

RUTLEDGE, ECENIA, UNDERWOOD, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

STEPHEN A. ECENIA
KENNETH A. HOFFMAN
THOMAS W. KONRAD
R. DAVID PRESCOTT
HAROLD F. X. PURNELL
GARY R. RUTLEDGE
R. MICHAEL UNDERWOOD
WILLIAM B. WILLINGHAM

POST OFFICE BOX 551, 32302-0551
215 SOUTH MONROE STREET, SUITE 420
TALLAHASSEE, FLORIDA 32301-1841

TELEPHONE (904) 681-6788
TELECOPIER (904) 681-6515

April 15, 1996

GOVERNMENTAL CONSULTANTS:
PATRICK R. MALOY
AMY J. YOUNG

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:

ACK ✓ 1. Original and fifteen copies of SSU's Response to OPC's April 12 Motion for Protective Order and SSU's Motion for Expedited Discovery Responses; and

APP _____
CAF document 2. A disk in Word Perfect 6.0 containing a copy of the document entitled "412.Response".

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

EAG _____
LEG 1 Thank you for your assistance with this filing.

LIN 5 Sincerely,

Kenneth A. Hoffman
Kenneth A. Hoffman

OPC _____

RCH _____

SEC 1 _____

WAS KAH/rl

OTH _____
cc: All Parties of Record
Trib.3

RECEIVED & FILED

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DOCUMENT NUMBER-DATE

04326 APR 15 96

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

04-15-1996
FILE COPY

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, Highlands,)
Lake, Lee, Marion, Martin,)
Nassau, Orange, Osceola, Pasco,)
Polk, Putnam, Seminole, St. Johns,)
St. Lucie, Volusia and Washington)
Counties.)
)
)
)

Docket No. 950495-WS

Filed: April 15, 1996

SSU'S RESPONSE TO OPC'S
APRIL 12 MOTION FOR PROTECTIVE ORDER
- and -
SSU'S MOTION FOR EXPEDITED DISCOVERY RESPONSES

Southern States Utilities, Inc. ("SSU"), by and through its undersigned counsel, and pursuant to Rule 25-22.037(2)(b), Florida Administrative Code, hereby files its Response to the Motion for Protective Order filed on April 12, 1996 by the Office of Public Counsel ("OPC") and Motion for Expedited Discovery Responses. In support of both its Response and Motion, SSU states as follows:

1. OPC's Motion for Protective Order again exposes the Commission to the gamesmanship reflected in OPC's discovery practices throughout this proceeding. A brief recitation of pertinent facts follows. Suffice it to say, however, that if the Prehearing Officer views the April 22, 1996 discovery completion date as the date on which all discovery responses must be served, that date applies equally to all parties in this proceeding. Basic principles of due process demand no less. OPC's eleventh hour effort to procure an advantage in the discovery process only two

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weeks before the final hearing should be rejected.

2. To the extent deemed necessary, and Order No. PSC-96-0510-PCO-WS issued this morning indicates that it is, SSU hereby requests that all responses to SSU's pending discovery requests to OPC be served by hand delivery no later than Monday, April 22, 1996. These requests include SSU's Second Set of Interrogatories to OPC (responses otherwise due April 26, 1996), Third Request for Production of Documents to OPC (responses otherwise due May 8, 1996), and Third Set of Interrogatories to OPC (responses otherwise due May 9, 1996). Copies of these SSU discovery requests and the Notice of Service of each request are attached hereto as Composite Exhibit "A".

3. Order No. PSC-95-1506-PCO-WS provides a discovery completion date of April 22, 1996. OPC contends that "it is well established practice at the Commission" that this date reflects the last day for service of discovery responses¹ -- not discovery requests. OPC cites no authority in support of its claim. Commission Staff obviously does not concur with OPC's characterization of "well established practice" since Staff served its Twelfth Request for Production of Documents to SSU on April 10, 1996 (without any accompanying motion to expedite SSU's responses thereto).

4. On March, 19, 1996, OPC served its 22nd set of interrogatories and 26th set of requests for production of

¹OPC's April 12, 1996 Motion for Protective Order, at par. 1.

documents to SSU together with its Motion to Require Discovery Responses by April 22, 1996. SSU filed its Response to OPC's Motion on April 5, 1996 together with objections to specific OPC document requests and interrogatories. In its Response, SSU agreed to meet OPC's requested April 22nd deadline for non-objectionable discovery if OPC agreed to respond to all discovery requests served by SSU through April 9, 1996 by May 1, 1996. OPC has rejected SSU's offer. Instead, OPC asks the Prehearing Officer to rule that it is not required to respond to any of SSU's pending discovery requests.

5. OPC's apparent belief that the April 22nd discovery completion date was ordered only for the benefit of OPC is premised on its contention that it would be burdensome for OPC to prepare discovery responses shortly before or during the final hearing. OPC misrepresents the facts. This morning, Staff and SSU took the deposition of OPC witness Kimberly H. Dismukes. Counsel for SSU requested Ms. Dismukes to produce copies of all work papers used by her in the preparation of her testimony in this proceeding as a late-filed deposition exhibit.² Counsel for OPC objected despite Ms. Dismukes' deposition testimony that compilation of copies of her work papers for production to SSU should take no more than a few hours and could be accomplished in a day -- hardly what any reasonable person would characterize as "burdensome." These

²The Staff Notice of Deposition required Ms. Dismukes to have with her at her deposition "copies of all work papers or other materials used by her in the preparation of any testimony filed in this case or used by her in the preparation of any responses to Staff's discovery requests in this docket."

documents are included in SSU's Third Request for Production of Documents to OPC. OPC's allegation that it will be burdened by SSU's relatively modicum amount of discovery fails to justify a protective order denying SSU the relevant substantive information and documents it seeks concerning OPC's prefiled testimony to prepare for the final hearing. See Order No. PSC-96-0510-PCO-WS issued April 15, 1996 (prehearing officer ordered SSU to provide expedited responses to OPC's 22nd Set of Interrogatories and 26th Set of Requests for Production of Documents on grounds that "OPC should be afforded sufficient time to prepare for hearing and OPC's request does not appear to be burdensome on SSU.").

6. Needless to say, SSU has expended significant time and resources in: (a) the preparation of its rebuttal testimony; (b) preparing for and attending numerous depositions including multiple depositions purporting to support OPC's claim that there is legal authority to dismiss a rate case or inject an issue of alleged mismanagement based on OPC's strained interpretation of what constitutes an ex parte communication despite the fact that OPC admits that they have not been prejudiced as a result thereof; (c) responding to hundreds of discovery requests from OPC and other Intervenor; and (d) preparing and responding to the bevy of frivolous motions filed by OPC in this proceeding.

7. SSU's due process right to engage in discovery is no less than OPC's simply because SSU is the applicant in this proceeding. SSU served its Second Set of Interrogatories to OPC on March 27, 1996, before OPC served its latest set of discovery requests. Yet,

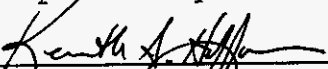
OPC's position is that SSU should respond to OPC's discovery requests by April 22nd but OPC should not be required to respond to SSU's Second Set of Interrogatories. The fact that SSU served its Third Request for Production of Documents and Third Set of Interrogatories to OPC after OPC's most recent discovery requests does not constitute good cause to deny SSU its right to prepare for hearing.

8. In a hearing of this size and magnitude, efforts should be made by all parties to ensure that discovery matters are resolved so that all parties may adequately prepare for hearing. SSU's pending discovery essentially requests copies of the work papers of all OPC witnesses which are or should be readily available and contain questions directed to the prefiled testimony of OPC witnesses Dismukes, Bidy and Larkin/DeRonne.

9. Contrary to the Prehearing Officer's prior orders, OPC made no attempt to discuss its objections to SSU's discovery prior to filing its April 12, 1996 Motion for Protective Order.

WHEREFORE, SSU respectfully requests that OPC's April 12, 1996 Motion for Protective Order be denied and that OPC be required to serve responses to SSU's outstanding discovery requests attached as Composite Exhibit "A" by hand delivery on April 22, 1996.

Respectfully submitted,



KENNETH A. HOFFMAN, ESQ.
WILLIAM B. WILLINGHAM, ESQ.
Rutledge, Ecenia, Underwood,
Purnell & Hoffman, P.A.
P. O. Box 551
Tallahassee, FL 32302-0551
(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 SSU's Response to OPC's April 12 Motion for Protective Order and SSU's Motion for Expedited Discovery Responses was furnished by U. S. Mail to the following on this 15th day of April, 1996:

Lila Jaber, Esq.
Division of Legal Services
2540 Shumard Oak Boulevard
Gerald L. Gunter Building
Room 370
Tallahassee, FL 32399-0850

Mr. John D. Mayles
President
Sugarmill Woods Civic Asso.
91 Cypress Blvd., West
Homosassa, FL 34446

Charles J. Beck, Esq.
Office of Public Counsel
111 W. Madison Street
Room 812
Tallahassee, FL 32399-1400

Arthur I. Jacobs, Esq.
P. O. Box 1110
Fernandina Beach, FL
32305-1110

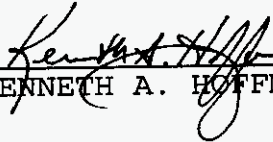
Michael B. Twomey, Esq.
P. O. Box 5256
Tallahassee, FL 32314-5256

Mr. Frank Kane
1208 E. Third Street
Lehigh Acres, FL 33936

Mr. Kjell Pettersen
P. O. Box 712
Marco Island, FL 33969

Mr. Paul Mauer, President
Harbour Woods Civic Association
11364 Woodsong Loop N
Jacksonville, FL 32225

Larry M. Haag, Esq.
111 West Main Street
Suite #B
Inverness, FL 34450


KENNETH A. HOFFMAN, ESQ.

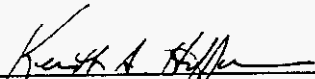
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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, Highlands,) Docket No. 950495-WS
Lake, Lee, Marion, Martin,)
Nassau, Orange, Osceola, Pasco,)
Polk, Putnam, Seminole, St. Johns,) Filed: March 27, 1996
St. Lucie, Volusia and Washington)
Counties.)
_____)

SOUTHERN STATES UTILITIES, INC.'S
NOTICE OF SERVICE OF SECOND SET OF INTERROGATORIES
TO THE CITIZENS OF THE STATE OF FLORIDA

Southern States Utilities, Inc. ("SSU"), by and through its undersigned counsel, hereby files its Notice that it has served an original and one copy of its Second Set of Interrogatories to the Citizens of the State of Florida ("Citizens") by hand delivery on Charles J. Beck, Esq., 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400, on this 27th day of March, 1996. Copies of SSU's Second Set of Interrogatories to the Citizens have been served on the other parties of record in the manner set forth in the attached Certificate of Service.

Respectfully submitted,



KENNETH A. HOFFMAN, ESQ.
WILLIAM B. WILLINGHAM, ESQ.
Rutledge, Ecenia, Underwood,
Purnell & Hoffman, P.A.
P. O. Box 551
Tallahassee, FL 32302-0551
(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 Southern States Utilities, Inc.'s Notice of Service of Second Set of Interrogatories to the Citizens of the State of Florida was furnished by hand delivery (*) and/or U. S. Mail to the following on this 27th day of March, 1996:

Lila Jaber, Esq.
Division of Legal Services
2540 Shumard Oak Boulevard
Gerald L. Gunter Building
Room 370
Tallahassee, FL 32399-0850

Mr. John D. Mayles
President
Sugarmill Woods Civic Asso.
91 Cypress Blvd., West
Homosassa, FL 34446

Charles J. Beck, Esq. (*)
Office of Public Counsel
111 W. Madison Street
Room 812
Tallahassee, FL 32399-1400

Arthur I. Jacobs, Esq.
P. O. Box 1110
Fernandina Beach, FL
32305-1110

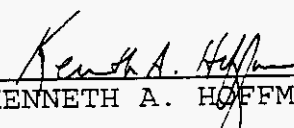
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Mr. Paul Mauer, President
Harbour Woods Civic Association
11364 Woodsong Loop N
Jacksonville, FL 32225

Larry M. Haag, Esq.
111 West Main Street
Suite #B
Inverness, FL 34450



KENNETH A. HOFFMAN, ESQ.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application by Southern)
States Utilities, Inc. for rate)
increase and increase in service)
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St. Lucie, Volusia and Washington)
Counties.)
)
)
)

Docket No. 950495-WS

SOUTHERN STATES UTILITIES, INC.'S SECOND SET
OF INTERROGATORIES TO THE CITIZENS OF THE STATE OF FLORIDA

Pursuant to Rules 25-22.034 and 25-22.035(3), Florida Administrative Code and Rule 1.340, Florida Rules of Civil Procedure, Southern States Utilities, Inc. ("SSU") hereby demands the Citizens of the State of Florida ("Citizens") to answer under oath the following interrogatories and that the answers be served on the attorneys for SSU as required by law. All answers must be served upon the attorneys for SSU by April 26, 1996.

DEFINITIONS

1. As used herein, the term "Citizens" is intended to include the statutory legal representative of the Citizens, the Office of Public Counsel ("OPC"), and the OPC's employees, attorneys, consultants, agents, representatives, and any other person or entity acting on behalf of OPC. For example, in Interrogatory No. 2, the interrogatory requests identification of any information not previously provided to the Citizens and/or OPC by SSU regarding SSU's acquisition of any water or wastewater facility now owned by SSU.

2. As used herein, the term "documents" shall mean all written, printed, typed, recorded, or graphic matter of any kind, including, without limiting the foregoing, all notes, work papers, supporting or back up materials, correspondence, memoranda, contracts, agreements, marginal notations, computer printouts, computer or word processing disks, magnetic tapes, or memory-stores materials, and includes without limitation, originals and all copies unless identical.

3. As used herein, the terms "describe," "give a description of," and "state" mean to state in detail all events or circumstances known to you which are necessary to depict and frame a complete verbal picture or summary of your knowledge of the subject item or event.

4. As used herein, the terms "identification" or "identify" when used in reference to: (1) a natural individual, requires you to state his full name and residential and business address; (2) a corporation, requires you to state its full corporate name and any names under which it does business, its state or incorporation, the address of its principal place of business and the address of all of its offices in Florida; (3) a business, requires you to state the full name or style under which the business is conducted, its business address or addresses, the types of business in which it is engaged, the geographic areas in which it conducts those businesses, and the identity of the person who owns, operates, and controls the business; (4) a document, requires you to state the number of the pages and nature of the document (e.g., letter or

memorandum), its title, its date, the name of its authors and recipients, and its present location and custodian; (5) a communication, requires you, if any part of the communication is written, to identify the document which refers to or evidences the communication and, to the extent that the communication is non-written, to identify the persons participating in the communication and to state the date, manner, place, and substance of the communication.

5. As used herein, to "state the basis of," or equivalent language, of a particular claim, assertion, allegation or contention, means to: (1) identify each and every document (and, where pertinent, the section, article and/or subparagraph thereof), which forms any part of the source of your information; (2) identify by date, time, parties, and subject matter each and every communication which forms any part of the source of your information; (3) identify each and every communication which forms any part of the source of the information; (4) state separately the acts and omissions to act on the part of any person (identify the acts and omissions to act by stating their nature, time, and place and identifying the persons involved), which form any part of the source of your information; and (5) state separately any other fact which forms the basis of your information.

6. As used herein, the terms "and" and "or" shall be construed to bring within the scope of these interrogatories any response which might otherwise be construed to be outside of their scope.

7. As used herein, the singular shall include the plural, the plural shall include the singular, and the masculine, feminine, and neuter shall include each of the other genders.

INSTRUCTIONS

1. In answering these Interrogatories, furnish all information which is available to the Citizens and OPC, including information in the possession of OPC's agents, employees, representatives and all others from whom OPC may freely obtain said information, as well as from OPC's attorney in their investigation.

2. In answering each interrogatory, in addition to supplying the information requested and identifying any documents referred to specifically, identify all other documents that are or may be in existence that relate to the subject of such interrogatory or to its answer thereto.

3. If you cannot answer any one or any subpart of these interrogatories in full, after exercising due diligence to secure the information to do so, explicitly so state. Answer all interrogatories and subparts and give any information in the Citizens' or OPC's possession that may partially answer the interrogatory or subpart that it cannot answer in full, or that may lead to discovering the answer thereto.

INTERROGATORIES

56. Please identify the "forms of variation in revenues" referred to at page 4, line 11 of Kimberly Dismukes' testimony.

57. Is it OPC's opinion that a rate structure consisting solely of a gallonage charge is a reasonable rate structure?

58. Please identify any disadvantages which result if the Commission implemented a mechanism which would permit a utility to earn a level of earnings equal to the Commission authorized rate of return?

59. Referring to page 4, line 16 of Ms. Dismukes' testimony, please identify the "circumstances" which would prevent Southern States from earning its authorized rate of return if the proposed weather normalization clause was implemented?

60. Is it Ms. Dismukes opinion that a rate making mechanism which stabilizes revenue to the extent that there is a likelihood that the utility will earn a level of earnings equal to the Commission's authorized rate of return is unreasonable?

61. Identify all distinctions which public counsel would draw between the SSU proposed weather normalization clause and the fuel adjustment clause mechanism used by electric utilities?

62. Please identify the level of variation in surcharges or rebates under the proposed weather normalization clause which in Ms. Dismukes' opinion would be reasonable on a monthly basis.

63. Please identify any facts or circumstances in the possession of OPC which support the proposition that Marco Island residential customers will consume more water in 1996.

64. Is it OPC's opinion that Marco Island residential customers have not understood the conservation message?

65. Please identify the reasons public counsel believes consumption by Marco Island residential customers has decreased from approximately 24,000 gallons a month in 1991 to approximately 15,000 gallons a month in 1995.

66. Please identify the number of years of weather data which OPC believes are necessary in order to develop a reasonable weather normalization adjustment.

67. Does OPC dispute the validity of the net irrigation requirement analysis in terms of its effectiveness in measuring the impact of weather on water consumption levels?

68. At page 6, lines 14 through 15, Ms. Dismukes states as follows: "The Commission should insure that test year consumption levels are set as close to reality as possible." Since 1995 consumption data now is available, is it OPC's opinion that the Commission should use 1995 test year consumption to establish rates in this proceeding?

69. At page 6, lines 16 through 17, Ms. Dismukes states that: "The Commission should make sure test year consumption levels are also properly weather normalized." Please describe the proper weather normalization technique which should be used by the Commission?

70. Please explain Ms. Dismukes statement at page 7, lines 6 through 7, that: "Under-recovery could also result, but this risk is less than over-recovery, since the regulatory process is not symmetrical." Specifically, explain why the risk of under-recovery is lower than the risk of over-recovery.

71. Is it Ms. Dismukes' opinion that the likelihood of reoccurrence of factors which result in a decline of consumption are more likely to reoccur than factors which would result in an increase in consumption? If so, please provide the basis for this belief?

72. At page 7, lines 7 through 8, Ms. Dismukes states that: "SSU has no incentives to draw attention to excess profits." Is it Ms. Dismukes belief that "excess profits" would not be reflected in the annual report filed each year by SSU with the Commission?

73. Please identify any information in OPC's possession which OPC believes establishes the rate of return achieved by Southern States during the period 1992, 1993, 1994, and 1995.

74. Regarding page 8, lines 3 through 8 of Ms. Dismukes testimony, is it Ms. Dismukes' opinion that the weather normalization clause will permit SSU to recover its costs associated with treating water which ultimately is lost through line breaks if the amount of water lost exceeds the amount of line break losses requested in the test year?

75. Please identify any facts or circumstances which would make it inappropriate or improper for Southern States to obtain the exact revenue requirement in the future which the Commission shall determine to be just and reasonable in this proceeding?

76. Please identify any documents, treatises, books or other authority in OPC's possession which delineates the proper risk relationship between customers and stockholders with regard to utility revenue recovery.

77. Does Ms. Dismukes dispute that a weather normalization clause would assist SSU in obtaining lower cost capital, all else remaining equal?

78. Please identify all books, treatises, articles or other authorities which identify the proper split between the base facility charge and gallonage charge revenue recovery.

79. Does Ms. Dismukes agree that there is no single base facility charge/gallonage charge split which is sacrosanct and immutable?

80. Please identify all automatic rate adjustment mechanisms of which public counsel and/or its witnesses are aware and the type of utility authorized to use the mechanisms in water, wastewater, gas, electric or telephone.

81. Please identify and describe the "decoupling" mechanisms used by the electric industry as suggested at page 9, line 22 of Ms. Dismukes' testimony.

82. In light of the Florida Supreme Court opinion in the GTE Florida decision issued on February 29, 1996, please describe how a one-sided interest payment mechanism suggested by Ms. Dismukes at page 10, lines 14 through 20, would be proper?

83. Is it Ms. Dismukes' opinion that any rate making mechanism which mitigates the risk of a deficiency in a utility's revenue recovery is inherently flawed?

84. Please identify any books, treatises, articles or other authorities which would support Ms. Dismukes' suggestion at page 11, lines 8 through 15, that factors such as changes in the economy and tourism, which affect consumption, are "not properly borne by customers."

a. Please describe how an economic downturn would or could impact customer consumption levels.

b. Please describe how changes in tourism would or could affect customer consumption levels.

85. Please describe how an annual true-up as Ms. Dismukes suggests at page 12, lines 6 through 16 would eliminate the fact that customer rates would change monthly under the weather normalization clause proposal.

86. Please identify the price elasticity adjustments, if any, which OPC would propose under the various rate design proposals discussed by Ms. Dismukes at pages 12 through 22 of her testimony.

87. Does OPC dispute the fact that water consumption is price elastic?

88. Does OPC agree that the higher the percentage of revenues collected through the gallonage charge, the higher the consumption elasticity adjustment which is required?

89. Please identify any water and/or wastewater utility in the State of Florida which identifies historic customer consumption levels on customer bills.

90. Please identify any water and/or wastewater utility in Florida which offers its customers the ability to pay bills by electronic fund transfer.

91. Please identify any seminar, meeting, rulemaking, or workshop attended by representatives of the OPC since 1992 at which the topic of discussion was the assessment of the risk/benefit of EPA or DEP standards for water and/or wastewater quality.

92. Please identify all meetings of the several water management districts, including board meetings and basin board meetings, at which representatives of the OPC were in attendance since 1992?

93. Please identify all meetings of the Environmental Review Commission which were attended by a representative of the OPC since 1992?

94. At page 8, line 21, Ms. Dismukes states that "Many of SSU's systems operate in water resource caution areas or proposed water resource caution areas." Please identify the "systems" to which Ms. Dismukes is referring.

95. In Ms. Dismukes' opinion, are SSU's customer education efforts regarding water conservation useless?

96. Is it Ms. Dismukes' opinion that the Small Change Theater presentations to Florida's children to spread the water conservation message should be discontinued?

97. Please identify all meetings, seminars, workshops or other programs which were attended by representatives of OPC since 1992 at which water conservation was the topic of discussion.

98. Does Ms. Dismukes agree that it was not reasonable for the Commission to adjust the base facility charge/gallonage charge split in its final order in Docket No. 920199-WS without making a corresponding consumption adjustment?

99. Does Ms. Dismukes agree that it was not reasonable for

the Commission to adjust the base facility charge/gallorage charge split in its final order in Docket No. 920655-WS (Marco Island) without making a corresponding adjustment to levels of water consumption?

100. Does Ms. Dismukes agree that if the Commission modifies the base facility charge/gallorage charge split of 40/60 proposed by the company so as to increase the revenue requirement recovery from the gallorage charge, that a downward consumption adjustment must be made to projected test year consumption levels?

101. At page 20, lines 10 through 14, Ms. Dismukes proposes a rate structure which collects 25% of SSU's revenues from the base facility charge and 75% from the gallorage charge. Does Ms. Dismukes agree that a corresponding downward adjustment to water consumption would be required if SSU's rate structure was established on this basis? If not, please reconcile Ms. Dismukes' refusal to recognize the need for a consumption adjustment with her statement at page 20, lines 16 through 17, that "The 25/75 split between a BFC and a gallorage charge for SSU's other systems will move SSU to a more water conserving rate design."

102. At page 21, lines 16 through 17, Ms. Dismukes states that, "If a customer conserves water, his or her total bill will decrease more under my proposal than under SSU's proposal."

(a) Does Ms. Dismukes agree that a downward adjustment to consumption would be required if Ms. Dismukes' proposal were accepted by the Commission?

(b) Does Ms. Dismukes agree that a revenue deficiency would result if customers reduced consumption further under Ms. Dismukes' proposal?

(c) How does OPC suggest that SSU recover the revenue lost as a result of the decreased consumption if no adjustment is made to projected consumption levels to reflect Ms. Dismukes' proposal?

104. Identify any documents in OPC's possession which describe or analyze conservation programs and/or the cost/benefit from the implementation of such programs.

105. Please identify the documents in OPC's possession which could be described as conservation programs which have been implemented by any Florida water utility.

106. Is it OPC's opinion that Southern States must conduct a cost/benefit analysis of each conservation technique included in Southern States' proposed programs as they relate specifically to each service area served by Southern States?

107. Is it OPC's opinion that Southern States must perform a cost/benefit analysis for each conservation technique included in SSU's proposed conservation program as they relate specifically to for each of SSU's customers?

108. Please identify all documents or other literature sent by OPC since 1992 to Southern States' customers which encourage water conservation.

109. Please identify how Ms. Dismukes believes Southern States could verify that a conservation device has been installed so as to justify Southern States providing a customer with a rebate, as suggested by Ms. Dismukes on page 26, lines 4 through 5, of her testimony?

110. Does Ms. Dismukes agree that there would be additional costs to SSU associated with an employee who must verify that conservation devices have been installed and then issue an appropriate rebate as suggested by Ms. Dismukes on page 26, lines 4 through 5, of her testimony?

111. Please identify any analysis conducted by the OPC which would suggest that the alternative technique proposed by Ms. Dismukes at page 26, lines 4 through 5, for the distribution of conservation devices would be a more cost effective option for SSU and its customers.

112. Several representatives of various Water Management Districts have provided pre-filed testimony supporting SSU's conservation program and identifying other utilities which have implemented similar programs. In light of this testimony, does Ms. Dismukes continue to suggest that it would be cost efficient for SSU to perform the cost/benefit studies suggested by Ms. Dismukes?

113. Please identify any correspondence or documents of any nature received by the OPC from SSU's customers which documents evidence customer opposition to the implementation of SSU's proposed conservation program.

114. Would OPC agree that the disallowance of recovery by SSU of costs based on the fact that there are indirect public relations benefits from SSU's conservation efforts, would act as a disincentive for SSU to conduct these conservation activities in the future?

115. Identify any conservation technique which could be implemented by SSU which would be designed solely to enhance conservation.

116. Explain how a conservation technique, which is solely designed to enhance conservation, would not result in some positive public relations for SSU.

117. If the 25 customers referred to by Ms. Dismukes, on page 30, line 7 of her testimony, who attended SSU's Marco Island workshop consisted of the 17 residential customers who were using 100,000 gallons of water a month, would Ms. Dismukes continue in her belief that such workshops should be discontinued?

118. Please describe any effort or activity engaged in by OPC or any of its representatives to foster water conservation in Florida.

119. Please identify any documents in the possession of OPC which could be utilized to determine the effectiveness of water conservation programs in Florida.

VERIFICATION

STATE OF FLORIDA

COUNTY OF _____

BEFORE ME, the undersigned authority, personally appeared _____, who deposed and stated that the answers to Interrogatory Nos. _____ served on the Citizens of the State of Florida by Southern States Utilities, Inc. on March 27, 1996, in Docket No. 950495-WS were prepared by _____ or under _____ supervision or request and that _____ is informed that the responses contained therein are true and correct to the best of _____ information and belief.

Dated at _____, Florida, this _____ day of _____, 1996.

Notary Public
State of Florida

Print, type or seal name, commission
no. and expiration date:

Affiant

Affiant's title

Print, type or seal name and title of Affiant

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.)
)
)

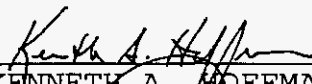
Docket No. 950495-WS

Filed: April 8, 1996

SOUTHERN STATES UTILITIES, INC.'S NOTICE
OF SERVICE OF THIRD REQUEST FOR PRODUCTION
OF DOCUMENTS TO OFFICE OF PUBLIC COUNSEL

Southern States Utilities, Inc. ("SSU"), by and through its undersigned counsel, hereby files its Notice that it has served an original and one copy of its Third Request for Production of Documents to the Office of Public Counsel ("OPC") by hand delivery on Charles J. Beck, Esq., 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400, on this 8th day of April, 1996. Copies of SSU's Third Request for Production of Documents to OPC have been served on the other parties of record in the manner set forth in the attached Certificate of Service.

Respectfully submitted,



KENNETH A. HOFFMAN, ESQ.
WILLIAM B. WILLINGHAM, ESQ.
Rutledge, Ecenia, Underwood,
Purnell & Hoffman, P.A.
P. O. Box 551
Tallahassee, FL 32302-0551
(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 Southern States Utilities, Inc.'s Notice of Service of Third Request for Production of Documents to the Office of Public was furnished by hand delivery (*) and U. S. Mail to the following this 8th day of April, 1996:

Lila Jaber, Esq.
Division of Legal Services
2540 Shumard Oak Boulevard
Gerald L. Gunter Building
Room 370
Tallahassee, FL 32399-0850

Mr. John D. Mayles
President
Sugarmill Woods Civic Asso.
91 Cypress Blvd., West
Homosassa, FL 34446

Charles J. Beck, Esq. (*)
Office of Public Counsel
111 W. Madison Street
Room 812
Tallahassee, FL 32399-1400

Arthur I. Jacobs, Esq.
P. O. Box 1110
Fernandina Beach, FL
32305-1110

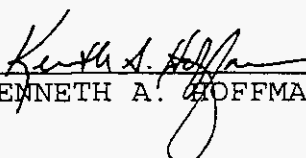
Michael B. Twomey, Esq.
P. O. Box 5256
Tallahassee, FL 32314-5256

Mr. Frank Kane
1208 E. Third Street
Lehigh Acres, FL 33936

Mr. Kjell Pettersen
P. O. Box 712
Marco Island, FL 33969

Mr. Paul Mauer, President
Harbour Woods Civic Association
11364 Woodsong Loop N
Jacksonville, FL 32225

Larry M. Haag, Esq.
111 West Main Street
Suite #B
Inverness, FL 34450



KENNETH A. HOFFMAN, ESQ.

Rate. 7notice

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application by Southern)
States Utilities, Inc. for rate)
increase and increase in service)
availability charges for Osceola)
Utilities, Inc., in Osceola)
County, and in Bradford, Brevard,)
Charlotte, Citrus, Clay, Collier,)
Duval, Highlands, Lake, Lee,)
Marion, Martin, Nassau, Orange,)
Osceola, Pasco, Polk, Putnam,)
Seminole, St. Johns, St. Lucie,)
Volusia, and Washington Counties.)

Docket No. 950495-WS

SOUTHERN STATES UTILITIES, INC.'S
THIRD REQUEST FOR PRODUCTION OF DOCUMENTS TO
OFFICE OF PUBLIC COUNSEL

Pursuant to Rules 25-22.034 and 25-22.035(3), Florida Administrative Code, and Rule 1.350, Florida Rules of Civil Procedure, Southern States Utilities, Inc. ("SSU") hereby submits its Second Request for Production of Documents to the Office of Public Counsel ("OPC").

SSU requests that the documents sought below be produced for inspection and copying at the office of its attorney, Rutledge, Ecenia, Underwood, Purnell & Hoffman, P.A., 215 South Monroe Street, Suite 420, Tallahassee, Florida 32301, at or before 5:00 p.m. on the thirtieth day after service, at such time and place as may be mutually agreed upon by counsel, or at such time and place as may be ordered by the Prehearing Officer or the Commission.

DEFINITIONS

1. "Documents" shall mean all written, printed, typed, recorded, or graphic matter of any kind, including, without limiting the foregoing, all notes, work papers, supporting or back up materials, correspondence, memoranda, contracts, agreements, marginal notations, computer printouts, computer or word processing disks, magnetic tapes, or memory-stores materials, and includes without limitation, originals and all copies unless identical.

2. As used herein, "OPC" shall mean OPC together with its officers, employees, consultants, agents, representatives, attorneys, and any other person or entity acting on behalf of OPC.

3. As used herein, "you" and "your" shall mean OPC together with its officers, employees, consultants, agents, representatives, attorneys, and any other person or entity acting on behalf of OPC.

GENERAL INSTRUCTIONS

1. If any document is withheld, in whole or in part, because of a claim of privilege, please identify each document for which the privilege is claimed together with the following information: author, receipt(s), date, type of document, general subject matter, and the basis upon which such privilege is claimed.

2. If OPC or its attorneys have possession, custody, or control of the documents requested, please produce the originals or a complete copy of the originals and all copies which are different in any way from the original, whether by interlineation, receipt stamp or notation. If OPC or its attorneys do not have possession, custody or control of the originals of the documents requested, please produce copies, however made, in the possession, custody, or control of OPC or its attorneys.

3. SSU specifically requests OPC to make a review of the files of employees reasonably expected to have information responsive to these document requests. Correspondence and notes of meetings, whether typed or handwritten, are specifically requested. If a particular employee is in charge of an area related to a document request, SSU requests OPC to search the files both of the employee in charge of the area as well as each employee reporting directly or indirectly to such person if their areas of responsibility also include matters reasonably likely to be responsive to the document request.

4. In producing the documents requested, please indicate, by number, the Production Request to which each set of documents pertains.

5. Please construe "and" as well as "or" either disjunctively or conjunctively as necessary to bring within the scope of this production of documents any document which might otherwise be construed to be outside of the scope.

6. If you object to any discovery requests, in whole or in part, on the basis of confidentiality, please follow the rule provisions of the Florida Public Service Commission requiring a motion for a protective order no later than ten days after service and urging all parties to seek mutual agreement before bringing a controversy to the Commission.

7. For any documents that you claim may be confidential, SSU is prepared to execute a nondisclosure agreement to facilitate the discovery process. Please forward a copy of your standard disclosure form to undersigned counsel prior to the discovery due date so there will be no delay in responding.

DOCUMENTS REQUESTED

42. Please provide copies of all workpapers, studies, analyses, memoranda or other documents used or relied upon to formulate the testimony and all exhibits filed in this proceeding by each witness who has prefiled testimony on behalf of the Office of Public Counsel (or the Citizens of the State of Florida).

43. Please provide a copy of Anna Cowin's notes referenced by Ms. Cowin at the second customer service hearing in Mt. Dora, Lake County, Florida, on January 30, 1996.

OPCdoc3.req

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, Highlands,)
Lake, Lee, Marion, Martin,)
Nassau, Orange, Osceola, Pasco,)
Polk, Putnam, Seminole, St. Johns,)
St. Lucie, Volusia and Washington)
Counties.)
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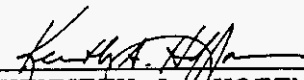
Docket No. 950495-WS

Filed: April 9, 1996

SOUTHERN STATES UTILITIES, INC.'S
NOTICE OF SERVICE OF THIRD SET OF INTERROGATORIES
TO THE CITIZENS OF THE STATE OF FLORIDA

Southern States Utilities, Inc. ("SSU"), by and through its undersigned counsel, hereby files its Notice that it has served an original and one copy of its Third Set of Interrogatories to the Citizens of the State of Florida ("Citizens") by hand delivery on Charles J. Beck, Esq., 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400, on this 9th day of April, 1996. Copies of SSU's Third Set of Interrogatories to the Citizens have been served on the other parties of record in the manner set forth in the attached Certificate of Service.

Respectfully submitted,



KENNETH A. HOFFMAN, ESQ.
WILLIAM B. WILLINGHAM, ESQ.
Rutledge, Ecenia, Underwood,
Purnell & Hoffman, P.A.
P. O. Box 551
Tallahassee, FL 32302-0551
(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 Southern States Utilities, Inc.'s Notice of Service of Third Set of Interrogatories to the Citizens of the State of Florida was furnished by hand delivery (*) and/or U. S. Mail to the following on this 9th day of April, 1996:

Lila Jaber, Esq.
Division of Legal Services
2540 Shumard Oak Boulevard
Gerald L. Gunter Building
Room 370
Tallahassee, FL 32399-0850

Mr. John D. Mayles
President
Sugarmill Woods Civic Asso.
91 Cypress Blvd., West
Homosassa, FL 34446

Charles J. Beck, Esq. (*)
Office of Public Counsel
111 W. Madison Street
Room 812
Tallahassee, FL 32399-1400

Arthur I. Jacobs, Esq.
P. O. Box 1110
Fernandina Beach, FL
32305-1110


Michael B. Twomey, Esq.
P. O. Box 5256
Tallahassee, FL 32314-5256

Mr. Frank Kane
1208 E. Third Street
Lehigh Acres, FL 33936

Mr. Kjell Pettersen
P. O. Box 712
Marco Island, FL 33969

Mr. Paul Mauer, President
Harbour Woods Civic Association
11364 Woodsong Loop N
Jacksonville, FL 32225

Larry M. Haag, Esq.
111 West Main Street
Suite #B
Inverness, FL 34450


KENNETH A. HOFFMAN, ESQ.

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, Highlands,)
Lake, Lee, Marion, Martin,)
Nassau, Orange, Osceola, Pasco,)
Polk, Putnam, Seminole, St. Johns,)
St. Lucie, Volusia and Washington)
Counties.)

Docket No. 950495-WS

SOUTHERN STATES UTILITIES, INC.'S THIRD SET
OF INTERROGATORIES TO THE CITIZENS OF THE STATE OF FLORIDA

Pursuant to Rules 25-22.034 and 25-22.035(3), Florida Administrative Code and Rule 1.340, Florida Rules of Civil Procedure, Southern States Utilities, Inc. ("SSU") hereby demands the Citizens of the State of Florida ("Citizens") to answer under oath the following interrogatories and that the answers be served on the attorneys for SSU as required by law. All answers must be served upon the attorneys for SSU within thirty days after service hereof unless a shorter period of time is mutually agreed upon by counsel or ordered by the Prehearing Officer or the Commission.

DEFINITIONS

1. As used herein, the term "Citizens" is intended to include the statutory legal representative of the Citizens, the Office of Public Counsel ("OPC"), and the OPC's employees, attorneys, consultants, agents, representatives, and any other person or entity acting on behalf of OPC. For example, in Interrogatory No. 2, the interrogatory requests identification of any information not previously provided to the Citizens and/or OPC

by SSU regarding SSU's acquisition of any water or wastewater facility now owned by SSU.

2. As used herein, the term "documents" shall mean all written, printed, typed, recorded, or graphic matter of any kind, including, without limiting the foregoing, all notes, work papers, supporting or back up materials, correspondence, memoranda, contracts, agreements, marginal notations, computer printouts, computer or word processing disks, magnetic tapes, or memory-stores materials, and includes without limitation, originals and all copies unless identical.

3. As used herein, the terms "describe," "give a description of," and "state" mean to state in detail all events or circumstances known to you which are necessary to depict and frame a complete verbal picture or summary of your knowledge of the subject item or event.

4. As used herein, the terms "identification" or "identify" when used in reference to: (1) a natural individual, requires you to state his full name and residential and business address; (2) a corporation, requires you to state its full corporate name and any names under which it does business, its state or incorporation, the address of its principal place of business and the address of all of its offices in Florida; (3) a business, requires you to state the full name or style under which the business is conducted, its business address or addresses, the types of business in which it is engaged, the geographic areas in which it conducts those businesses, and the identity of the person who owns, operates, and

controls the business; (4) a document, requires you to state the number of the pages and nature of the document (e.g., letter or memorandum), its title, its date, the name of its authors and recipients, and its present location and custodian; (5) a communication, requires you, if any part of the communication is written, to identify the document which refers to or evidences the communication and, to the extent that the communication is non-written, to identify the persons participating in the communication and to state the date, manner, place, and substance of the communication.

5. As used herein, to "state the basis of," or equivalent language, of a particular claim, assertion, allegation or contention, means to: (1) identify each and every document (and, where pertinent, the section, article and/or subparagraph thereof), which forms any part of the source of your information; (2) identify by date, time, parties, and subject matter each and every communication which forms any part of the source of your information; (3) identify each and every communication which forms any part of the source of the information; (4) state separately the acts and omissions to act on the part of any person (identify the acts and omissions to act by stating their nature, time, and place and identifying the persons involved), which form any part of the source of your information; and (5) state separately any other fact which forms the basis of your information.

6. As used herein, the terms "and" and "or" shall be construed to bring within the scope of these interrogatories any

response which might otherwise be construed to be outside of their scope.

7. As used herein, the singular shall include the plural, the plural shall include the singular, and the masculine, feminine, and neuter shall include each of the other genders.

INSTRUCTIONS

1. In answering these Interrogatories, furnish all information which is available to the Citizens and OPC, including information in the possession of OPC's agents, employees, representatives and all others from whom OPC may freely obtain said information, as well as from OPC's attorney in their investigation.

2. In answering each interrogatory, in addition to supplying the information requested and identifying any documents referred to specifically, identify all other documents that are or may be in existence that relate to the subject of such interrogatory or to its answer thereto.

3. If you cannot answer any one or any subpart of these interrogatories in full, after exercising due diligence to secure the information to do so, explicitly so state. Answer all interrogatories and subparts and give any information in the Citizens' or OPC's possession that may partially answer the interrogatory or subpart that it cannot answer in full, or that may lead to discovering the answer thereto.

INTERROGATORIES

120. Is it Mr. Biddy's opinion that it would be permissible for SSU to violate minimum line size standards imposed by local regulations as a means for SSU to reduce its financial exposure to used and useful adjustments calculated by the lot count method?

121. Identify all water plant components Mr. Biddy has designed in the last 15 years where the design was based on an average of 5 maximum days of projected or historic flow.

122. Identify all water and wastewater plants and plant components designed by Mr. Biddy within the last 15 years with sufficient capacity to meet only customer demands expected for no greater than 18 months after completion of construction.

123. On page 4, line 14, of Mr. Biddy's testimony he refers to "other ways" for the utility to fund non-used and useful property. Please describe all "other ways" known to Mr. Biddy.

124. Describe all environmental regulations which Mr. Bidy believes will cause reductions in consumption.

125. Identify all water plant components designed by Mr. Bidy in the last 15 years assuming a peaking factor of 1.3 x maximum day demand.

126. Referring to page 19, line 7, of Mr. Bidy's direct testimony, Mr. Bidy notes that fill-in lots will be sold at "appreciated values." Please describe how the referenced statement affects or formulates the basis for Mr. Bidy's opinion regarding the lot count method.

127. If overhead is excluded from the cost of the Collier Lakes property, explain whether Mr. Larkin and Ms. DeRonne believe that the removed overhead dollars should be returned to the overhead pool and then reallocated to SSU's other capital projects. If not, explain why not.

128. Please identify all persons who have participated in writing those portions of OPC's annual report to the legislature pertaining to SSU or Lehigh Utilities, Inc. for the years 1992-1993, 1993-1994, and 1994-1995. For each such person, describe that person's involvement in the preparation of said reports. For each exclusive credit and shared credit reductions listed in those reports, describe how said amounts were calculated, referring to specific issues raised in the underlying rate case dockets.

VERIFICATION

STATE OF FLORIDA

COUNTY OF _____

BEFORE ME, the undersigned authority, personally appeared _____, who deposed and stated that the answers to Interrogatory Nos. _____ served on the Citizens of the State of Florida by Southern States Utilities, Inc. on April 9, 1996, in Docket No. 950495-WS were prepared by _____ or under _____ supervision or request and that _____ is informed that the responses contained therein are true and correct to the best of _____ information and belief.

Dated at _____, Florida, this _____ day of _____, 1996.

Notary Public
State of Florida

Print, type or seal name, commission
no. and expiration date:

Interro.3

Affiant

Affiant's title

Print, type or seal name and title of Affiant