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January 2, 1996

GOVERNMENTAL CONSULTANTS:

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ORIGINAL
FILE COPY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center
Room 110
Tallahassee, Florida 32399-0850

HAND DELIVERY

Re: Docket No. 950495-WS

Dear Ms. Bayo:

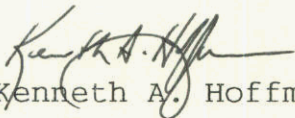
Enclosed herewith for filing in the above-referenced docket on behalf of Southern States Utilities, Inc. ("SSU") are the following documents:

1. Original and fifteen copies of SSU's Fifth Request for Confidential Classification; and
2. A disk in Word Perfect 6.0 containing a copy of the Request entitled "Confiden.5".

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

Thank you for your assistance with this filing.

Sincerely,



Kenneth A. Hoffman

KAH/rl

cc: All Parties of Record

Trlb. 3

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC _____
- WAS _____
- OTH _____

RECEIVED & FILED

EPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

00041 JAN-2 96

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application by Southern)
States Utilities, Inc. 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, High-)
lands, Hillsborough, Lake, Lee,)
Marion, Martin, Nassau, Orange,)
Osceola, Pasco, Polk, Putnam,)
Seminole, St. Johns, St. Lucie)
Volusia and Washington Counties.)

Docket No. 950495-WS

Filed: January 2, 1996

**SSU'S FIFTH REQUEST FOR
CONFIDENTIAL CLASSIFICATION**

Southern States Utilities, Inc. ("SSU"), by and through its undersigned counsel, and pursuant to Rule 25-22.006(4), Florida Administrative Code, hereby files its Fifth Request for Confidential Classification with respect to documents produced in response to the Commission Staff's Document Request No. 29 and Interrogatory No. 117 in the above-referenced docket. In support of its Fifth Request for Confidential Classification, SSU states as follows:

1. On December 5, 1995, SSU produced documents responsive to Staff's Document Request No. 29 and Interrogatory No. 117. The documents produced in response to Staff Document Request No. 29 are the same documents provided on a confidential basis to the Office of Public Counsel ("OPC") in response to OPC Document Request No. 69, pursuant to and as part of SSU's First Motion for Temporary Protective Order granted by Order No. PSC-95-1207-PCO-WS. These documents contain SSU's incentive compensation plans for the years 1992, 1993, 1994 and budgeted 1995.

DOCUMENT NUMBER-DATE
00041 JAN-28 5022
FPSC-RECORDS/REPORTING

The documents provided in response to Staff Interrogatory No. 117 are the same documents provided on a confidential basis to OPC in response to OPC Interrogatory No. 80, pursuant to and as part of SSU's Second Motion for Temporary Protective Order also granted by Order No. PSC-95-1207-PCO-WS. These documents contain annual salary and benefit information for the two Topeka Group, Inc. employees for the years 1993, 1994 and 1995.

At the time these documents were produced, SSU filed its Fourth Notice of Intent to Request Confidential Classification, thereby notifying Staff and the parties of its intent to seek confidential classification of these documents.

2. SSU's Fourth Notice of Intent to Request Confidential Classification was filed on December 5, 1995. Due to a clerical error, this Request for Confidential Classification was calendared for filing twenty-eight (28) days rather than twenty-one (21) days after the filing of said Fourth Notice of Intent. With respect to the late filing of this pleading, Rule 25-22.006(3)(a) provides that absent good cause shown, a failure to file a request for confidential classification within twenty-one days of the filing of the Notice of Intent shall constitute a waiver of confidentiality. SSU submits that the inadvertent clerical error described above constitutes "good cause" sufficient to avoid a waiver of SSU's claim of confidentiality set forth herein.

3. SSU requests that the documents attached hereto and submitted to the Division of Records and Reporting as Attachment "A" be classified as "proprietary confidential business

information" within the meaning of Section 367.156, Florida Statutes (1993). Attachment "A" is an edited version of the documents on which the information asserted to be confidential has been blocked out by the use of an opaque marker. An unedited version of the document included in Attachment "A" has been submitted to the Division of Records and Reporting on this date under a separate cover marked "Confidential" with the information asserted to be confidential highlighted in yellow.

4. Section 367.156(3), Florida Statutes, provides that "proprietary confidential business information" includes information

[W]hich is owned or controlled by the ... company, is intended to be and is treated by the ... company as private in that the disclosure of the information would cause harm to the ... company's business operations, and has not been disclosed unless disclosed pursuant to a statutory provision, an order of a court or administrative body, or a private agreement that provides that the information will not be released to the public.

Included within the Section 367.156(3) definition of "proprietary confidential business information" is the following:

(e) Information relating to competitive interests, the disclosure of which would impair the competitive businesses of the provider of the information.

5. The salary and benefit expense information for the Topeka Group, Inc. employees and the SSU incentive compensation plans referenced above are intended to be and are treated by SSU as proprietary and confidential. For the reasons stated below, the public disclosure of such information would impair the competitive

business operations of SSU. This information has been disclosed only to the Commission Staff and to OPC pursuant to the Notice of Intent and Motions for Temporary Protective Order referred to above.

6. In Docket No. 920199-WS, the Prehearing Officer denied a similar request for confidential classification filed by SSU; however, in doing so, the Prehearing Officer concluded:

The confidentiality provision of the statute is designed to protect against a competitor's obtaining, through the public disclosure of information, an unfair advantage in a competitive market for goods or services.¹

SSU maintains that the facts now clearly demonstrate that SSU and, as a result, its ratepayers stand to suffer a continued adverse impact in competing for and attempting to retain high quality, reasonably compensated employees if this Request for Confidential Classification is denied.

7. As indicated above, SSU does in fact compete with other utilities and businesses on a local, statewide and national level in attempting to attract and retain high quality, reasonably compensated employees in virtually every aspect of SSU's operations. As confirmed by the prefiled direct testimony of SSU witness Dale G. Lock in this proceeding, SSU's employee turnover ratios in 1992, 1993, 1994 (excluding Venice Gardens) and annualized 1995 were 13.2%, 13.5%, 11.54% and (projected) 11.0%, respectively. Approximately 65% of the turnovers in 1993 and 1994

¹Order No. PSC-92-1073-CFO-WS, at 5, issued September 28, 1992 in Docket No. 920199-WS.

were employees who had less than three years of service with SSU. These percentages are dismal when compared with other utilities such as the Orlando Utilities Commission (4.8% in 1993) and Florida Cities (3.96% in 1993).²

8. Ms. Lock's testimony highlights the fact that SSU's wage and salary levels are not competitive in the water and wastewater industry and that SSU has experienced difficulties in recruiting and retaining employees as a result of its salary levels. The public availability of SSU's incentive compensation plans for the years 1992-1995 (budgeted) will impair SSU's efforts to contract for employee services on favorable terms to the detriment of SSU and its ratepayers.

9. It is well recognized that the Commission is afforded ample discretion in the interpretation and application of its statutory authority. See, e.g., Florida Public Service Commission v. Bryson, 569 So.2d 1253, 1255 (Fla. 1990). In this case, the incentive compensation plan information relates to and affects SSU's competitive interests, and public disclosure of the information will continue to impair SSU's ability to attract and retain quality employees at reasonable compensation levels while minimizing costs associated with recruitment and turnover. See §367.156(3)(e), Fla. Stat. (1993). SSU is mindful that Section 367.156(3)(f) implies that employee compensation information should

²See Prefiled direct testimony of Dale G. Lock, CCP, at 14-15.

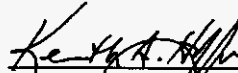
not be treated as proprietary and confidential.³ Indeed, the information at issue is available to SSU's ratepayers on a confidential need to know basis through OPC. Requiring SSU to make the information publicly available to its competitors in the industry and other businesses will only serve to harm SSU and its ratepayers. Accordingly, the Commission should exercise its discretion to resolve the apparent conflict raised by the applicability of Section 367.156(3)(e) to the SSU incentive compensation plans described above and the implied non-applicability of Section 367.156(3)(f) to such information by determining that the information constitutes "proprietary confidential business information."

10. In addition, with respect to the information concerning the salaries and benefits of the two Topeka Group, Inc. employees, to the extent employee compensation information is viewed to have non-confidential status, such status applies only to compensation information related to employees of the regulated utility, in this case, SSU -- not the compensation of employees of an unregulated affiliate, Topeka Group, Inc.

³This conclusion is implied but not expressly stated under Section 367.156(3)(f), Florida Statutes. The provision clearly states that employee personnel information unrelated to compensation constitutes proprietary confidential business information. The implication is that employee personnel information related to compensation may not constitute proprietary confidential business information although the statute does not expressly state as such.

WHEREFORE, for the foregoing reasons, SSU respectfully requests that its Fifth Request for Confidential Classification be granted.

Respectfully submitted,



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WILLIAM B. WILLINGHAM, ESQ.
Rutledge, Ecenia, Underwood,
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(904) 681-6788

and

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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing SSU's Fifth Request for Confidential Classification was furnished by hand delivery(*) and/or U. S. Mail to the following on this 2nd day of January, 1996:

Lila Jaber, Esq. (*)
Division of Legal Services
2540 Shumard Oak Boulevard
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Tallahassee, FL 32399-0850

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32305-1110


KENNETH A. HOFFMAN, ESQ.

Confidential.5

SOUTHERN STATES UTILITIES, INC.
DOCKET NO.: 950-95-WS
RESPONSE TO INTERROGATORIES

REQUESTED BY: OPC
SET NO: 1
INTERROGATORY NO: 30
ISSUE DATE: 07/18/95
WITNESS: SCOTT W. VIERIMA
RESPONDENT: Scott Vierima

INTERROGATORY NO: 30

List all employees of Topeka Group, their title, their annual salaries, and their annual benefits, and a description of the services they provide to the Company. Provide this information for the years 1993, 1994, and 1995.

RESPONSE: 30

During 1993, 1994 and 1995 Topeka Group had two employees: Bert Phillips and Laura Holquist. Bert Phillips served as President of SSU and Topeka until he went on long term disability in July 1, 1995. Laura Holquist served as CFO of Lehigh Acquisition Corporation and provided no service to SSU. Mr. Phillip's and Ms. Holquist's titles, annual salaries and benefits are shown in Appendix 30-A. Ms. Holquist did not provide service to SSU, and none of her salary was charged to SSU during 1993, 1994 and 1995. This information is considered confidential.

ATTACHMENT A

CONFIDENTIAL
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Laura Holquist:

	<u>Title</u>	<u>Salary</u>	<u>Benefits</u>
1993	VP/CFO Lehigh Acquisition Corporation	[REDACTED]	[REDACTED]
1994	VP/CFO Lehigh Acquisition Corporation	[REDACTED]	[REDACTED]
1995 - Est.	VP/CFO Lehigh Acquisition Corporation	[REDACTED]	[REDACTED]

Bert Phillips:

	<u>Title</u>	<u>Salary</u>	<u>Benefits</u>
1993	President SSU/Topeka	[REDACTED]	[REDACTED]
1994	President SSU/Topeka	[REDACTED]	[REDACTED]
1995	President SSU/Topeka	[REDACTED]	[REDACTED]

¹ Includes taxable moving expense reimbursement.
² On LTD as of 7/1/95.

SOUTHERN STATES UTILITIES, INC.
RESPONSE TO REQUEST FOR PRODUCTION OF DOCUMENTS
DOCKET NO.: 950495-WS

REQUESTED BY: OPC
SET NO: 1
DOCUMENT REQUEST NO: 69
ISSUE DATE: 07/18/95
WITNESS: GARZEKE/LOCK
RESPONDENT: Dale Lock/David Garzke

DOCUMENT REQUEST: 69

Provide a copy of each bonus and incentive compensation plan in use at the Company and MPL for the years 1992, 1993, 1994, and as budgeted for 1995.

RESPONSE: 69

Transmitted herewith are the 1992, 1993, 1994, and 1995 Short Term Incentive Compensation Plans being submitted in response to the above document request. SSU considers the Plans as proprietary and confidential information. We request that the information be treated by the parties in such a manner. The MPL plans for the years 1992, 1993, 1994 and 1995 are also considered by MP&L as confidential and proprietary information. These plans will be made available for inspection by OPC on-site in Apopka.

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SOUTHERN STATES UTILITIES
Senior Executive, Executive, and Key Management

SHORT-TERM INCENTIVE PLAN

1995

CONFIDENTIAL

5033

1995 Southern States Utilities, Inc.
Short - Term Incentive Plan

The Short Term Incentive Plan for eligible Senior Executive, Executive and Key Management is approved as stated and attached.

Approved by:

R. D. Edwards

3-14-95

Robert D. Edwards,
Executive Vice President &
Chief Operating Officer
Minnesota Power

Date

RECOMMENDED

R. W. Quinn

3/9/95

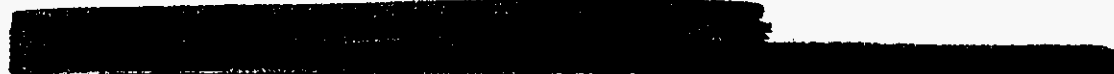
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SSU SHORT TERM INCENTIVE AWARD PROGRAM - 1995

Eligibility / Opportunity

	% of Base Salary		
	1994	1995	1996
LEVEL 1 - Sr. Executive	[REDACTED]		
LEVEL 2 - Executive	[REDACTED]		
LEVEL 3 - Key Management	[REDACTED]		




Components


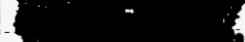


		Measure	% of Award Opportunity	
			1995	
CORPORATE	Internal	MP EPS	[REDACTED]	(Matrix A)
	External	MP TSR	[REDACTED]	(Matrix B)
BUSINESS UNIT	Financial	SSU ROAE & PT Op. Inc.	[REDACTED]	(Matrix C)
		'95 Rate Filing	[REDACTED]	(Matrix D)
INDIVIDUAL		Goals	[REDACTED]	

Achievement Hurdles / Payout

		Payout %
		1995
MAXIMUM	(MX)	[REDACTED]
TARGET	(TG)	[REDACTED]
THRESHOLD	(TH)	[REDACTED]
BELOW THRESHOLD	(BT)	[REDACTED]


SSU INTERNAL CORPORATE INCENTIVE
 AWARD MATRIX - 1995 Revised 5/11/95


Corporate (MP) Earnings Per Share 

	EPS
(MX)	
(FG)	
(HI)	
(BT)	

--- Matrix A ---

SSU EXTERNAL CORPORATE INCENTIVE
 AWARD MATRIX - 1995

Total MP Shareholder Return Compared to S&P 500 Ranking 

	TSR
(MX)	>= 90th 
(FG)	= 60th
(HI)	= 40th
(BT)	< 40th

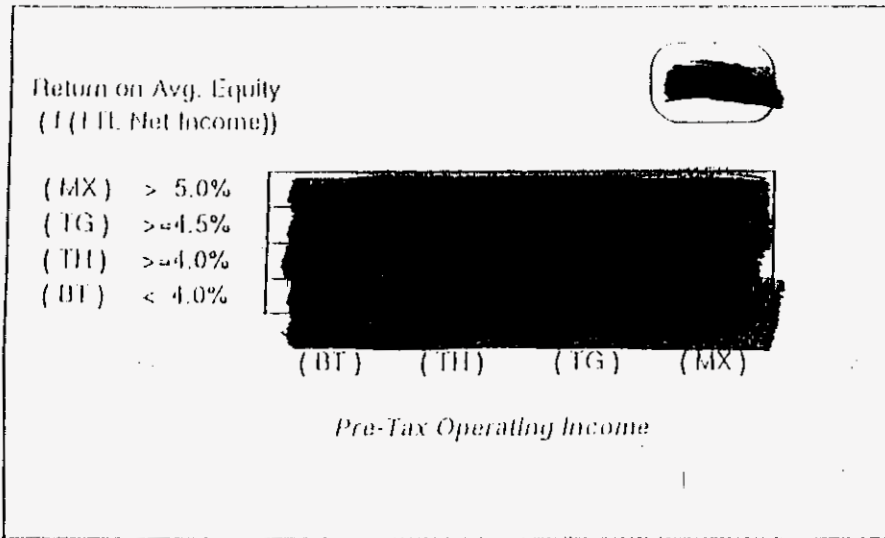
(Percentile Ranking)

--- Matrix B ---

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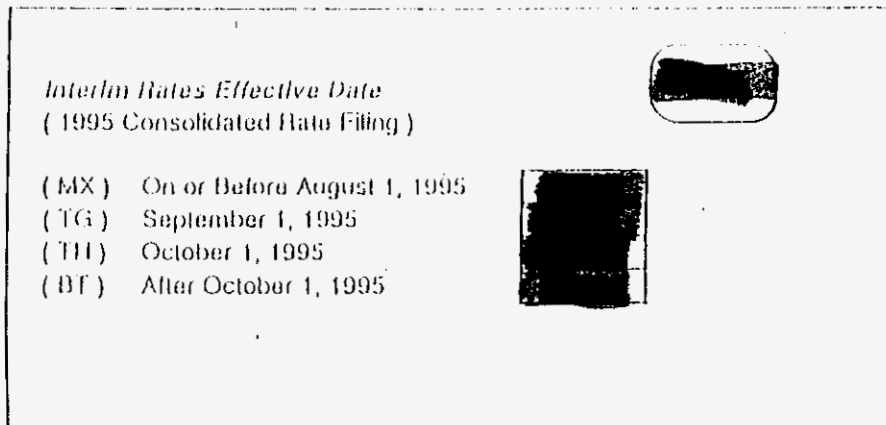
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SSU BUSINESS UNIT INCENTIVE AWARD MATRIX - 1995



— Matrix C —

SSU BUSINESS UNIT INCENTIVE AWARD MATRIX - 1995



— Matrix D —

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SOUTHERN STATES UTILITIES, INC.
1994 INCENTIVE COMPENSATION PLAN

APPROVED *B. T. Phillips*
B. T. Phillips
DATE 3/24/94

CONFIDENTIAL

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SOUTHERN STATES UTILITIES, INC.

Incentive Compensation Plan

Incentive Pay Plan for 1994:

Designed to reward executives for working together to achieve joint goals in 1994.

Plan components will provide monetary reward for:

Factor

Component

[REDACTED]	1)	[REDACTED]
[REDACTED]	2)	[REDACTED]
[REDACTED]		[REDACTED]
[REDACTED]		[REDACTED]

<u>Performance Level</u>	<u>% of Target Incentive Opportunity Earned</u>
Target	[REDACTED]
Superior	[REDACTED]
Threshold	[REDACTED]
Below Threshold	[REDACTED]

Aggregate Awards will be limited to the following groups:

- Vice Presidents [REDACTED]
- Assistant Vice President, Controller, Environmental Services Manager, Director Legal Service, and Director Rates [REDACTED]

Performance level criteria for each component are defined as follows to facilitate computation of the award.

Component 1
Key Organizational Goals

- o [REDACTED]
- o [REDACTED]
- o [REDACTED]
- o [REDACTED]
- o [REDACTED]
- o [REDACTED]
- o [REDACTED]


Target Achievement of all key goals identified.
Superior Achievement of 5 key goals identified.
Threshold Attainment of the majority of goals identified.

Component 2
Targeted Financial Results

[REDACTED]

Target [REDACTED]
Threshold [REDACTED]

SOUTHERN STATES UTILITIES, INC.
1993 INCENTIVE COMPENSATION PLAN

APPROVED 
B. T. Phillips

DATE 3/23/93

CONFIDENTIAL

SOUTHERN STATES UTILITIES, INC.

Incentive Compensation Plan

Incentive Pay Plan for 1993:

Designed to reward executives for working together to achieve joint goals in 1993.

Plan components will provide monetary reward for:

Factor

Component

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Performance Level

% of Target Incentive
Opportunity Earned

Target

Threshold

Below Threshold

[REDACTED]

0%

Aggregate Awards will be limited to the following groups:

Vice Presidents

[REDACTED]

Assistant Vice President, Controller,
Environmental Services Manager, Senior
Attorney, and Director Rates

[REDACTED]

Performance level criteria for each component are defined as follows to facilitate computation of the award.

Component 1
Key Organizational Goals

- o [REDACTED]
- o [REDACTED]
- o [REDACTED]
- o [REDACTED]
- o [REDACTED]
- o [REDACTED]
- o [REDACTED]

Target Achievement of all 1993 key goals identified.

Threshold Attainment of the majority of 1993 goals identified.

Component 2
Targeted Financial Results

Budgeted Net Income - [REDACTED]

Target [REDACTED]

Threshold [REDACTED]

SOUTHERN STATES UTILITIES, INC.
1992 INCENTIVE COMPENSATION PLAN

APPROVED *B. T. Phillips*
B. T. Phillips
DATE 4-15-92

CONFIDENTIAL

SOUTHERN STATES UTILITIES, INC.

Incentive Compensation Plan

Incentive Pay Plan for 1992:

Designed to reward executives for working together to achieve joint goals in 1992.

Plan components will provide monetary reward for:

<u>Factor</u>	<u>Component</u>
All	
VP's Others	

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Performance levels for component 1) and 2) shall be based upon the following:

<u>Performance Level</u>	<u>% of Target Incentive Opportunity Earned</u>
Target	[REDACTED]
Threshold	[REDACTED]
Below Threshold	[REDACTED]

Performance levels for Component 3) shall be based upon the following:

<u>Performance Level</u>	<u>Incentive Opportunity as a Percentage of Base Pay</u>
Target	[REDACTED]
Threshold	[REDACTED]
Below Threshold	[REDACTED]

Aggregate Awards will be limited to the following groups:

- Vice Presidents [REDACTED]
- Controller, Treasurer, Chief Engineer and Attorney [REDACTED]

Performance level criteria for each component are defined as follows to facilitate computation of the award.

Component 1
Key Organizational Goals

- ✓ ○ [Redacted]
- X ○ [Redacted]
- X ○ [Redacted]
- X ○ [Redacted]
- ✓ ○ [Redacted]
- ✓ ○ [Redacted]
- ✓ ○ [Redacted]

Target Achievement of all 1992 key goals identified.
Threshold Attainment of the majority of 1992 goals identified.

Component 2
Targeted Financial Results

Net Income - [Redacted]
Target [Redacted]
Threshold [Redacted]

Component 3
Individual Performance

Individual performance based upon key responsibilities and special projects and objectives results:

Target	Outstanding
Threshold	Excellent

Note: The individual performance component is designed to fit with the SSU Compensation Plan.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]