 Hernando W5255
30 Holiday Haven	Lake	75 St. John's Highlands	Putnam
31 Holiday Heights	Orange	76 Stone Mountain	Lake
32 Imperial Mobile Terrace	Lake	77 Sugar Mill	16 Volusia
33 Intercession City	18 Osceola	78 Sugar Mill Woods	Citrus
34 Interlachen Lake Estates	14 Putnam	79 Sunny Hills Utilities	4 Washington W5550
35 Jungle Den	Volusia	80 Sunshine Parkway	Lake
36 Keystone Heights	4 Clay	81 Tropical Park	Osceola
37 Kingswood	Brevard	82 University Shores	Orange
38 Lake Ajay Estates	Osceola	83 Venetian Village	Lake
39 Lake Brantley	Seminole	84 Welaka	Putnam
40 Lake Conway Park	Orange	85 Western Shores	Lake
41 Lake Harriet Estates	Seminole	86 Westmont	Orange
42 Lakeview Villas	Clay	87 Windsong	Osceola
43 Leilani Heights	Martin	88 Woodmere	Duval
44 Leisure Lakes	6 Highlands	89 Wootens	Putnam
45 Marco Shores Utilities	2 Collier W5493	90 Zephyr Shores	Pasco

WS 226  
 WS 227  
 WS 227  
 WS 231  
 WS 228

W4 229  
 WS 225  
 WS 230  
 W4 473  
 WS 487  
 WS 554

W4 561  
 WS 574  
 WS 548  
 WS 565  
 WS 618  
 WS 247

~~W4 656~~ WS 054  
 WS 493  
 WS 159  
 W4 505  
 WS 055  
 WS 550

**WASTEWATER SYSTEMS INCLUDED IN THE 1992 FPSC RATE FILING**

	<b>SYSTEM NAME</b>	<b>COUNTY</b>
	=====	=====
1	Amelia Island	Nassau
2	Apache Shores	Citrus
3	Apple Valley	Seminole
4	Beacon Hills	Duval
5	Beecher's Point	Putnam
6	Burnt Store	Charlotte / Lee
7	Chuluota	Seminole
8	Citrus Park	Marion
9	Citrus Springs Utilities	Citrus
10	Deltona Utilities	Volusia
11	Fisherman's Haven	Martin
12	Florida Central Commerce Park	Seminole
13	Fox Run	Martin
14	Holiday Haven	Lake
15	Jungle Den	Volusia
16	Leilani Heights	Martin
17	Leisure Lakes	Highlands
18	Marco Shores Utilities	Collier
19	Marion Oaks Utilities	Marion
20	Meredith Manor	Seminole
21	Morningview	Lake
22	Palm Port	Putnam
23	Palm Terrace	Pasco
24	Park Manor	Putnam
25	Point O' Woods	Citrus
26	Salt Springs	Marion
27	Silver Lake Oaks	Putnam
28	South Forty	Marion
29	Spring Hill Utilities	Hernando
30	Sugar Mill	Volusia
31	Sugar Mill Woods	Citrus
32	Sunny Hills Utilities	Washington
33	Sunshine Parkway	Lake
34	University Shores	Orange
35	Venetian Village	Lake
36	Woodmere	Duval
37	Zephyr Shores	Pasco

Major Additions Placed in Service in 1990 and 1991

Amelia Island

1. Wastewater Treatment Plant Expansion. Approximate cost: \$1,944,000

Chuluota

1. Water Transmission & Distribution Facilities (net of CIAC). Approximate cost: \$165,000

Citrus Springs

1. Water Transmission & Distribution Facilities (net of CIAC). Approximate cost: \$316,000

Deltona Lakes

1. Wastewater Treatment Plant Improvements. Approximate cost: \$2,278,000
2. Wastewater Effluent Disposal Systems to Two Golf Courses. Approximate cost: \$2,781,000

Fox Run

1. Water High Service Pumps. Approximate cost: \$118,000

Hermit's Cove

1. Water Distribution Interconnect to Plant (net of CIAC). Approximate cost: \$120,000

Marion Oaks

1. Water Transmission & Distribution Facilities (net of CIAC).  
Approximate cost: \$745,000
2. Water Treatment Plant & Well Addition. Approximate cost:  
\$222,000

Pine Ridge

1. Water Transmission & Distribution Facilities (net of CIAC).  
Approximate cost: \$625,000

Rosemont

1. Water Treatment Plant, Well & Transmission Addition.  
Approximate cost: \$253,000

Salt Springs

1. Water Treatment Plant & Well Addition. Approximate cost:  
\$317,000

South Forty

1. Wastewater Treatment Plant & Effluent Disposal Addition.  
Approximate cost: \$276,000

Spring Hill

1. Water Transmission & Distribution Facilities (net of CIAC).  
Approximate cost: \$1,529,000
2. Water Distribution System Relocation required by Hernando  
County. Approximate cost: \$596,000

Sugar Mill Woods

1. Water Treatment Plant & Well Additions. Approximate cost:  
\$886,000



Sunny Hills

1. Wastewater Treatment Plant Improvements. Approximate cost: \$114,000

University Shores

1. Water Treatment Plant & Reservoir Addition. Approximate cost: \$324,000
2. Water Transmission & Distribution Facilities (net of CIAC). Approximate cost: \$810,000
3. Wastewater Effluent Disposal Pumping. Approximate cost: \$148,000
4. Wastewater Effluent Disposal at FPL R/W. Approximate cost: \$448,000
5. Wastewater Treatment Plant Improvements. Approximate cost: \$168,000

Woodmere

1. Wastewater Effluent Disposal Outfall. Approximate cost: \$291,000