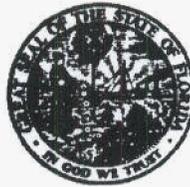


State of Florida

RNR

Commissioners:
SUSAN F. CLARK, CHAIRMAN
J. TERRY DEASON
JULIA L. JOHNSON
DIANE K. KIESLING
JOE GARCIA



DIVISION OF LEGAL SERVICES
NOREEN S. DAVIS
DIRECTOR
(904) 413-6199

Public Service Commission

February 7, 1996

George Wells, President
Sugar Mill Association, Inc.
100 Clubhouse Circle
New Smyrna Beach, Florida 32168

Re: Docket No. 920199-WS - Application for rate increase in Brevard, Charlotte/Lee, Citrus, Clay, Duval, Highlands, Lake, Marion, Martin, Nassau, Orange, Osceola, Pasco, Putnam, Seminole, Volusia, and Washington Counties by Southern States Utilities, Inc.

Docket No. 950495-WS - Application for rate increase and increase in service availability charges by Southern States Utilities, Inc. for Orange-Osceola Utilities, Inc. in Osceola County, and in Bradford, Brevard, Charlotte, Citrus, Clay, Collier, Duval, Highlands, Lake, Lee, Marion, Martin, Nassau, Orange, Osceola, Pasco, Putnam, Seminole, St. Johns, St. Lucie, Volusia, and Washington Counties.

Dear Mr. Wells:

Your letter dated January 22, 1996, has been referred to me for a response. The Commission's order in Docket No. 920199-WS granting increased rates for Southern States Utilities, Inc. (SSU) based on a uniform rate structure was appealed by Citrus County and Sugarmill Woods Civic Association. On April 6, 1995, the Commission's decision was reversed and remanded by the First District Court of Appeal. The Commission did request a rehearing, but the Commission's Motion for Rehearing was denied by the Court. A mandate was issued by the Court on July 13, 1995. The Commission also filed a joinder of SSU's petition seeking review by the Supreme Court. That request was also denied.

In complying with the Court's mandate, the Commission issued its order in October approving a different rate structure for SSU. In doing that, the Commission had to choose a rate structure supported by the evidence presented in Docket No. 920199-WS that was consistent with the Court's opinion. The Commission chose a modified stand alone rate

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Continuation of Letter to:
Mr. George Wells, President
February 7, 1996
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structure. On a going-forward basis, the new rate structure may result in higher rates for some of SSU's customers. SSU has sought reconsideration of that decision. That matter is pending before the Commission in Docket No. 920199-WS.

In the most recent rate case, Docket No. 950495-WS, the utility has requested approval of its proposal to implement the uniform rate structure. As you know, this decision is pending before the Commission. I hope this letter responds to your concerns. Your letter will be placed in the docket's correspondence file. If you have additional questions, please feel free to contact me at (904) 413-6199.

Sincerely,



Lila A. Jaber
Bureau Chief, Water & Wastewater
Division of Legal Services

LAJ/mw

cc: Division of Water and Wastewater (Hill, Willis)
Division of Records and Reporting
Parties of Record