96-04227

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of	:	**DOCKET NO.**
	:	
Application for a 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.	:	**950495-WS**

THIRD DAY - EARLY AFTERNOON SESSION

VOLUME 12

Pages 1214 through 1270

PROCEEDINGS: **HEARING**

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

DATE: **Thursday, May 2, 1996**

TIME: Reconvened at 1:00 p.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: SYDNEY C. SILVA, CSR, RPR
Official Commission Reporter

APPEARANCES:

(As heretofore noted.)

DOCUMENT NUMBER-DATE
04969 MAY-3 96
FPSC-RECORDS/REPORTING

I N D E X

WITNESSES - VOLUME 12

EXHIBITS - VOLUME 12

NUMBER		ID.	ADMTD.
100			1270
101			1270
102			1270
103			1270
104			1270
106	(Bliss) SSU Response to FPSC Interrogatory No. 141 and Partial Response to OPC Interrogatory No. 303	1218	1270
107	(Bliss) SSU Responses to FPSC Interrogatories Nos. 360-C and 379	1218	1270
108	(Bliss) SSU Response to FPSC Interrogatory No. 351	1218	1270

EXHIBITS - VOLUME 12 (CONTINUED)

NUMBER		ID.	ADMTD.
109	(Bliss) Late-Filed Deposition Exhibit No. 6 to 1/11/96 Deposition of Charles Bliss	1218	1270
110	(Bliss) SSU Response to MICA's Interrogatory No. 1	1218	1270
111	(Bliss) SSU Response to FPSC Interrogatory No. 465	1218	1270
112	(Bliss) SSU Response to OPC Interrogatory No. 323	1218	1270
113	(Bliss) Bliss Late-Filed Deposition Exhibit No. 1	1227	1270
114	(Bliss) Bliss Late-Filed Deposition Exhibit No. 2	1227	1270
115	(Bliss) Bliss Late-Filed Deposition Exhibit No. 3	1227	1270

PROCEEDINGS

(Hearing reconvened at 1:00 p.m.)

(Transcript follows in sequence from Volume 11.)

CHAIRMAN CLARK: We'll call the hearing back to order. Are the microphones on? Good, thank you very much.

Staff?

MR. PELLEGRINI: Commissioner Clark, we may have found a way to move things at a better pace.

CHAIRMAN CLARK: Okay.

MR. PELLEGRINI: I think what we'll do initially is begin with the distribution of the remaining exhibits that we intend to use for the balance of the questioning of Mr. Bliss. The first of these is SSU's Response to Staff Interrogatory Nos. 141 and 303.

CHAIRMAN CLARK: Right. That will be marked as Exhibit 106.

MR. PELLEGRINI: The second is SSU's Response to Interrogatories Nos. 360-C and 379.

CHAIRMAN CLARK: Am I supposed to have a copy of that?

MR. PELLEGRINI: Yes.

CHAIRMAN CLARK: They're all stuck together.

Great, that will be 107.

MR. PELLEGRINI: Yes.

CHAIRMAN CLARK: And then SSU Response to Interrogatory No. 351 will be 108.

MR. PELLEGRINI: That's correct. Late-filed Deposition Exhibit No. 6?

CHAIRMAN CLARK: Will be 109. SSU Response to MICA's Interrogatory No. 1 will be 110; and then SSU's Response to FPSC Interrogatory No. 465 will be 111.

MR. PELLEGRINI: 111, yes.

MR. FEIL: Excuse me, I have one more after that?

MR. PELLEGRINI: Yes, Response to Interrogatory No. 323.

CHAIRMAN CLARK: That will be 112.

(Exhibit Nos. 106 through 112 marked for identification.)

CHARLES M. BLISS

resumed the stand as a witness on behalf of Southern States Utilities, Inc. and, having been previously sworn, testified as follows:

CONTINUED CROSS EXAMINATION

BY MR. PELLEGRINI:

Q Mr. Bliss, are we ready to go again?

A Yes, sir.

Q Let me refer you to the composite exhibit which we were working with before the break.

A Okay.

Q Again for the data concerning Amelia Island.

MR. FEIL: Which exhibit are we on?

MR. PELLEGRINI: The composite, the F Schedules exhibit.

MR. FEIL: 105?

MR. PELLEGRINI: Yes, 105.

Q (By Mr. Pellegrini) The first sheet behind the cover sheet concerning Amelia Island?

A Yes, sir.

Q Isn't it true, though, Amelia Island has 1,700 lots per ERC in the last -- 1,700 lots available in the last rate proceeding, 920199?

A Yes, sir.

Q And that now it has, with reference to

Exhibit No. 103, 2,467 lots available?

A Yes, sir. Yes.

Q Would it not therefore be appropriate to recalculate used and useful in this proceeding based on the new capacity of mains?

A No.

Q Would it not be appropriate, would this not be appropriate action where mains and other components have been added?

A In the case of Amelia Island, all of the additional lines are lots that are served are contributed property.

Q Wouldn't this be the appropriate action, Mr. Bliss, to take for each instance where mains or other components have been added, excluding Amelia Island, if necessary, which added to the lots available in this rate proceeding compared to the last?

A No, necessarily.

Q Just one more scenario along this line. Referring you to Chuluota?

A In what?

Q In the same exhibit, composite exhibit.

A Okay.

Q Is it not true that the Utility has added

ERCs to this facility since Docket 920199?

A Yes.

Q And were not the -- was not the used and useful percentage in that docket 100%?

A Yes.

Q How then could it be if -- how then could the used and useful calculation have been 100% in the period since there has been growth?

A The determination that the facility is -- no less of a facility can provide the service.

There appears to be a misunderstanding here of what is going on. I mean, as we have presented in this filing, we believe the hydraulic analysis method is the correct method to determine the used and useful percentage on the distribution system, not the lot count method as testified to by Mr. Edmunds yesterday.

Neither method that is shown as a calculated value in there is what we are requesting as a company.

Q Then in reference to Imperial Terrace, Mr. Bliss, is it true that you no longer anticipate adding a second well at Imperial Terrace since it would be in place by year end 1996, which means that such projected capacity should not be included for used and useful calculations for source of supply?

MR. FEIL: Excuse me, are you referring to

one of those interrogatory responses that were just passed out?

MR. PELLEGRINI: Yes. I should have referred you to the exhibit marked 106, Response to Interrogatory Nos. 141 and 303.

A Yes. In Imperial Terrace, the second well, as described in the second interrogatory response by Mr. Westrick, is now intended to be constructed.

Q (By Mr. Pellegrini) Would you refer to Exhibit 107. Do you have that before you?

A I unfortunately didn't number them. Is that the key to changes in the --

Q No, that's Response to Interrogatories Nos. 379 and 360-C.

A Yes, I have that.

Q Is it not true that according to Part c, Interrogatory 379, that you state a new 15,000 gallon hydro tank has been installed at Silver Lake/Western Shores?

MR. FEIL: Did you say Interrogatory 379 Subpart c?

MR. PELLEGRINI: Yes. It's the last sentence, the single sentence response.

A That is not correct. We did not install a hydropneumatic tank in Silver Lakes. But there is a

hydropneumatic tank at Western Shores. There's two plants there.

Oh, yes, okay, it states Western Shores, I'm sorry. We do have a 15,000 gallon hydropneumatic tank at Western Shores.

Q (By Mr. Pellegrini) Well, then, looking at Item 11 on the response, on Defendant's 360-C, there you say there will be no hydro tank?

A These referring to the Silver Lakes plants. There was improvements done in both Western Shores and Silver Lakes plants simultaneously. There was a hydro tank installed at Western Shores, not at Silver Lakes.

Q All right. With respect to applying used and useful percentages to account information for ground storage tanks and hydropneumatic tanks, is it not true that when there were both storage and hydro tanks in Account 330.4, rather than trying to separate the dollars invested in each, that you applied the used and useful percentage achieved from ground storage to the entire amount even though you considered the hydro tanks considered to be 100% used and useful?

A Yes.

Q Let me refer you to Exhibit 108.

A Okay.

Q Would you agree that with this information, that is, the information in the appendix, that it is possible to separate the investment in storage tanks and hydro tanks and apply the appropriate used and useful percentages to each?

A I did not prepare this interrogatory response, so based on this information, yes. But I --

Q All right. Let me next refer you to Exhibit 109.

A Okay.

Q Does this exhibit, Mr. Bliss, adequately portray each instance when there were both high service pumps and well pumps and which percentage you applied to NARUC Account 311?

A Yes, sir.

Q Would you refer to Exhibit 110, MICA's Interrogatories -- your Response to MICA's Interrogatory No. 1. Are you with me?

A Okay.

Q Question, why were these precipitators removed from the Marco Island lime softening plant in 1988 to the effect of reducing the plant capacity from 8 MGD to 5?

A You're asking why?

Q Yes.

A Why, I do not know. It's prior to SSU ownership.

Q Who might know?

A The previous owner.

Q Mr. Terrero?

A Well, he was an employee. I don't know, you'll have to ask Mr. Terrero that question.

Q Mr. Bliss, going back to an earlier question concerning the submission of a hydraulic analysis in 1987, we have checked, Staff has checked Docket No. 850151 and do not find a discussion of hydraulic analysis.

A In the order?

Q The order, the transcript and the exhibits. Is the cite incorrect, perhaps?

A No, it is probably right. But at that time I worked at the Florida Public Service Commission, I can tell that you Mr. Terrero came to Tallahassee here and presented a hydraulic analysis to us of the Marco Island system. Whether it is described in the order or not, I, you know.

Q Might that not have been outside of a rate case?

A I don't think so, no. That goes to the purpose of the rate case.

MR. PELLEGRINI: That concludes the questioning on the subject of used and useful, we have a few questions concerning service availability.

MR. TWOMEY: Madam Chair? At whatever time is appropriate I would like to ask you again if I could ask some other questions.

CHAIRMAN CLARK: When Staff is finished.

MR. TWOMEY: Thank you.

MR. PELLEGRINI: Chairman Clark, we are distributing three exhibits to be used in the line of questioning. The first is Late-Filed Deposition Exhibit No. 1. May we have it marked for identification?

CHAIRMAN CLARK: That will be Exhibit 113.

MR. PELLEGRINI: The second is Late-Filed Deposition Exhibit No. 2.

CHAIRMAN CLARK: I don't have that.

MR. PELLEGRINI: It could be 3, if that's --

CHAIRMAN CLARK: I have 3. I only have two pieces of paper.

MR. PELLEGRINI: I think they're still coming around. And the third is Late-Filed Exhibit 3. There are three of them, 1, 2 and 3.

CHAIRMAN CLARK: All right, Late-Filed Deposition Exhibit 1 is 113; Late-Filed Deposition

Exhibit 2 is 114; and Late-Filed Deposition Exhibit 3 is 115.

(Exhibit Nos. 113, 114 and 115 marked for identification.)

Q (By Mr. Pellegrini) Mr. Bliss, would you initially refer to the exhibit marked 113 for identification.

A Okay.

Q Would you agree this is a list of current SSU service areas which you have indicated are 100% build-out as of 1996?

A Correct.

Q Would you next refer to the Exhibit 115, Late-Filed Exhibit 3.

A Okay.

Q Would you agree this consists of an explanation of the calculations used by SSU to propose its service availability charges?

A Yes. One schedule in the service availability analysis.

Q Yes. Would you turn to the third page of this exhibit, indicated as Schedule 2-A at the top.

A Okay.

Q Look at the far left-hand column, please, where there are lines numbered 1 through 65, and look

particularly at 49, Line 49, entitled "Calculation of Z"?

A Yes.

Q Are you there?

A Yes.

Q Can you explain what the calculation of Z is and how it is used in the proposed service availability charges?

You may recall that you partially answered this question --

A Right.

Q -- in deposition?

A Right.

Q -- but only partially.

A Let me pull out my notes. (Pause) The Z value is utilized to determine the accumulated (Pause) the level of the CIAC at design capacity, which is Line 35 on that Schedule 2-A.

Q Okay.

A It presents a time determination of the collections of CIAC over a period of time to the point at build-out of the system facilities.

Q Doesn't really appear to explain the factor.

A Explain the use of the factor, or the actual --

Q Well, what it represents.

A I'll try to word it differently. (Pause)

The value increases as the months to build-out is greater. The actual formula used to develop the Z value was as provided by the Commission's model or formula.

Q Let me go on to another question, or probably we can deal with this in the course of the next questions.

A Okay.

Q Turning to the last page indicated as Schedule 2-E, same exhibit.

A Okay.

Q Again, far left column, look at Line 43, called "Maximum Service Availability Charge Per ERC."

A Yes, sir.

Q The explanation of the calculation to derive the maximum charge, SSU has divided by a number equal to the future number of customers times the calculation of Z, correct?

A I'm sorry, what line are you on again?

Q Line 43, called the, "Maximum Service Availability Charge Per ERC."

A Then you read the explanation over on the right-hand column?

Q Yes. Do you agree with that?

A Yes. Yes.

Q Can you explain why the future number of customers is multiplied by the Z factor? It may be a subtraction rather than multiplication, it's rather difficult to read, but it appears to be a subtraction. Do you see the factor Q30 minus Q49 in the denominator?

A No, I don't see where you are speaking of.

Q I'm still on Line 43 in the second major column where you express the formula.

A Yes, sir.

Q The denominator appears to be Q30 minus Q49, that Q49 being the Z factor.

A Okay, I see where you are speaking.

Q Do you see where I am? Can you explain what the Z factor and what the effect of the Z factor is in that formula?

A Just one second.

Q If the Z factor were eliminated -- I'm sorry, are you still --

A Yes, I'm still looking.

Q -- still working on it? I'm sorry. (Pause)

It might serve the purpose if you were to describe the effect of the elimination of the factor

from the formula.

A Q30, the future number of customers. So obviously it's going to reduce the number of customers at build-out. And that is in the denominator of that equation --

Q Let's -- (Simultaneous conversation.)

A -- reduce the denominator it would increase the maximum service availability charge? I would have to really think this through, I mean.

Q All right, let's move on. We're going to pass out some pages from the MFRs for ease of reference.

Mr. Bliss, during deposition, Mr. Ludsen was asked about your calculations of the minimum charge in the MFRs for Holiday Heights. Specifically, if you would turn to Page 728, you are indicated as the preparer in the upper right-hand corner of this schedule?

A Correct.

Q Would you agree that on Line 1 of this schedule you have indicated that Holiday Heights would have a gross book value of 107,452 in the year 1996?

A That's correct.

Q You indicated on Line 18 of this MFR schedule that a minimum charge of 260,636 would be

appropriate for Holiday Heights; is that correct?

A That's what the calculated value is.

Q Yes. Can you explain why the minimum charge is more than double the gross book value of the plant?

A Because in the calculation we're dividing by a very small fraction of an ERC in the formula. And that generates a very large number then when you divide a number by I think it was in the order of magnitude of .01.

These service availability charges as proposed here -- excuse me, as indicated on this page here are not what we are proposing in the rate filing, though. They were provided purely as supplemental information.

Q Can you explain why the maximum charge for Holiday Heights on Line 20 is calculated as 3,531,392 in light of the fact the gross book value is 107,452?

A The same reason as explained for the 260,000 number. Just that the numerator is of a larger value.

Q Is that not unrealistic in your opinion?

A Yes.

Q In your March 26 deposition, Mr. Bliss, in that deposition you were asked for an explanation of a calculation in Schedule 3-W in Volume 8. This schedule was -- do you recall?

A Okay.

Q This schedule was prepared for each service area, was it not?

A Hold on one second. 3-W?

Q Yes. It's in front of you.

A Yes. Okay.

Q Specifically you were asked to explain about Volume 8, Book 2 of 4, Page 3. Do you recall your answer as to why you added a three-year margin for ERCs when this particular facility is indicated to be 100% built out?

A I'm sorry, state your question again.

Q Do you recall your answer as to why you had added a three-year margin reserve for ERCs when this particular facility was indicated to be 100% built out?

A I don't recall the answer.

Q Do you have the deposition?

A No, I never received a transcript.

Q What would your answer be?

A The question again?

Q I'm sorry?

A What was the question again?

Q Why have you added a three-year margin reserve for ERCs to this particular facility when it

is indicated to be 100% built out?

A The calculation or the -- yeah, the calculation of the service availability charges was done on the same format for every plant, so it was merely a spreadsheet that was determined for each plant.

And once again, these are not the plant-specific service availability charges that we are requesting just exactly for these reasons, that every plant is different and we believe that the uniform charge, as Mr. Ludsen will best answer, is the appropriate service availability charge.

Q But would you agree with me that to have added a three-year margin reserve in this instance was unrealistic or is unrealistic?

A Yes.

Q Staying with Schedule 3-W, in other words, it would be consistent regardless of which facility is being -- well, if you have added a three-year margin reserve for each facility and also indicated additional years to build-out, for example, two years, would you then agree this would indicate a total build-out period of five years?

A I didn't follow that question.

Q If you had added -- if you had added a

three-year margin reserve, a three-year margin reserve for each facility and also indicated additional years to build-out, for example, two years, would you not agree that in that case that would indicate a total build-out period of five years, the three years margin reserve plus the two years to build?

A Yes.

Q Based on that answer, then, the MFR Schedules in Volume 8 would appear to contain an error in the calculation of build-out, would you not agree?

A The build-out? What build-out? Build-out number of ERCs?

Q The build-out period for each individual plant. Plant. (Pause)

Do you feel you can address that question, Mr. Bliss?

A Not at this time, no.

Q All right. Let me turn your attention to Schedules 2-W and 3-W of Volume 8, Book 1 of 4, Pages 22 and 23.

A Yes.

Q Would you agree that these are summaries of Schedule Nos. 2-W and 3-W for all of the conventional water facilities?

A Yes.

Q Referring you to Schedule 2-W, Column 2?

A Yes.

Q Would you agree this column shows the impact of the requested plant capacity charge?

A The impact?

Q Yes, impact.

A Which line?

Q Column 2. 16 and 17.

A Yes.

Q Would you further agree that on Line 26 of Column 2 you indicate that build-out would occur in 1.39 years for all of SSU's service areas?

A As a composite?

Q Yes.

A Yes.

Q Now referring to Schedule 3-W, would you agree that this schedule summarizes SSU's calculations of its proposed plant capacity charge?

A Yes.

Q On Line 7 of this schedule, you concluded ERCs for a three-year margin reserve; is that correct?

A Yes.

Q Therefore, how would you explain why a three-year margin reserve was added to a plant that would be built out in 1.39 years? (Pause)

MR. FEIL: These are composite numbers.

MR. PELLEGRINI: Yes.

MR. FEIL: I'm not sure whether or not your question is valid in light of the fact they are composite numbers. I mean, there's not necessarily going to be a direct correlation.

Q (By Mr. Pellegrini) Is that the substance of your answer, Mr. Bliss?

MR. TWOMEY: Mr. Feil's answer?

MR. PELLEGRINI: Yes.

A Well, the addition of the three years of ERC, three years of margin reserve on this Schedule 3-W, yes, there would be a -- these are rolled up numbers here, so it would vary from plant to plant.

Q (By Mr. Pellegrini) Then are you telling me that it is appropriate that a three-year margin reserve be used in the case of plants to be built out in 1.39 years?

A Yes.

Q On Lines 4 and 5, you're calculating plant at 100%; is that correct?

A Lines 4 and 5 of?

Q The same place.

A 3-W?

Q Yes.

A No, at 96.44%.

Q Are you not adding back to plant the used and useful adjustments?

A I don't understand your question, "the used and useful adjustment"? Taking the net plant in service, first multiplying by the percentage used and useful to get to the net plant used and useful, and then dividing by the total number of ERCs that are --

Q All right.

A -- utilized to get to the used and useful investment there.

Q All right. Referring back to Schedule 2-W, you indicated earlier that Column 2 indicates that the plant will be built out in 1.39 years, correct?

A Correct.

Q Column 6, Line 26, you indicate the total plant in service for SSU will be built out in 8.49 years; is that correct?

A Yeah, that's the weighted composite of plant and mains.

Q The gross book value on Line 1 reflects plant in service as of 1996; is that correct?

A Sorry, state that again?

Q The gross book value on Line 1 reflects plant in service as of 1996?

A Yes.

Q Then could you explain how the treatment of plant in service in 1996 in Column 2 which will be built out in 1.39 years will be able to serve the additional ERCs in 8.49 years without additional plant additions?

A The total column over there is just a weighted percentage of the plants, mains, meters and service installations.

Q Is it not true that the composite number -- that the composite number does not represent sufficient plant capacity to serve the additional ERCs at build-out?

A Yes. But the service availability charges are calculated on a component basis, meaning plant and lines separately.

Q Let me refer you to Schedule 2-W, Column 6, Lines 14 through 21.

A Okay.

Q Would you agree that this schedule shows that your proposed $750 charge would fall within the minimum and maximum charges shown on that schedule?

A Yes.

Q And in your April deposition, you had stated that your analysis was based on projected plant

through 1996; do you recall?

A Yes.

Q Column 2, Lines 22 through 26, indicate that 1996 treatment plant will be at design capacity 1.39 years; and Column 3, the same lines, indicate the mains will be at design capacity at 12.72 years. Do you see that?

A Yes.

Q Doesn't this indicate that additional water treatment plant must be constructed to match the existing mains?

A Yes, there would be additional water plant necessary to meet the number of customers and mains.

Q The additional treatment plant to accommodate existing lines is not included within your analysis; isn't that correct?

A Yes, because the charges were calculated separately.

Q Based also upon Column 6, the $750 charge would generate a CIAC level of 56.3% of design capacity according to Line 26 -- that would be according to Line 26 in 8.49 years? Do you see that?

A Correct.

Q So then, in other words, if the $750 charge was approved in approximately eight-and-a-half years,

in approximately eight-and-a-half years SSU would have a 56.38% contribution level for its combined conventional treatment water facilities; is that correct?

A State that question again?

Q All right. If the $750 charge were to be approved, in approximately eight-and-a-half years the Company would have a contribution level of 56.38% for its combined conventional treatment water facilities. Would you agree with that?

A If the additional plant that was constructed to meet that, to go from the 1.39 years to the 8.49 years, was also constructed at similar cost as the previous plant.

Q So the answer is yes with that qualification?

A Yes.

Q Without sufficient plant capacity in your analysis to accommodate customer growth for the next eight-and-a-half years, doesn't your analysis represent a scenario that will not happen?

A No. As long as what I just, the qualification I just stated in the last statement is true.

Q In other words, based upon the gross plant

value contained in Schedule 2-W you cannot possibly achieve a 56.38% contribution level in eight-and-a-half years; is that not so?

A Yes, we could, if what was stated was true.

Q With the additional plant that would have to be added, would that change the contribution level of 56.38%?

A State that again?

Q Would the addition of the necessary plant change the contribution level of 56.38%?

A No, not if that plant was installed on a per ERC basis cost that was similar to the historical plant.

Q Just a few more questions, Mr. Bliss.

At your March 26 deposition, you were asked about your familiarity with Rule 25-30.580, F.A.C;, do you remember that?

A Yes, I do.

Q Did SSU consider the guidelines in this rule in designing its proposed service availability charges?

A Yes.

Q Let me refer you to Exhibit 114, your Late-Filed Deposition Exhibit No. 2.

A Yes, sir.

Q I'm sorry, do you have that?

A Yes, I do.

Q Would you agree this is a list of capital improvements by NARUC account over the next five years?

A By NARUC account? No.

Q Is this listing part of the five-year capital improvement plan of SSU?

A Yes.

Q What will the plan be used for?

A I don't understand the question.

Q What will the five-year capital plan be used for, the capital improvement plan be used for?

A It's a budget projection of capital projects for the next five years that are necessary in our facilities.

MR. PELLEGRINI: We have no further questions, Chairman Clark.

CHAIRMAN CLARK: Commissioners? Where is Mr. Twomey?

UNIDENTIFIED SPEAKER: He had to go get some copies made of an exhibit. Can we take five?

CHAIRMAN CLARK: Yeah, we'll wait for him to get back. Here he is.

CHAIRMAN CLARK: Mr. Twomey, you stepped out of the room just when we got to you.

MR. TWOMEY: Pardon?

CHAIRMAN CLARK: I said you stepped out of the room just when we got to you. We're ready for you.

MR. TWOMEY: Thank you. My aide was on lunch break. (Laughter)

RECROSS EXAMINATION

BY MR. TWOMEY:

Q Mr. Bliss, I want to ask you a couple of questions. On Exhibit 103?

A Which one is that?

Q I'm sorry, it's --

A I didn't write the numbers down.

Q Bliss Late-Filed Deposition Exhibit No. 3 and 4, from your January 11, 1996, deposition.

A Okay.

Q Have you get got it?

Now, I understood you, I think, in answer to questions by Commissioner Deason and Staff Counsel, to say that you were asking for 100% used and useful notwithstanding that the calculated percentage might be lower. One reason was because that was what you got in the last rate case, right?

A Yes. And we don't agree with the lot count method, the hydraulic analysis is the approved -- not "approved --"

Q Preferred?

A -- preferred, yes, that's what I want, method.

Q Okay. But the first reason is just because what you got in the last rate case; is that right?

A That's one reason.

Q A reason. Okay. And the second reason -- there are only two reasons?

A Only two?

Q Are there only two reasons?

A No, there's no less of the facility could provide the service.

Q Say that again?

A No less of the facilities could provide the service to the existing customers.

Q Isn't that a way of saying hydraulic analysis?

A No. I don't know what the outcome of the hydraulic analysis would propose, but probably would result in the same. But I don't know --

Q Okay.

A -- for sure.

Q But you are saying no less of the facility, no less than 100% of the facility would serve the customers?

A That's correct.

Q Okay. Then if that's true, then you should get 100% on a great many others of your systems where the calculated percentage is lower; is that correct?

A Yes.

Q You should get it on all of them, right?

A I don't know about all of them, no.

Q I mean, isn't that, isn't the only real distinction between the systems where you are using those reasons is that the foot in the door is that you got 100% in the last rate case; isn't that correct?

A "Foot in the door"? I don't?

Q Your basis for being able to say that no less of the system would serve the customers is, the first reason, that you got 100% in the last rate case. Isn't that true?

A That's one of the reasons, yes.

Q Okay. Now what other reasons do you have, if any, to support asking for 100% used and useful for these systems when your calculation is lower?

A Well, the Commission also reviewed all of the information provided in the last case and determined it to be 100% used and useful.

Q Based on the numbers you gave them back then, right?

A Based on what I'm not sure. I mean, they had the maps to look at, the information was presented in the MFRs, engineers went out to the field, they looked at the service area -- I mean, all sorts of things. All sorts of evaluations was done to get to that percentage.

Q Now, on the first page of that exhibit, I want you to look at Column 5 just briefly. Apple Valley goes from 62.93% to 100%, right?

A If you are asking is the calculated percentage on Line 8 that, yes.

Q Yeah. Now, that, that is not just a increase of 37. -- let me put it this way. Isn't it true, Mr. Bliss, that if the Commission gives you 100%, that it is a 58.9% increase over what the calculated number is?

A But the calculated number is not what we prefer.

Q Well, I didn't ask you that. I asked you, isn't an increase from 62.93% to 100% an increase of 58.9%?

MR. FEIL: Why do we all have to go through these mathematical calculations? You can see difference in the percentages there. Does Mr. Bliss have to pull out a calculator every time we look at

these exhibits? It's getting to be cumulative.

CHAIRMAN CLARK: Is that an objection?

MR. FEIL: That's an objection based on cumulative, redundancy and stating the obvious.

MR. TWOMEY: And every bit of it is wrong on its face, Madam Chairman. We learned a long time ago -- I learned working here years ago that you look at what the percentage is against the base. You just don't take what the increase is going from -- 50 to 100 is not a 50% increase, it's a 100% increase. And it shows greater significance.

In this business, the objection about cumulative and so forth suggests that if I ask the witness to make one calculation at the beginning of the hearing and I ask for a different calculation later that it's cumulative. It is ridiculous.

CHAIRMAN CLARK: It does seem we are covering the same ground, so if you would please speed it up.

MR. TWOMEY: I will.

Q (By Mr. Twomey) Chuluota, Mr. Bliss, on I think it's the second page, Page 2 of 14?

A Yes, sir.

Q Doesn't Chuluota, if you know, have inherently high rates under a stand-alone basis?

A I don't do the rates, so I do not know.
Q You do not know, okay. Look at Page 614, please?
A I don't have the page numbers on the bottom of mine.
Q I'm sorry, they're at the top of the upper right-hand corner under the FPSC schedules, 6 of 14?
A I'm sorry, 6 of 14? I thought you said 614.
Q 6 of 14.
A Yes, sir.
Q I assume you don't know what -- am I correct to assume you don't know what the rates are for Lakeview Villas, either?
A No.
Q Okay. Your filing would reflect that, right? Your Company's filing someplace would reflect what the requested rates are?
A I would imagine, yes.
Q Okay. Now based upon your logic that you have expressed, you are wanting to go from 52.17% to 100%, right?
A Yes.
Q Okay. Now, --
A The calculated percentage is 52.17%.
Q Yes, sir. Now -- I'm sorry.

A Go from 52.17% to 100% is not, no, we're sticking at 100%. We're in the last case.

I mean, our investors can't be assumed to one time have X% of their investment in rate base allowed and then the next time have 50% of that.

Q I see. Things can only go up, right, Mr. Bliss?

A Things can only go up?

Q Yes. Yes, your calculation of the benefits to your shareholders can only go up and they can't go down; is that what you are saying? (Pause)

Let me ask you --

A As far as I understand, it's the general rule of the Commission. I mean, not a written rule, I guess; but, you know, as indicated in the Marco Island order, for T&D there they stuck with 100%.

Q Would you look at Page 2 of 2? It's the last page on the water schedule, it's from Marco Island.

A 2 of 2.

Q Do you recall earlier today when I asked you how, what the percentage of build-out was at Marco Island?

A I don't know.

Q Doesn't your exhibit in Column 4 for Marco

Island reflect that in terms of the number of lots connected it's about 44%?

A Not necessarily, no.

Q Doesn't this say, Mr. Bliss, that the number of lots is 14,014?

A I'm sorry, I'm looking at wastewater.

Yes, it states that.

Q Okay. And that the number of connected lots is 6,180, right?

A The number of lots as defined here for Marco Island, which is a unique situation, has many condominiums, is not really lots.

Q What is it?

A Well, they include condominium units and residential lots -- well, and commercial properties, too.

MR. TWOMEY: I would like to pass out two --

CHAIRMAN CLARK: Mr. Twomey, you indicated to me that you were going to ask a question on that exhibit, you had one question to ask. Are we going back to cross examination by you?

MR. FEIL: It seems to me that we --

MR. TWOMEY: That's a fair point. We'll wait and get it from someone else.

CHAIRMAN CLARK: Okay. Redirect?

Commissioners do you have any questions? Redirect.

MR. FEIL: Thank you, Madam Chairman.

REDIRECT EXAMINATION

BY MR. FEIL:

Q Sorry, Mr. Bliss, but I'm going to go in chronological order going back to when you were first asked questions by Public Counsel.

With regard to fire flow, can you tell me whether or not SSU was allowed fire flow for various service areas in its last rate case?

A Was allowed fire flow? Yes.

Q Can you tell me whether or not you're aware of any evidence presented here or in the last case that SSU could not provide the fire flow at that time?

A No.

Q Regarding the hydraulic models, has SSU conducted spot testing of the three hydraulic models not calibrated?

A Yes.

Q Can you tell me what the results of that spot testing are?

A Very similar to the Pine Ridge results that the model as presented to the Commission with the exception of the change in the C factor to 145 and the allocation of the demand to actual customer usage,

which you would have to do to calibrate the model, they have come out the results are -- the data gathered in the field is similar to the models or the pressures predicted by the model. Indicating that calibration is not always necessary, as Mr. Edmunds indicated in his testimony.

Q With regard to Pine Ridge, Mr. Reilly asked you a number of questions regarding how Pine Ridge could be 100% used and useful. As I recall, your answer was, due to the distribution of the customers or density of the customers throughout the service area as well as the distribution of the hydrants.

Isn't that the controlling factor but it really reflects -- or if you can tell me whether or not it reflects the hydraulic load on those lines?

A Most certainly, yes. That's the whole point of the hydraulic analysis.

Q So it's not per se the location of the connections and the hydrants but the location of the connections and the hydrants governs the amount of flow going through those pipes?

A Correct.

Q I want to --

COMMISSIONER DEASON: Let me ask a question for just a second.

Would you agree that to the extent a development is disbursed, that is, covers a large area and not very densely developed, there would be a convergence between the lot count method and the hydraulic flow method, generally speaking?

There would be a big difference between those two methods; and that the more densely the development or more compact the two methods would probably, they would tend to converge upon each other and be in agreement?

WITNESS BLISS: They would converge when? I don't understand your question, I'm sorry.

COMMISSIONER DEASON: All right, let's take, we've got two developments. One is very dense, compact development. One is very sparsely developed. And we did an analysis for both of those developments using the two methodologies. Would you tend to think that the densely developed development, the two methodologies would tend to be more closely resulting -- the results would be more close to each other, whereas the less sparsely developed development, that those two methodologies would tend to be very divergent in their result?

WITNESS BLISS: Yes, but that just shows the fallacy of the lot count method, that it doesn't

present the portion of the distribution system that is being utilized by those customers.

COMMISSIONER DEASON: So the way a development is developed has a bearing on lot count methodology versus hydraulic flow methodology.

WITNESS BLISS: That would be one reason, but there is probably many.

COMMISSIONER DEASON: But that is a reason.

WITNESS BLISS: Would be one.

MR. FEIL: Were you finished, Commissioner?

COMMISSIONER DEASON: Yes, thank you.

Q (By Mr. Feil) Mr. Pellegrini -- I'm trying to stick to subject areas here, Mr. Bliss, so let's stay on hydraulic modeling for a moment, if we could.

Mr. Pellegrini asked you a number of questions. He ran through a list of assumptions or input data that were considered in SSU's hydraulic models and he rattled off, no elevations, how fire flow was treated, .9 GPM per current build-out per customer use, and a number of other assumptions or input made into the model.

Could you tell me whether or not you believe that those assumptions were proved reasonable by the calibration efforts that you have described?

A Oh, most definitely. The elevations were

inputted in for the calibrations and at all four plants now. And the other one was the fire flow?

Q Well, he rattled off a number of assumptions, including a C factor, .9 GPM, the use per customer, current and build-out, unlimited source of supply, and so forth.

A Right. The elevation did not present any different result. Including all of those things did not provide any different result, as indicated in my rebuttal testimony.

Q Okay. If I could refer you to a exhibit that Mr. Pellegrini referred you to, CNB-1, attached to your rebuttal testimony, Page 20.

A Yes, sir.

Q He referred you to Line 46?

A Correct.

Q Had you examine the flows for current and build-out conditions?

A Correct.

Q Could you tell me what the significance is of those figures and to what extent the level of flows going through those pipes make a difference in the used and useful calculations?

A I don't know if I understand.

Q Well, what do the first, what do the figures

represent, the current flow and build-out flow?

A The flow through that pipe under current conditions and the flow through that pipe under build-out conditions. This particular pipe he has selected is coming out of one of the supply sites, which one I'm not sure, but --

Q Well, do you recall Mr. Pellegrini asking you whether or not the build-out flow figure was reasonable?

A Yeah, I recall him asking me that.

Q And do you recall what your answer was?

A Well, he asked if we would have 2,400 gallons per minute supply available at that site? No, we don't right now. In the future we will be adding more wells and tanks, et cetera, to this system.

Q And will you be adding those facilities to that particular site, or is that something that you know?

A We will add additional facilities to that site, but how much, I don't know, whether it will be -- these sites are master planned at the beginning, but whether in reality once you start drilling the wells will you have enough supply at that site?

Q Is that build-out flow value reasonable for purposes of calculating used and useful?

A Off of one site? It certainly could, yes.

Q So in SSU's hydraulic models, it did not postulate future sites as sources of supply?

A No.

Q Is that a reasonable assumption?

A Yes. Distributed sites cross the system as it is, so.

Q So does the fact that you did not assume additional sites make a difference in the used and useful calculations?

A No. Because we would have to put in piping to those future sites, and we were only modeling what is existing investment today.

Q If you redistributed the flow at the build-out condition over the entire existing facility, notwithstanding where the source of supply was coming from, is that going to make a difference in the used and useful calculation?

A It changed the used and useful on a pipe-by-pipe basis; but overall, no, it would not.

Q Thank you. Mr. Pellegrini asked you some questions about whether or not at Citrus Springs adding the components of a high service pump and a tank would change the outputs for a hydraulic model, and your answer to that question as I recall was yes.

Could you recall for me whether or not or what significance that change in flows resulting from the additions of those facilities make to the hydraulic models filed in this case?

A Well, we have not done the analysis with the storage tank. We've analyzed, we've done hydraulic modeling with the storage tank but not carried it through to the numbers side and everything else for the hydraulic analysis as presented in the MFRs.

But similar to the distribution of the supply sites, it would do similar results. It may change the individual pipes, but Pine Ridge has over a thousand -- excuse me, Citrus Springs has over 2,200 pipes, so on average, no.

Q Staying on Pine Ridge for a moment, are you aware of any instance where there was a fire at Pine Ridge and SSU was unable to put out the fire?

A No, sir.

Q Are you aware of any instances in any other SSU service areas where SSU was unable to put out fires?

A No, sir. In fact, we've, in Deltona, we were complimented on our ability to provide adequate, more than adequate fire flow for a system there for a large fire.

Q I want to make sure I understand SSU's position as stated here on Issue 28. Mr. Reilly asked you questions about this; this concerns the crossings. Could you repeat what you believed you said before so we're all clear on what the position is?

My understanding was that you said that the crossings should be included in plant in service but not in rate base. Is that what you said?

A Yeah.

Q And it would be excluded from rate base --

A Through a used and useful adjustment.

Q -- through a used and useful adjustment, thank you. And it was also SSU's position that -- or I believe you said that those dollars should be included in AFPI?

A Yes.

Q And is that because those crossings were prudently constructed?

A Correct.

Q Do you know whether or not the crossings were included in plant in service in the last rate case?

A Yes.

Q So in the last rate case they would have had the used and useful percentage applied to them as the

dollars were included in rate base -- or excuse me, in plant?

A Correct.

Q When Mr. Twomey asked you some questions, he asked you whether or not SSU has added any mains to the Marco Island service area, and you said no. Were you aware that SSU added a main from the lime softening plant to the R.O. plant since the 1987 rate case?

A Yes. But that's not a distribution line, it serves no customers, it is just for transmitting water between the two facilities.

Q Mr. Twomey asked you a number of questions about the permits at Sugarmill Woods. And I believe you made a statement later that a permit allows you to construct facilities. If one obtains a construction permit from DEP, are you required to construct what you have described in the permit?

A No.

Q So a permit just allows you to construct if you choose to do so?

A That's correct.

Q I'm going to have to refer you to an exhibit, it's Exhibit 102. Which had the MFR calculations that Ms. -- excuse me, that

Mr. Pellegrini was asking you about regarding iron removal. I believe it was response to PSC Interrogatory 360, it was Appendix 360-B, Page 1 of 14.

A Okay.

Q Mr. Pellegrini asked you about the notation there of "N/A" for the treatment facilities.

A Yeah, that's correct.

Q Would you read Note 3 that appears next to the N/A?

A Yeah. It says, "Supply well used and useful percentage applied to iron removal filters," as I told him.

Q So there was no chance of there being a misunderstanding regarding what percentage was applied to those facilities, then?

A No, if you read the footnote.

Q Mr. Twomey asked you a number of questions regarding another exhibit, as did Mr. Pellegrini -- actually, two exhibits. First being Exhibit No. 103, which was Late-Filed Deposition Exhibits Nos. 3 and 4?

A Yes.

Q In looking at this exhibit and the values calculated there, could you tell me what is SSU's requested used and useful methodology for transmission

and distribution facilities?

A Hydraulic analysis.

Q And for those plants where no hydraulic analysis was performed?

A As indicated on Line 10 of those schedules.

Q That is the requested used and useful percentage that reflects the used and useful methodology proposed?

A State that again?

Q The requested used and useful percentage will reflect the used and useful method proposed?

A Yes.

Q Okay. Could you tell me what the calculated percentage appearing on Line 8 of these schedules represents.

A Merely the division of the projected meters in '96 -- actually indicated as connected lots, 1996, with one-year margin reserve divided by number of lot.

Q So is that calculated percentage SSU's requested methodology or preferred methodology for used and useful?

A No, most certainly not. Hydraulic analysis, neither that nor -- no. The lot count method as testified by Mr. Edmunds is not a preferred methodology.

Q Are you aware of any prior Commission cases where the Commission rejected a prior used and useful determination as to any plant component?

A No, I'm not.

Q And you have worked at the Commission or have done water and wastewater utility work that was submitted to the Commission for how many years?

A Ten.

Q You made a number of statements to Mr. Twomey regarding the percentages that the Commission accepted in the last case for used and useful for transmission and distribution. Do you infer from the Commission's order that the Commission accepted the evidence presented by SSU in the prior case regarding the appropriate used and useful percentage?

A I'm sorry, state it again.

Q You mentioned to Mr. Twomey a number of things that were submitted to the Commission --

A Yes.

Q -- in the prior case. Could you repeat what those things were?

A Well, the MFRs, the maps, the Commission Staff went out to every facility.

Q And there also would have been testimony in

those proceedings, would there not have been?

A Yes, expert witness testimony.

Q Do you think it fair to infer from the Commission's order that it accepted SSU's methodology in that prior case?

A Yes.

Q In the experience that you have, has the Commission as a practice accepted the used and useful percentage from a prior case?

A Yes.

Q Can you tell me why you believe that is, that the Commission has accepted prior used and useful determinations? Why the Commission has as a matter of practice accepted prior used and useful determinations?

MR. TWOMEY: I object, Madam Chairman, this does sound redundant.

MR. FEIL: I'll withdraw the question if he doesn't know the answer.

A Well, I would state that I don't think they want to send a false signal to the owners of the utilities that determinations of investment used and useful can be subject to change.

Q Could you tell me, referring again to the Line 6 value from this late-filed deposition exhibit,

can you tell me whether or not -- excuse me, I meant to say Line 8.

A Okay.

Q Could you tell me whether or not the Line 8 value is a better value than that listed on Line 10?

A Could I tell you it is a better value?

Q Yes.

A Most certainly not. You're saying is Line 8 a better value?

Q Is it more appropriate as a used and useful percentage?

A Certainly not.

Q I'd like to refer you to Exhibit 108. It was the response to OPC Interrogatory 351, which had some information regarding hydro tanks.

A Yes.

Q Mr. Pellegrini asked you a few questions about that interrogatory.

A Okay.

Q I believe the questions he asked pertained to the amount of dollars in one plant account that included costs for ground storage and for hydro tanks. Do you recall that?

A Correct.

Q Excuse me?

A Yes.

Q Do you think that any of the figures in the response to this interrogatory which you have said you did not prepare should be used to alter the used and useful percentages or the application of those percentages to plant accounts that you filed in the MFRs?

In other words, do you think that any of this information should change the used and useful calculations and the application of those calculations to plant dollars from what you filed in the MFRs?

A No.

Q So what you filed in the MFRs is correct?

A Yes.

Q Sorry I'm fumbling with so many exhibits here, but there are quite a number. I want to refer you next to Exhibit 109, I believe it was.

A Which one was that?

Q It was Late-Filed Deposition Exhibit No. 6 pertaining to high service pumps and well pumps.

A Yes, sir.

Q Actually perhaps I can get you to answer this question without even referring to the exhibit. But it pertains to the division of high service pumps and supply wells. Do you think any information in, it

was Late-Filed Deposition No. 6 --

A I have it.

Q You have it. Do you think any of the information in this late-filed deposition exhibit should be used to alter the used and useful calculations you made in the MFRs?

A No.

Q Referring to Exhibit No. 114, which was the five-year capital budget information --

A Yes.

Q -- my question is, do you have an opinion as to whether or not the dollar figures in that five-year capital budget should be used to revise the service availability calculations you have made for the MFRs?

A No.

Q Why not?

A These are projected projects that change, really have a one-year capital budget. This is just a planning horizon. Projects change.

MR. FEIL: Madam Chairman, may I have a moment to confer?

CHAIRMAN CLARK: Yes. (Pause)

Q (By Mr. Feil) One additional question, Mr. Bliss. In areas where -- in service areas where SSU serves hotels, apartment buildings, multifamily

dwellings, does the lot count method using meters properly reflect the used and useful nature of distribution facilities?

A Certainly not.

MR. FEIL: I have nothing further.

CHAIRMAN CLARK: Exhibits?

MR. FEIL: SSU moves No. 100, I believe it was.

CHAIRMAN CLARK: Exhibit 100 is entered into the record without objection.

MR. PELLEGRINI: Staff moves Exhibits 101.

CHAIRMAN CLARK: Through 115?

MR. PELLEGRINI: Through 115 into the record.

MR. FEIL: Commissioner, I have a problem with Exhibit No. 105.

CHAIRMAN CLARK: Okay.

MR. FEIL: It's principally because, as you can see from the description on the cover sheet, that it is excerpts of engineering information. And as I page through it, there are just a number of pages from apparently from the MFRs from the last case.

CHAIRMAN CLARK: Mr. Feil, do you want the opportunity to look through it and decide if you want it supplemented in any way?

MR. FEIL: Yes, I would.

CHAIRMAN CLARK: All right. Then we'll admit without objection Exhibits 101 through 104 and 106 through 115. And, Mr. Feil, if you will let me know when you have had a chance to review that and we will decide whether or not to enter it into the record.

MR. FEIL: Yes. I would also note that the Commission has already taken administrative notice of the order from that case, so it may or may not --

CHAIRMAN CLARK: Maybe you can get with Staff and see what needs to be in the record.

MR. FEIL: Yes, ma'am.

(Exhibit Nos. 100 through 104, and 106 through 115 received in evidence.)

CHAIRMAN CLARK: Mr. Bliss, you are excused.

(Witness Bliss excused.)

CHAIRMAN CLARK: We're going to take a break until ten minutes to 3:00 and we will be working late tonight.

(Brief recess.)

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(Transcript continues in sequence in Volume 13.)

106

DOCKET 950495-WS
EXHIBIT NO. 106
CASE NO. 96-04227

EXHIBIT NO. _____

WITNESS: BLISS

DOCKET NO. 950495-WS

APPLICATION FOR RATE INCREASE BY

SOUTHERN STATES UTILITIES, INC.

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DESCRIPTION:

SSU RESPONSE TO
FPSC INTERROGATORY NO. 141 AND
PARTIAL RESPONSE TO OPC INTERROGATORY No. 303

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 950495-WS EXHIBIT NO 106
COMPANY/
WITNESS: Bliss
DATE: 4/29/96

SOUTHERN STATES UTILITIES, INC.
DOCKET NO.: 950495-WS
RESPONSE TO INTERROGATORIES

REQUESTED BY:	FPSC
SET NO:	4
INTERROGATORY NO:	141
ISSUE DATE:	11/06/95
WITNESS:	Charles M. Bliss
RESPONDENT:	Charles M. Bliss

INTERROGATORY NO: 141

Discuss the current status of Project 95CC709, the new well at Imperial Mobile Terrace. The discussion should describe how SSU plans to add a new well as well as any problems encountered.

RESPONSE: 141

Since it appears the other options SSU has explored over the last several months will not materialize, including the option of interconnecting Imperial Terrace with another facility, SSU will have to locate and purchase a suitable site on which to drill a new well. SSU's efforts thus far indicate that this will be difficult given the lack of available undeveloped property in this area. The search for a suitable site is on-going.

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

REQUESTED BY:	OPC
SET NO:	20
DOCUMENT REQUEST NO:	303
ISSUE DATE:	02/02/96
WITNESS:	J. Dennis Westrick
RESPONDENT:	J. Dennis Westrick

DOCUMENT REQUEST: 303

Please provide each document in your possession, custody or control evaluating, analyzing or commenting on your plans to construct a new well during 1996 at Imperial Mobile Terrace (Project number 95CC709; $175,192).

RESPONSE: 303

Attached as Appendix DR 303-A are documents in SSU's possession, custody or control evaluating, analyzing or commenting on SSU's plans to construct a new well during 1996 at Imperial Mobile Terrace (project no. 95CC709; $175,192).

107

DOCKET 950495-WS
EXHIBIT NO. 107
CASE NO. 96-04227

EXHIBIT NO. _____

WITNESS: BLISS

DOCKET NO. 950495-WS

APPLICATION FOR RATE INCREASE BY

SOUTHERN STATES UTILITIES, INC.

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DESCRIPTION:

SSU RESPONSES TO
FPSC INTERROGATORY NO. 360-C AND 379

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 950495-WS EXHIBIT NO 107
COMPANY/ WITNESS: Bliss
DATE: 4/29/96

KEY TO CHANGES TO SCHEDULE F-5(W)
BASED ON INTERROGATORY RESPONSES

1. Change ground storage tank capacity for Piney Woods from 25,000 gallons to 45,000 gallons per FPSC Interrogatory No. 10.

2. Change well capacity for Friendly Center in 1996 from 140 to 100 GPM per FPSC Interrogatory No. 59.

3. Combine Friendly Center and E. Lake Harris for 1996 as these were interconnected per FPSC Interrogatory No. 59.

4. Change the max day to be the second highest day for Palms Mobile Home Park per FPSC Interrogatory No. 65.

5. Change the max day for Skycrest to be 61,700 which is the third highest day per FPSC Interrogatory No. 66.

6. Change the 5 highest days in the max month and the max day for the year for Valencia Terrace to correspond with FPSC Interrogatory No. 67.

7. Change total well capacity for Salt Springs from 533 GPM to 633 GPM per FPSC Interrogatory No. 68.

8. Change the well capacity for Burnt Store in 1996 to 3 @ 250 GPM each per FPSC Interrogatory No. 91. Revise treatment plant equipment capacity to 378 GPM, revise ERC projection, and revise max day demand forecast per FPSC Interrogatory No. 361.

9. Change the number of ERCs for Interlacken/Park Manor. The ERCs for Park Manor were not being included per the response to FPSC Interrogatory No. 368.

10. Remove the elevated storage tank from the used and useful calculation in 1996 for Keystone Heights per FPSC Interrogatory No. 369.

11. Change the well pump capacity in 1996 for Silver Lakes/Western Shores to 2 @ 1,425 GPM and 1 @ 600 GPM per FPSC Interrogatory No. 379. Change the Hydro Tank to a Finished Water Storage Tank with a capacity of 50,000 gallons. There will be no hydro tank.

12. Change the well capacity for Tropical Park to 350 GPM for 1994, 1995, and 1996 per FPSC Interrogatory No. 404. Add backup well no. 1 of 100 GPM into used and useful calculation for the 1996 test year.

13. Change requested used and useful for supply wells for Fox Run to 100% per FPSC Interrogatory No. 366.

SOUTHERN STATES UTILITIES, INC.
DOCKET NO.: 950495-WS
RESPONSE TO INTERROGATORIES

REQUESTED BY:	FPSC
SET NO:	8
INTERROGATORY NO:	379
ISSUE DATE:	01/17/96
WITNESS:	Charles M. Bliss
RESPONDENT:	Charles M. Bliss

INTERROGATORY NO: 379

Referring to Silver Lake/Western Shores, please explain:

a. the utility's requested used and useful percentage for supply wells/pumping of 100%,

b. why the utility designated the 65,000 storage tank as a hydropneumatic tank,

c. what was done (e.g. retired, scrapped) with the 10,000 gallon and 5,000 gallon hydropneumatic tanks that were shown in Docket No. 920199-WS,

d. how the utility's requested used and useful percentage for high service pumping of 100% was calculated.

RESPONSE: 379

a and d. Please see revised calculations and explanation provided with Interrogatory No. 360. A new 600 GPM well pump to be installed at Western Shores was erroneously ommitted from the used and useful calculation for 1996. Thus the total well capacity is 3,450 GPM and the reliable well capacity is 2,025 GPM. This change has been incorporated into the revised data included in Interrogatory No. 360. It is noted that the high service pump configuration changed from preliminary design as it existed at the time the MFRs were prepared. The final design calls for two jockey pumps at 310 GPM each and four high service pumps at 950 GPM each, for a total high service pump capacity of 4,420 GPM. The reliable high service pump capacity is 3,470 GPM. These changes have been incorporated into the data provided in Interrogatory No. 360.

b. The tank in question is actually for chlorine detention purposes and consists of two-25,000 gallon concrete tanks. The preliminary design was for a total of 65,000 gallons. The final design changed that to 50,000 gallons. As the tank is not designed to meet domestic demand, fire flow, or emergency conditions, it is not proper to consider it a "Finished Water Storage" tank.

c. These old hydro tanks were scrapped and retired. A new 15,000 gallon tank has been installed at Western Shores.

108

DOCKET 950495-WS
EXHIBIT NO. 108
CASE NO. 96-04227

EXHIBIT NO. _____

WITNESS: WESTRICK

DOCKET NO. 950495-WS

APPLICATION FOR RATE INCREASE BY

SOUTHERN STATES UTILITIES, INC.

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DESCRIPTION:

SSU RESPONSE TO FPSC INTERROGATORY NO. 351
REGARDING PLANT INFORMATION AND
ACCOUNTING TREATMENT OF HYDROPNEUMATIC TANKS

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 950495-WS EXHIBIT NO 108
COMPANY/ WITNESS: Westrick
DATE: 4/29/96

SOUTHERN STATES UTILITIES, INC.
DOCKET NO.: 950495-WS
RESPONSE TO INTERROGATORIES

REQUESTED BY:	OPC
SET NO:	19
INTERROGATORY NO:	351
ISSUE DATE:	01/23/96
WITNESS:	J. Dennis Westrick
RESPONDENT:	J. Dennis Westrick

INTERROGATORY NO: 351

Please identify the dollar amounts in rate base by rate base category for each hydro tank currently in service by system, and the account numbers where the dollars are booked.

RESPONSE: 351

Attached as Appendix 351-A are the general ledger account balances where hydro tank additions were booked. SSU does not maintain continuing property records which will separately identify costs for individual hydro tanks.

SSU generally has available cost information for certain hydro tanks installed under SSU's ownership. Such information can be made available upon request. For those hydro tanks for which cost information is not readily available, such as those installed prior to SSU's ownership and included in rate base in prior cases, the costs may be estimated using a Handy-Whitman index.

General Ledger Account Balances

As of 12/31/95

Plant No.	Plant Name	Account	Amount
104	Lake Conway Park	330.4	7,003
105	Daetwyler Shores	330.4	13,532
106	University Shores	330.4	498,517
121	Holiday Heights	330.4	47,464
323	Lake Harriet Estates	330.4	23,183
324	Fern Park	330.4	19,101
325	Lake Brantley	330.4	78,521
330	Meredith Manor	330.4	1,069
332	Apple Valley	330.4	2,291
334	Druid Hills	330.4	78,056
335	Chuluota	330.4	36,440
438	Hermits Cove	330.4	43,575
440	Palm Port	330.4	48,245
442	River Grove	330.4	28,098
443	Pomona Park	330.4	3,898
447	Welaka	330.4	6,948
448	Saratoga Harbour	330.4	16,528
470	Interlachen Lake Estates	330.4	11,877
471	St. John's Highlands	330.4	10,530
472	Beechers Point	330.4	57,972
473	Silver Lake Oaks	330.4	56,486
551	Skycrest	330.4	38,536
552	Fern Terrace	330.4	46,952
553	Piney Woods	330.4	68,584
554	Valencia Terrace	330.4	20,199
555	Carlton Village	330.4	1,303
556	Friendly Center	330.4	170
557	East Lake Harris Estates	330.4	43,203
558	Hobby Hills	330.4	12,306
560	Sunshine Parkway	330.4	325
562	Morningview	330.4	58,338
564	Picciola Island	330.4	37,380
566	Western Shores	330.4	599
567	Venetian Village	330.4	59,424
570	Imperial Mobile Terrace	330.4	5,491
575	Grand Terrace	304.3	30,170
578	Quail Ridge Estates	330.4	43,890
579	Palisades Country Club	330.4	75,385
673	Fisherman's Haven	330.4	5,183
675	Leilani Heights	330.4	35,400
679	Fox Run	330.4	104,583
772	Fountains	330.4	55,782
773	Lake Ajay	330.4	22,380
780	Intercession City	330.4	21,002
781	Tropical Park	330.4	11,338
782	Pine Ridge Estates	320.3	54,981
783	Windsong	320.3	49,545
784	Bay Lake Estates	330.4	7,936
785	Buenaventura Lakes	330.4	379,886
886	Beacon Hills	330.4	572,617
888	Woodmere	330.4	112,918
906	Citrus Springs	330.4	15,140
907	Pine Ridge	330.4	57,836
985	Rolling Green	330.4	725
986	Gospel Island Estates	330.4	1,171
987	Point O'Woods	330.4	36,933
988	Rosemont	330.4	43,421

General Ledger Account Balances

As of 12/31/95

Plant No.	Plant Name	Account	Amount
989	Sugarmill Woods	330.4	107,532
990	Apache Shores	330.4	11,560
993	Oak Forest	330.4	86,575
994	Spring Gardens	330.4	8,220
995	Lakeside	330.4	57,413
1054	Lakeview Villas	330.4	4,282
1094	Keystone Heights	330.4	34,781
1095	Postmaster Village	330.4	20,632
1106	Marion Oaks	330.4	301,368
1115	Salt Springs	330.4	3,484
1117	Citrus Park	330.4	11,634
1118	Samira Villas	311.2	5,011
1279	Keystone Club Estates	330.4	326
1298	Geneva Lake Estates	330.4	15,261
1427	Zephyr Shores	330.4	79,038
1429	Palm Terrace	330.4	10,108
1518	Amelia Island	330.4	68,108
1701	Kingswood	330.4	363
1702	Oakwood	330.4	3,713
1801	Sugar Mill	330.4	131,087
1806	Deltona Lakes	330.4	1,253,730
2202	Burnt Store	330.4	133,629
2301	Palm Valley	330.4	3,278
2302	Remington Forest	320.3	66,340
2401	Leisure Lakes	330.4	16,301
2601	Marco Island	330.4	1,901,393
2602	Marco Shores	330.4	184,658
2801	Sunny Hills	330.4	143,460
2901	Lehigh	330.4	427,617
			8,311,268

DOCKET 950495-WS
109 EXHIBIT NO. 109
CASE NO. 96-04227

EXHIBIT NO. _____

WITNESS: BLISS

DOCKET NO. 950495-WS

APPLICATION FOR RATE INCREASE BY

SOUTHERN STATES UTILITIES, INC.

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DESCRIPTION:

LATE FILED DEPOSITION EXHIBIT NO. 6
TO JANUARY 11, 1996 DEPOSITION
OF CHARLES BLISS
PERTAINING TO HIGH SERVICE PUMPS AND
WELL PUMPS

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 950495-WS EXHIBIT NO 109
COMPANY/ WITNESS: Bliss
DATE: 4/29/96

Docket No. 950495-WS
Late Filed Deposition Exhibit No. 6
Charles M. Bliss

A listing of water facilities which have both well pumps and high service pumps where a decision was made to apply one used and useful percentage to NARUC account 311 for which the utility determined it had the greater investment, along with the applicable data.

Response:
The investment in well pumps and high service pumps and motors should be booked in Account 311. As stated in Interrogatory Response No. 72 (FPSC set no. 2) prepared by Judith Kimball, "The Company does not currently have continuing property records which allow ready identification of types of pumps in the manner requested, that is, source of supply pumping, and high service pumping." A similar response was provided in Interrogatory No. 350 of Set No. 6. The reason that the high service pump used and useful percentage was applied to Account 311 was that it is believed that the majority of the dollars booked to this account relate to the high service pump equipment, and therefore the high service pump used and useful percentage was selected.

The following is a list of water plants which have both wells and high service pumps indicating the used and used percentage that was applied to Account 311.

Plant	High Service Pump	Supply Well
Amelia Island	X	
Apple Valley	X	
Beacon Hills		X
Chuluota	X	
Citrus Springs	X	
Deltona Lakes	X	
Dol Ray Manor	X	
Druid Hills	X	

Late Filed Exhibit No. 6 Cont.
Charles M. Bliss

Fern Park	X	
Fountains	X	
Fox Run	X	
Hermits Cove	X	
Interlachen/Park Manor		X
Lake Ajay	X	
Lake Brantley	X	
Lake Harriet	X	
Leisure Lakes	X	
Marco Shores	X	
Marion Oaks	X	
Meridith Manor	X	
Palm Port	X	
Pine Ridge Estates	X	
Piney Woods	X	
River Grove	X	
River Park	X	
Silver Lakes/Western Shores		X
Silver Lake Oaks	X	
St. Johns Highlands	X	
Sugar Mill		X
Sugar Mill Woods		X
Sunny Hills		X
Sunshine Parkway	X	
University Shores	X	
Welaka/Saratoga Harbor	X	
Woodmere		X
Buenaventura Lakes		X
Lehigh		X
Remington Forest		X
Marco Island	X	
Burnt Store	X	

DOCKET 950495-WS
EXHIBIT NO. 110
110 CASE NO. 96-04227

EXHIBIT NO. _____

WITNESS: BLISS/DENNY

DOCKET NO. 950495-WS

APPLICATION FOR RATE INCREASE BY

SOUTHERN STATES UTILITIES, INC.

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DESCRIPTION:

SSU RESPONSE TO MICA'S
INTERROGATORY NO. 1
REGARDING THE MARCO ISLAND LIME SOFTENING PLANT

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 950495 EXHIBIT NO 110
COMPANY/
WITNESS: _____
DATE: 4/24/96

SOUTHERN STATES UTILITIES, INC.
DOCKET NO.: 950495-WS
RESPONSE TO INTERROGATORIES

REQUESTED BY:	Marco Island Civ Assoc
SET NO:	1
INTERROGATORY NO:	1
ISSUE DATE:	12/12/95
WITNESS:	Charles M. Bliss/William (Dave) Denny
RESPONDENT:	Charles M. Bliss/William (Dave) Denny

INTERROGATORY NO: 1

On what date were to two precipitators removed from service at the Marco Island lime softening facility?

a. Has SSU ever considered replacing these precipitators?

b. What effect would the removal of the two precipitators have on the capacity of the Marco Island plant?

RESPONSE: 1

The two precipitators were removed from service at the Marco Island lime softening facility in 1988.

a. No, to my knowledge, SSU has never considered replacing these precipitators.

b. The removal of the two precipitators reduced the capacity of the lime softening facility from 8.0 MGD to 5.0 MGD.

DOCKET 950495-WS
EXHIBIT NO. 111
CASE NO. 96-04227

111

EXHIBIT NO. _____

WITNESS: KIMBALL

DOCKET NO. 950495-WS

APPLICATION FOR RATE INCREASE BY

SOUTHERN STATES UTILITIES, INC.

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DESCRIPTION:

SSU RESPONSE TO FPSC INTERROGATORY NO. 465
PERTAINING TO THE HYDROPNEUMATIC
TANK AT LEHIGH

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 950495-WS EXHIBIT NO. 111
COMPANY/
WITNESS: Kimball
DATE: 4/29/96

SOUTHERN STATES UTILITIES, INC.
DOCKET NO.: 950495-WS
RESPONSE TO INTERROGATORIES

REQUESTED BY:	FPSC
SET NO:	14
INTERROGATORY NO:	465
ISSUE DATE:	03/18/96
WITNESS:	Judith J. Kimball
RESPONDENT:	Judith J. Kimball

INTERROGATORY NO: 465

Has the utility retired the hydropneumatic tanks from the books at Lehigh Acres since this tank is not being used?

RESPONSE: 465

Although the hydropneumatic tank at Lehigh Acres was taken out of service in 1994, it has not been officially retired from the books. The tank remains on site with no plans to place it back in service even though it appears that it is in a useable state. The tank was installed in the 1950's and was fully depreciated by the time SSU acquired Lehigh. As a result, it has a zero impact on rate base.

112 DOCKET 950495-WS
EXHIBIT NO. 112
CASE NO. 96-04227

EXHIBIT NO. _____

WITNESS: BLISS

DOCKET NO. 950495-WS

APPLICATION FOR RATE INCREASE BY

SOUTHERN STATES UTILITIES, INC.

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DESCRIPTION:

SSU RESPONSE TO OPC INTERROGATORY No. 323
PERTAINING TO CITRUS PARK, SOUTH FORTY,
AND SUNSHINE PARKWAY WASTEWATER
TREATMENT PLANT CAPACITIES

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 950495 EXHIBIT NO 112
COMPANY/ WITNESS: Bliss
DATE: 4/29/96

SOUTHERN STATES UTILITIES, INC.
DOCKET NO.: 950495-WS
RESPONSE TO INTERROGATORIES

REQUESTED BY:	OPC
SET NO:	14
INTERROGATORY NO:	323
ISSUE DATE:	10/31/95
WITNESS:	Charles M. Bliss
RESPONDENT:	Charles M. Bliss

INTERROGATORY NO: 323

Which WWTP capacity has been reduced due to effluent disposal restriction or any other reasons? What are the original capacities permitted? Provide necessary supporting documents.

RESPONSE: 323

Citrus Park, South Forty, and Sunshine Parkway plant capacity was reduced for the used and useful calculation due to effluent disposal capacity limitations.

The Citrus Park wastewater treatment plant is rated for 100,000 GPD. The South Forty wastewater treatment plant is rated for 75,000 GPD. The Sunshine Parkway wastewater plant is rated for 250,000 GPD. It is noted that the MFRs incorrectly use 250,000 GPD for the calculation of used and useful for the Sunshine Parkway wastewater plant. The calculation should have been done using the limiting 150,000 GPD capacity of the effluent disposal site. Thus, the used and useful percentage for the plant should have been 94.63% for the 1996 test year.

DOCKET 950495-WS
EXHIBIT NO. 113
CASE NO. 96-04227

EXHIBIT NO. _____

WITNESS: CHARLES BLISS

DOCKET NO. 950495-WS

Application for rate increase by

SOUTHERN STATES UTILITIES, INC.

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DESCRIPTION:

Late-Filed Deposition Exhibit No. 1
List of current SSU service areas at 100% Build-Out

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 950495 EXHIBIT NO. 113
COMPANY/ WITNESS: Bliss
DATE: 7/29/96

CHARLES M. BLISS
LATE FILED DEPOSITION EXHIBIT NO. 1

Please indicate which of the current SSU service areas are 100% built out.

The following service areas are buildout in 1996

Citrus Park
Fern Terrace
Fisherman's Haven
Fox Run
Golden Terrace
Grand Terrace
Harmony Homes
Holiday Heights
Imperial Terrace
Leilani Heights
Oakwood
Palm Port
Windsong

The following service areas have the necessary plant capacity and lines to serve the remaining small service area (approximately less than 10 lots remaining)

Daetwyler Shores
Fern Park
Hobby Hills
Kingswood
Lake Ajay
Lake Brantley
Lakeview Villas
Morningview
Palm Terrace
River Grove

DOCKET 950495-WS
EXHIBIT NO. 114
CASE NO. 96-04227

EXHIBIT NO. _____

WITNESS: CHARLES BLISS

DOCKET NO. 950495-WS

Application for rate increase by

SOUTHERN STATES UTILITIES, INC.

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DESCRIPTION:

Late-Filed Deposition Exhibit No. 2
List of Capital Improvements by NARUC Account

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 950495 EXHIBIT NO 114
COMPANY/
WITNESS:
DATE: 4/29/96

Charles M. Bliss
Docket No. 950495-WS

Late Filed Deposition Exhibit No. 2

Schedule of Capital Additions for 5 years by NARUC account number, SSU plant and year.

Please find attached the 5-year capital plan as it existed at the time the MFRs were filed. Although a revised plan for 1996-2000 is being formulated, that plan is subject to review and contingencies such that it is not final at this time. Detail budgeting information by NARUC plant account as requested is not available, since information to that level of detail is not prepared until the year prior to the budget year. It should be noted that the correct ;used and useful practices of the FPSC (i.e., one year on liens and 18 months on plant) limit the effective capital planning period to less than five years since growth is variable within the service territories. This practice limits the benefits of economies of scale.

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

REQUESTED BY:	OPC
SET NO:	1
DOCUMENT REQUEST NO:	15
ISSUE DATE:	07/18/95
WITNESS:	MORRIS A. BENCINI
RESPONDENT:	Morris Bencini

DOCUMENT REQUEST: 15

For purposes of this request, please refer to Morris Bencini's testimony at page 12, lines 17 through 21. Please provide a copy of the 5-year forecast for known projects referred to by Mr. Bencini.

RESPONSE: 15

Attached as Appendix DR15-A is a copy of the Company's 5-year forecast which was used as a basis for the 1996 Capital Budget. Note that this forecast includes projected annual spending by project for direct costs only (i.e. overhead and AFUDC are not included). This forecast included all known and quantifiable projects as of April 12, 1995 (the date of the forecast).

Note that the 5-year forecast was used to determine which projects are included in the 1996 Capital Budget. The forecasted project balances represent direct dollar spending only, excluding overhead and AFUDC. This forecast is used to monitor cash flow and does not include the schedule for projects being completed and placed in service. For rate case purposes, SSU included in the 1996 test year only those projects which it knew would be in service in 1996 as well as carry over projects from 1995 to be completed in 1996.

1995 Forecast

DIRECT EXPENDITURES ONLY

North Region

	Region	Plant	Project	Priority	1995	1996	1997	1998	1999	Cofunding
Eng	N	Beacon Hills	WWTP Class I Imp./Force Main for Recl. Water/Generator	2	note 1		300,000	1,700,000	1,300,000	
Eng	N	Beacon Hills	Wastewater Collection System Improvements Ph II & III	4		200,000				
Eng	N	Beacon Hills	Cobblestone WTP Expansion add GST	4		50,000	320,000			
Eng	N	Beacon Hills	Water Dist. Syst. Improvements Phases II & III	4		150,000	150,000	10,000	150,000	
Eng	N	Beacon Hills	Outfall	1		140,000				
Eng	N	Deltona	Distribution System Improvements	4		101,400				
Eng	N	Deltona	Courtland WTP Improvements GST	4		249,000				
Eng	N	Deltona	Water Supply system Improvements	4		250,000		500,000		
Eng	N	Deltona Lakes	WTP/WWTP Chlorine Exhaust System	1		160,000	160,000			
Eng	N	Deltona Lakes	Wet Weather System Improvements	2		150,000				
Eng	N	Deltona Lakes	Well #38	4			20,000	230,000		
Eng	N	Deltona Lakes	Lombardy WTP Improvements	3		113,000				
Eng	N	Deltona Lakes	Sludge Stabilization Facilities	3		200,000				
Eng	N	Deltona Lakes	Well #39	4			20,000	230,000	1,250,000	
Eng	N	Deltona Lakes	0.5 MGD WWTP Expansion - Phase II	4			50,000	1,250,000		
Eng	N	Deltona Lakes	Well #37	4		180,000				
Eng	N	Deltona Lakes	Well #36	4		100,000	100,000		500,000	
Eng	N	Hermits Cove	Additional Well and Trunk Main	3		75,000	75,000			
Eng	N	Keystone Heights	Distribution/WTP Improvements	4		100,000				
Eng	N	Palm Port	WWTP Effluent/Wet Weather Sys. Imp.	2		200,000				
Eng	N	Stone Island	Wastewater Connection w/Deltona	2		500,000				
Eng	N	Woodmere	WTP Chlorine Exhaust System	1		80,000				
Eng	N	Woodmere	WWTP Class I Improvements/Force Main	3		500,000	2,000,000	500,000		
			Subtotal - North Region Projects			3,498,400	3,195,000	4,420,000	3,200,000	0

Central Region

Eng	C	Chululota	Water Treatment Plant #2	4	note 1	87,800				
Eng	C	Chululota	Upgrade Distribution System	3		39,000				
Eng	C	Fern Park	Distribution System Upgrade	3		62,000				
Eng	C	Hidden hls/Druid Hills	Distribution Upgrade	3				50,000		
Eng	C	Imperial Terrace	New Well	4		92,000				
Eng	C	Lake Ajay	New Water Source	3		60,000	60,000			
Eng	C	Meredith Manor	Distribution System/Upgrades	3		25,000				
Eng	C	Palisades Park	Second Well/Generator	3			50,000	150,000		
Eng	C	Skycrest	Distribution Upgrade	4				40,000		
Eng	C	Sunshine Parkway	Aerator	4		20,000				
Eng	C	Tropical Park	Distribution Line Upgrades	3		93,000				
Eng	C	Univ. Shores/Suncrest	O.C. Interconnect	2				100,000		
Eng	C	Univ. Shores/Suncrest	Sewer System Improvements Colonial Village	4		76,000				
Eng	C	Univ. Shores/Suncrest	Pumps And Force Main	4		75,000				
Ops	C	University Shores	Irrigation Upgrade Chapel Hill	2					100,000	
Eng	C	Westmonte	Upgrade Distribution	4				100,000		
			Subtotal - Central Region Projects			629,800	110,000	440,000	100,000	0

South Region

Eng	S	Burnt Store	R.O WTP Expansion	1	note 1	283,000		500,000	500,000	
Eng	S	Burnt Store	Eductor Stations	3		50,000	50,000	50,000	50,000	
Eng	S	Burnt Store	WWTP Expansion and Reuse System	4			200,000	1,500,000		
Eng	S	Lehigh	New Master PS at Deer Run	1		150,000				
Eng	S	Lehigh	Enclose Chlorine Building	2		80,000				
Eng	S	Lehigh	New Mirror Lakes WTP	4		0	100,000	1,300,000		
Eng	S	Lehigh	Mirror Lakes WWTP	4				400,000	1,500,000	

Appendix DR 15-A
Page 1 of 2

1995 Forecast

DIRECT EXPENDITURES ONLY

	Region	Plant	Project	Priority	1995	1996	1997	1998	1999	Cofunding
Eng	S	Lehigh	New Well Field	4		0	500,000		500,000	
Eng	S	Lehigh	Sewage System Improvements	4		73,000				225000
Eng	S	Marco Island	Membrane Replacement	1		300,000	300,000	300,000	300,000	
Eng	S	Marco Island	24" RW Line on SR 951 _ Dependant on DOT Schedule	1			100,000	2,000,000		
Eng	S	Marco Island	1.0 MGD RO Expansion - WTP	1		386,000				
Eng	S	Marco Island	Replace RW Main to RO WTP	1		40,000				
Eng	S	Marco Island	ASR Well	4		840,000	1,000,000			
Eng	S	Marco Island	5 New Wells	4		398,000				
Eng	S	Marco Island	Raw Water Collection System	4		206,000				
Eng	S	Marco Island	Island ASR Well	4			300,000	1,000,000	1,000,000	
			Subtotal - South Region Projects			2,806,000	2,550,000	7,250,000	3,850,000	225,000
		West Region								
Eng	W	Apache Shores	Iron Filter Beds & Meter	2	note 1		30,000			
Eng	W	Area - West Region Plants	Line Extensions - Water	2		500,000	500,000	500,000	500,000	
Eng	W	Area - West Region Plants	Line Extensions - Sewer	2		50,000	50,000	50,000	50,000	
Eng	W	Citrus Springs	.5 MG GST	4		496,000				
Eng	W	Crystal River	Backwash Beds (Iron Filters)	2			18,000	18,000		
Eng	W	Crystal River	Purchases WTP Property	2			20,000			
Eng	W	Marion Oaks	New Well #7	2		125,000	125,000			
Eng	W	Marion Oaks	Abandon Well No. 3	2			15,000			
Eng	W	Spring Gardens	Collections System Improv	4		25,000				
Eng	W	Spring Hill	WWTP Expansion Class I	2		1,700,000	300,000			300000
Eng	W	Spring Hill	WWTP Effluent Reuse Timber Pines	2		600,000	100,000			
Eng	W	Spring Hill	Wells 30 and 31	4		400,000				
Eng	W	Spring Hill	1 MG GST	4		704,000				
Eng	W	Sugar Mill Woods	.5MG GST	3					500,000	
Eng	W	Sugar Mill Woods	.5 M GST	4		496,000				
Eng	W	Sugar Mill Woods	WWTP Expansion - Class I	2					100,000	
Eng	W	Sugar Mill Woods	WWTP Reuse to Golf Course	2					50,000	
			Subtotal - West Region Projects			5,096,000	1,158,000	568,000	1,200,000	300,000
		OPS/A&G Projects								
			Operations Blankets	4	note 1	450,000	450,000	450,000	450,000	
			Utility Relocations	2		300,000	300,000	300,000	300,000	
			Tools	4		280,000	290,000	300,000	300,000	
			Meter change out	2		552,000	648,000	750,000	750,000	
			Meter Install	4		300,000	300,000	300,000	300,000	
			Water Services	4		625,000	625,000	625,000	625,000	
			Hydrants	4		100,000	100,000	100,000	100,000	
			Sewer Services	4		200,000	200,000	200,000	200,000	
			Water Extensions	4		100,000	100,000	100,000	100,000	
			Sewer Extensions	4		50,000	50,000	50,000	50,000	
			Misc Operations Projects			577,000	437,000	825,000	1,075,000	
			Sub Total			3,534,000	3,500,000	4,000,000	4,250,000	
			Vehicles	4		60,000	600,000	400,000	400,000	
			Building/Lab	4		0	0	0	0	
			Computers	4		500,000	650,000	800,000	800,000	
			Subtotal OPS/A&G Projects			4,094,000	4,750,000	5,200,000	5,450,000	0
			Projected Adjustment		3,453,484	-2,624,200	1,237,000	622,000	565,200	
			Grand Total Corporate Five Year Forecast		78,633,431	19,268,231	13,500,000	13,000,000	18,500,000	14,365,200

note 1: Use the currently approved 1995 capital budget plus any anticipated amendments as detailed on "Five Year Forecast Summary" sheet.

Appendix OR 15-A
Page 2 of 2

Page 4

#4 DOCKET 950495-WS
115 EXHIBIT NO. 115
CASE NO. 96-04227

EXHIBIT NO. _____

WITNESS: CHARLES BLISS

DOCKET NO. 950495-WS

Application for rate increase by

SOUTHERN STATES UTILITIES, INC.

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DESCRIPTION:

Late-Filed Deposition Exhibit No. 3
Explanation of Calculations for Service
Availability

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 950495 EXHIBIT NO 115
COMPANY/ WITNESS: Bliss
DATE: 4/29/96

CHARLES M. BLISS
LATE FILED DEPOSITION EXHIBIT NO. 3

Please provide an explanation of the calculations for the test page (Schedule 2) of the Service Availability Model.

Attached is an example of Schedule 2 from the conventional water plants service availability model on page 22 of Book 1 of 4 of Volume 8. Following that are schedules indicating the formulas in each of the five main columns of Schedule 2 (i.e., Columns 2, 3, 4, 5 and 6).

	A	C	E	H	K	N	Q	T
1		TEST OF SERVICE AVAILABILITY CHARGES - WATER						
2								
3								
4		Company: SSU / FPSC / Conventional					FPSC	
5		Docket No.: 950495					Schedule No. 2 (w)	
6		Test Year Ended: 12/31/96					Page 1 of 1	
7		Historical [ ] Projected [X]					Preparer: Bliss	
8								
9								
10		(1)	(2)	(3)	(4)	(5)	(6)	(7)
11								
12	line		Plant	Main		Service		Supporting
13	No	Test of Service Availability Charges	Capacity	Extension	Meters	Installation	Total	Schedules
14								
15								
16	1	Gross Book Value	$35,967,048	$60,426,869	$6,801,551	$8,819,741	$112,015,209	Sch. 6 (w) p 1
17	2	Land	$890,406				$890,406	Sch. 6 (w) p 1
18	3	Depreciable Assets	$35,076,642	$60,426,869	$6,801,551	$8,819,741	$111,124,803	
19	4	Accumulated Depreciation to Date	$9,548,145	$12,083,184	$2,448,565	$2,133,205	$26,213,098	Sch. 7 (w)
20	5	Accumulated Depreciation at Design Capacity	$11,402,592	$29,956,258	$2,448,565	$2,133,205	$45,940,620	
21	6	Net Plant at Design Capacity	$24,564,456	$30,470,611	$4,352,986	$6,686,536	$66,074,589	
22								
23	7	Transmission & Distribution / Collection Lines		$60,426,869			$60,426,869	Sch. 6 (w)
24	8	Minimum Level of CIAC		100.00%			53.95%	
25								
26	9	CIAC to Date	$6,757,281	$21,423,727	$6,325,545	$3,841,618	$38,348,171	Sch. 9 (w)
27	10	Accumulated Amortization of CIAC to Date	$2,328,680	$5,213,809	$1,709,109	$749,343	$10,000,941	Sch. 9 (w)
28	11	Acc. Amort. of CIAC at Design Capacity	$2,685,927	$11,550,524	$1,709,109	$749,343	$16,694,903	
29								
30	12	Future Customers (ERC) to be Connected	3,874	35,509	0	0	23,705	Sch. 11 (w)
31	13	Composite Depreciation Rate	3.81%	2.33%			2.88%	Sch. 8 (w) p 1
32								
33								
34	14	Existing Service Availability Charge Per ERC	N/A	N/A	CTUAL COST	CTUAL COST	$0.00	Sch. 1 (w)
35	15	Level of CIAC at Design Capacity	N/A	N/A	N/A	N/A	32.77%	
36								
37	16	Requested Service Availability Charge Per ERC	$219.36	$297.45	$90.00	$143.00	$749.81	Sch. 1 (w)
38	17	Level of CIAC at Design Capacity	19.94%	61.91%	N/A	N/A	56.38%	
39								
40	18	Minimum Service Availability Charge Per ERC					$672.41	
41	19	Level of CIAC at Design Capacity					53.95%	
42								
43	20	Maximum Service Availability Charge Per ERC					$1,341.03	
44	21	Level of CIAC at Design Capacity					75.00%	
45								
46	22	No. of Customers at Capacity	108,939	134,615	96,140	96,140	125,035	Sch. 11 (w)
47	23	Current No. of Customers	105,065	99,106	96,140	96,140	96,140	Sch. 11 (w)
48	24	Annual Growth	2,792	2,792	N/A	N/A	2,792	Sch. 11 (w)
49	25	Calculation of Z	109	5,286	N/A	N/A	2,898	
50	26	Number of Years to Design Capacity	1.39	12.72	N/A	N/A	8.49	Sch. 11 (w)

SCHEDULE 2-A

	A	C	E	F
1		TEST OF SERVICE AVAILABILITY CHARGES		
2				
3				
4		=FPSC_Conventional COMPANY		
5		Docket No : 950495		
6		Test Year Ended: 12/31/96		
7		Historical [ ] Projected [X]		
8				
9				
10		(1)	(2)	
11				
12	Line		Plant	
13	No.		Capacity	
14				
15				
16	1	Gross Book Value	=[SERV.XLS]PISIG69	Gross Book Value excluding General Plant as shown on Sch 8 (w) p1 Col. 3, Ln 44
17	2	Land	=[SERV.XLS]PISIG23+[SERV.XLS]PISIG34+[SERV.XLS]PISIG39+[SERV.XLS]PISIG48	Land Value Shown on Sch 8 (w) p1, Col. 3, Lines 2, 6, 17, 23, and 32.
18	3	Depreciable Assets	=E16-E17	Gross Book Value excluding General Plant and Land
19	4	Accumulated Depreciation to Date	=[SERV.XLS]AccumDepIG68	Accumulated Depreciation as shown on Sch. 7 (w), Col. 3, Ln 44
20	5	Accumulated Depreciation at Design Capacity	=IF((E16-(E18*E31*E50))<0,E18,(E18*E50*E31)+E19)	Accumulated Depreciation plus future depreciation based on composite rate times years to buildout
21	6	Net Plant at Design Capacity	=E16-E20	Gross Book Value less Accumulated Depreciation at Buildout
22				
23	7	Transmission & Distribution / Collection Lines		
24	8	Minimum Level of CIAC	=IF(E23=0,"",E23/E16)	
25				
26	9	CIAC to Date	='[SERV.XLS]CIAC&AMORTIQ17	CIAC collected for Plant as shown on Sch. 9 (w), Col. 2, Ln 1.
27	10	Accumulated Amortization of CIAC to Date	='[SERV.XLS]CIAC&AMORTII17	Accumulated Amortization of CIAC as shown on Sch. 9 (w), Col. 3, Ln 1.
28	11	Acc. Amort. of CIAC at Design Capacity	=E26*E31*E50+E27	Accumulated Amortization plus future amortization based on composite rate times years to buildout
29				
30	12	Future Customers (ERC) to be Connected	='[SERV.XLS]Calc ERC"s1H27	Future Customers based on remaining ERCs related to Non Used & Useful as shown on Sch 11 (w), Col 2, Ln 8.
31	13	Composite Depreciation Rate	='[SERV.XLS]DepExpIG69	Rate based on 1996 Expense per Depreciable Plant less land as shown on Sch. 8 (w), p1, Col 3, Ln 48.
32				
33				
34	14	Existing Service Availability Charge Per ERC	=[SERV.XLS]SvcAvailSumIF17	Current Plant Capacity Charge
35	15	Level of CIAC at Design Capacity	=IF(E34="N/A","N/A",((+E26-E28)+(E34*E30)-(E34*E49))/E21)	Percent of Net CIAC at Buildout to Net Plant at Buildout. Net CIAC at Buildout is Current Net Plant plus
36				future Net CIAC based on future customers paying existing charge.
37	16	Requested Service Availability Charge Per ERC	='[SERV.XLS]PlantCapIG38	Proposed Plant Capacity Charge based on Historical Cost as shown on Sch 3 (w), Col 3, Ln 11.
38	17	Level of CIAC at Design Capacity	=IF(E21=0,1,((+E26-E28)+(E37*E30)-(E37*E49))/E21)	Percent of Net CIAC at Buildout to Net Plant at Buildout. Net CIAC at Buildout is Current Net Plant plus
39				future Net CIAC based on future customers paying proposed charge.
40	18	Minimum Service Availability Charge Per ERC		
41	19	Level of CIAC at Design Capacity		
42				
43	20	Maximum Service Availability Charge Per ERC		
44	21	Level of CIAC at Design Capacity		
45				
46	22	No. of Customers at Capacity	='[SERV.XLS]Calc ERC"s1$H$25	Customers at Design Capacity based on remaining Non Used & Useful as shown on Sch 11 (w), Col 2, Ln 5.
47	23	Current No. of Customers	='[SERV.XLS]Calc ERC"s1$H$21	Current number of Customers including Margin Reserve matching Used & Useful as shown on Sch 11 (w), Col 2, Ln 3
48	24	Annual Growth	='[SERV.XLS]Calc ERC"s1$H$29	Annual Growth as projected in 1997 per Sch 12, Col 2, Ln 2 and Sch 11, Col 2, Ln 7
49	25	Calculation of Z	=IF(E50=0,0,((+E31/12)*(E30/(E50*12)))*(((E50*12)*((E50*12)+1)/2)))	
50	26	Number of Years to Design Capacity	='[SERV.XLS]Calc ERC"s1H31	Years based on remaining ERCs to Design Capacity divided by annual growth as shown on Sch 11 (w), Col 2, Ln 8
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SCHEDULE 2-8

	A	C	H	I
1		TEST OF SERVICE AVAILABILITY CHARGES -		
2				
3				
4		=FPSC_Conventional COMPANY		
5		Docket No. 950495		
6		Test Year Ended 12/31/96		
7		Historical [ ] Projected [X]		
8				
9				
10		(1)	(3)	
11				
12	Line		Main	
13	No.		Extension	
14				
15				
16	1	Gross Book Value	=+[SERV.XLS]P1$II69	Gross Book Value excluding General Plant as shown on Sch 8 (w) p1 Col. 4, Ln 44
17	2	Land		No Land associated with Mains
18	3	Depreciable Assets	=H16-H17	Gross Book Value excluding General Plant
19	4	Accumulated Depreciation to Date	=+[SERV.XLS]AccumDepII66	Accumulated Depreciation as shown on Sch. 7 (w), Col. 4, Ln 44
20	5	Accumulated Depreciation at Design Capacity	=IF((H16-(H18*H31*H50))<0,H18,(H18*H50*H31)+H19)	Accumulated Depreciation plus future depreciation based on composite rate times years to buildout
21	6	Net Plant at Design Capacity	=H16-H20	Gross Book Value less Accumulated Depreciation at Buildout
22				
23	7	Transmission & Distribution / Collection Lines	=+[SERV.XLS]P1$II69	
24	8	Minimum Level of CIAC	1	
25				
26	9	CIAC to Date	=+[SERV.XLS]CIAC&AMORT'!G19+[SERV.XLS]CIAC&AMORT'!G23+[SERV.XLS]CIAC&AMORT'!G25	CIAC collected for Lines as shown on Sch. 9 (w), Col. 2, Ln 2, 4, 5.
27	10	Accumulated Amortization of CIAC to Date	=+[SERV.XLS]CIAC&AMORT'!I19+[SERV.XLS]CIAC&AMORT'!I23+[SERV.XLS]CIAC&AMORT'!I25	Accumulated Amortization of CIAC as shown on Sch. 9 (w), Col. 3, Ln 2, 4, 5.
28	11	Acc. Amort. of CIAC at Design Capacity	=+H26*H31*H50+H27	Accumulated Amortization plus future amortization based on composite rate times years to buildout
29				
30	12	Future Customers (ERC) to be Connected	=+[SERV.XLS]Calc ERC's'!H48	Future Customers based on remaining ERCs related to remaining lots as shown on Sch 11 (w), Col 2, Ln 15.
31	13	Composite Depreciation Rate	=+[SERV.XLS]DepExpII69	Rate based on 1996 Expense per Depreciable Plant less land as shown on Sch. 8 (w), p1, Col 4, Ln 46.
32				
33				
34	14	Existing Service Availability Charge Per ERC	=IF([SERV.XLS]SvcAvailSumIF25="Actual Cost less 20%","N/A",[SERV.XLS]SvcAvailSumIF25)	Current Main Extension Charge
35	15	Level of CIAC at Design Capacity	=IF(H34="N/A","N/A",((+H26-H28)+(H34*H30)-(H34*H49))/H21)	Percent of Net CIAC at Buildout to Net Plant at Buildout. Net CIAC at Buildout is Current Net Plant plus future Net CIAC based on future customers paying existing charge.
36				
37	16	Requested Service Availability Charge Per ERC	=+[SERV.XLS]MainExtIG34	Proposed Plant Capacity Charge based on Historical Cost as shown on Sch 4 (w), Col 2, Ln 9.
38	17	Level of CIAC at Design Capacity	=IF(H21=0,1,((+H26-H28)+(H37*H30)-(H37*H49))/H21)	Percent of Net CIAC at Buildout to Net Plant at Buildout. Net CIAC at Buildout is Current Net Plant plus future Net CIAC based on future customers paying proposed charge.
39				
40	18	Minimum Service Availability Charge Per ERC		
41	19	Level of CIAC at Design Capacity		
42				
43	20	Maximum Service Availability Charge Per ERC		
44	21	Level of CIAC at Design Capacity		
45				
46	22	No. of Customers at Capacity	=+[SERV.XLS]Calc ERC's'!$H$45	Total Number of Lots available based on existing pipe as shown on Sch 11 (w), Col 2, Ln 14.
47	23	Current No. of Customers	=+[SERV.XLS]Calc ERC's'!$H$39	Current number of Customers including Margin Reserve matching Used & Useful as shown on Sch 11 (w), Col 2, Ln 11
48	24	Annual Growth	=+[SERV.XLS]Calc ERC's'!$H$50	Annual Growth as projected in 1997 per Sch 12, Col 2, Ln 2 and Sch 11, Col 2, Ln 7.
49	25	Calculation of Z	=IF(H50=0,0,((+H31/12)*(H30/(H50*12)))*(((H50*12)*((H50*12)+1)/2)))	
50	26	Number of Years to Design Capacity	=+[SERV.XLS]Calc ERC's'!H52	Years based on remaining ERCs to Design Capacity divided by annual growth as shown on Sch 11 (w), Col 2, Ln 17
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SCHEDULE 2-C

	A	C	K	L
1		TEST OF SERVICE AVAILABILITY CHARGES		
2				
3				
4		=FPSC_Conventional COMPANY		
5		Docket No.: 950495		
6		Test Year Ended 12/31/96		
7		Historical [ ] Projected [X]		
8				
9				
10		(1)	(4)	
11				
12	Line			
13	No.		Meters	
14				
15				
16	1	Gross Book Value	=+[SERV.XLS]PISIK89	Gross Book Value excluding General Plant as shown on Sch 8 (w) p1 Col. 5, Ln 44
17	2	Land		No Land associated with Meters
18	3	Depreciable Assets	=K16-K17	Gross Book Value excluding General Plant
19	4	Accumulated Depreciation to Date	=+[SERV.XLS]AccumDepIK86	Accumulated Depreciation as shown on Sch. 7 (w), Col. 5, Ln 44
20	5	Accumulated Depreciation at Design Capacity	=+K19	Current Accumulated Depreciation only since meter additions are not projected
21	6	Net Plant at Design Capacity	=K16-K20	
22				
23	7	Transmission & Distribution / Collection Lines		
24	8	Minimum Level of CIAC		
25				
26	9	CIAC to Date	=+[SERV.XLS]CIAC&AMORT'IQ21	CIAC collected for Meters as shown on Sch. 9 (w), Col. 2, Ln 3 for "Meter Installations".
27	10	Accumulated Amortization of CIAC to Date	=+[SERV.XLS]CIAC&AMORT'II21	Accumulated Amortization of CIAC as shown on Sch. 9 (w), Col. 3, Ln 3 for "Meter Installations"
28	11	Acc. Amort. of CIAC at Design Capacity	=+K27	Current Accumulated Amortization of CIAC only since meter additions are not projected
29				
30	12	Future Customers (ERC) to be Connected	0	No Future Customers Projected for Meters
31	13	Composite Depreciation Rate		No Composite Depreciation Rate Calculated for Meters
32				
33				
34	14	Existing Service Availability Charge Per ERC	=IF([SERV.XLS]SvcAvail$umIF34>0,[SERV.XLS]SvcAvail$umIF34,"N/A")	Current Meter Installation Charge for 5/8" x 3/4" Meters
35	15	Level of CIAC at Design Capacity	N/A	No Projection for Meter Installations
36				
37	16	Requested Service Availability Charge Per ERC	=[SERV.XLS]METERII27	Proposed Meter Installation Charge based on Current Cost as shown on Sch 5 (w), 5/8" X 3/4" Col. Ln 8.
38	17	Level of CIAC at Design Capacity	N/A	No Projection for Level of CIAC for meter installations.
39				
40	18	Minimum Service Availability Charge Per ERC		
41	19	Level of CIAC at Design Capacity		
42				
43	20	Maximum Service Availability Charge Per ERC		
44	21	Level of CIAC at Design Capacity		
45				
46	22	No. of Customers at Capacity	=+K47	Current Number of Customers at the end of 1996 as shown on Sch. 10 (w), Col 4, Ln 23.
47	23	Current No. of Customers	=+[SERV.XLS]Calc ERC"s'1$H$18	Current Number of Customers at the end of 1996 as shown on Sch. 10 (w), Col 4, Ln 23.
48	24	Annual Growth	N/A	No Annual Growth projected for meter installations
49	25	Calculation of Z	N/A	
50	26	Number of Years to Design Capacity	N/A	No projections for meter installations
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SCHEDULE 2-D

	A	C	N	O
1		TEST OF SERVICE AVAILABILITY CHARGES -		
2				
3				
4		=FPSC_Conventional COMPANY		
5		Docket No.: 950495		
6		Test Year Ended 12/31/96		
7		Historical [ ] Projected [X]		
8				
9				
10		(1)	(5)	
11				
12	Line		Service	
13	No.		Installation	
14				
15				
16	1	Gross Book Value	=+[SERV.XLS]PISIM69	Gross Book Value excluding General Plant as shown on Sch 8 (w) p1 Col. 8, Ln 44
17	2	Land		No Land associated with Service Installations
18	3	Depreciable Assets	=N16-N17	Gross Book Value excluding General Plant
19	4	Accumulated Depreciation to Date	=+[SERV.XLS]AccumDeplM66	Accumulated Depreciation as shown on Sch. 7 (w), Col. 8, Ln 44
20	5	Accumulated Depreciation at Design Capacity	=+N19	Current Accumulated Depreciation only since service installations are not projected
21	6	Net Plant at Design Capacity	=N16-N20	
22				
23	7	Transmission & Distribution / Collection Lines		
24	8	Minimum Level of CIAC		
25				
26	9	CIAC to Date	=+[SERV.XLS]CIAC&AMORT'!G27	CIAC collected for Service Installations as shown on Sch. 9 (w), Col. 2, Ln 6 for "Service Installations Fees".
27	10	Accumulated Amortization of CIAC to Date	=+[SERV.XLS]CIAC&AMORT'!I27	Accumulated Amortization of CIAC as shown on Sch. 9 (w), Col. 3, Ln 6 for "Service Installation Fees".
28	11	Acc. Amort. of CIAC at Design Capacity	=+N27	Current Accumulated Amortization of CIAC only since Service Installations additions are not projected
29				
30	12	Future Customers (ERC) to be Connected	0	No Future Customers Projected for Service Installations
31	13	Composite Depreciation Rate		No Composite Depreciation Rate Calculated for Service Installations
32				
33				
34	14	Existing Service Availability Charge Per ERC	=IF([SERV.XLS]SvcAvailSumIF50>0,[SERV.XLS]SvcAvailSumIF50,"N/A")	Current Service Installation Charge for 5/8" line.
35	15	Level of CIAC at Design Capacity	N/A	No Projection for Service Installations
36				
37	16	Requested Service Availability Charge Per ERC	=[SERV.XLS]METERII59	Proposed Service Installation Charge based on Current Costs as shown on Sch 7 (w), for 5/8" x 3/4" Installation on Ln 27
38	17	Level of CIAC at Design Capacity	N/A	No Projection for Service Installations
39				
40	18	Minimum Service Availability Charge Per ERC		
41	19	Level of CIAC at Design Capacity		
42				
43	20	Maximum Service Availability Charge Per ERC		
44	21	Level of CIAC at Design Capacity		
45				
46	22	No. of Customers at Capacity	=N47	Current Number of Customers at the end of 1996 as shown on Sch. 10 (w), Col 4, Ln 23.
47	23	Current No. of Customers	=+[SERV.XLS]Calc ERC"s1$H$18	Current Number of Customers at the end of 1996 as shown on Sch. 10 (w), Col 4, Ln 23.
48	24	Annual Growth	N/A	No Annual Growth projected for Service Installations
49	25	Calculation of Z	N/A	
50	26	Number of Years to Design Capacity	N/A	No projections for Service Installations
51				
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SCHEDULE 2-E

	A	C	Q	R
1		TEST OF SERVICE AVAILABILITY CHARGES -		
2				
3				
4		=FPSC_Conventional COMPANY	FPSC	
5		Docket No.: 950495	Schedule No. 2 (w)	
6		Test Year Ended: 12/31/96	Page 1 of 1	
7		Historical [ ] Projected [X]	Preparer: Bliss	
8				
9				
10		(1)	(6)	
11				
12	Line			
13	No.		Total	
14				
15				
16	1	Gross Book Value	=SUM(E16:N16)	Summation of Plant Capacity, Main Extension, Meters, and Service Installation Gross Book Value less General Plant
17	2	Land	=SUM(E17:P17)	Land Dollars associated with the Plant Capacity
18	3	Depreciable Assets	=SUM(E18:P18)	Summation of Plant Capacity, Main Extension, Meters, and Service Installation Gross Book Value less Land & General Plant
19	4	Accumulated Depreciation to Date	=SUM(E19:P19)	Summation of Plant Capacity, Main Extension, Meters, and Service Installation Accumulated Depreciation
20	5	Accumulated Depreciation at Design Capacity	=SUM(E20:P20)	Summation of Plant Capacity, Main Extension, Meters, and Service Installation Accumulated Depreciation at Design Capacity
21	6	Net Plant at Design Capacity	=SUM(E21:P21)	Summation of Plant Capacity, Main Extension, Meters, and Service Installation Net Plant at Design Capacity
22				
23	7	Transmission & Distribution / Collection Lines	=SUM(E23:P23)	Cost of Transmission & Distribution Lines
24	8	Minimum Level of CIAC	=+Q23/Q16	Minimum Level of CIAC per rules as the cost of T&D to Total Gross Book Value
25				
26	9	CIAC to Date	=SUM(E26:P26)	Summation of Plant Capacity, Main Extension, Meters, and Service Installation CIAC collected
27	10	Accumulated Amortization of CIAC to Date	=SUM(E27:P27)	Summation of Plant Capacity, Main Extension, Meters, and Service Installation Accumulated Ammortization of CIAC
28	11	Acc. Amort. of CIAC at Design Capacity	=SUM(E26:P26)	Summation of Plant Capacity, Main Extension, Meters, and Service Installation Accumulated Ammortization of CIAC at Design Capacity
29				
30	12	Future Customers (ERC) to be Connected	=((E30*E16)+(H30*H16))/(E16+H16)	Weighted Average of Future Customers based on Gross Book Values for just Plant Capacity and Main Extension
31	13	Composite Depreciation Rate	=((E31*E16)+(H31*H16))/(E16+H16)	Weighted Average of Composite Depreciation Rate based on Gross Book Values for just Plant Capacity and Main Extension
32				
33				
34	14	Existing Service Availability Charge Per ERC	=SUM(E34:P34)	Summation of Plant Capacity, Main Extension, Meters, and Service Installation Existing Charges.
35	15	Level of CIAC at Design Capacity	=IF(Q21=0,1,((+Q26-Q28)+(Q34*Q30)-(Q34*Q49))/Q21)	Percentage of Net CIAC at Buildout to Net Plant at Buildout. Net CIAC at Buildout is Current Net Plant plus
36				future Net CIAC based on future customers paying existing charge.
37	16	Requested Service Availability Charge Per ERC	=SUM(E37:P37)	Summation of Plant Capacity, Main Extension, 5/8" x 3/4" Meters, and 5/8" Service Installation Existing Charges.
38	17	Level of CIAC at Design Capacity	=((+Q26-Q28)+(Q37*Q30)-(Q37*Q49))/Q21	Percentage of Net CIAC at Buildout to Net Plant at Buildout. Net CIAC at Buildout is Current Net Plant plus
39				future Net CIAC based on future customers paying proposed charge.
40	18	Minimum Service Availability Charge Per ERC	=IF(Q30=0,0,((+Q21*Q24)-Q26+Q28)/(Q30-Q49))	Minimum Level of CIAC Percentage of Net Plant at Design Capacity less Net CIAC at Design Capacity per each future customer
41	19	Level of CIAC at Design Capacity	=+Q23/Q16	Minimum Level of CIAC per rules as the cost of T&D to Total Gross Book Value
42				
43	20	Maximum Service Availability Charge Per ERC	=IF(Q30=0,0,((+Q21*Q44)-Q26+Q28)/(Q30-Q49))	Maximum Level of CIAC Percentage of Net Plant at Design Capacity less Net CIAC at Design Capacity per each future customer
44	21	Level of CIAC at Design Capacity	0.75	Maximum Level of CIAC to Total Gross Book Value per rules.
45				
46	22	No. of Customers at Capacity	=((E46*E16)+(H46*H16))/(E16+H16)	Weighted Average of Customers at Capacity based on Gross Book Values for just Plant Capacity and Main Extension
47	23	Current No. of Customers	=+'[8ERV.XLS]Calc ERC'!$H$16	Current Number of Customers at the end of 1996 as shown on Sch. 10 (w), Col 4, Ln 23
48	24	Annual Growth	=+'[8ERV.XLS]Calc ERC'!$H$29	Annual Growth as projected in 1997 per Sch 12, Col 2, Ln 2.
49	25	Calculation of Z	=IF(H50=0,0,((+Q31/12)*(Q30/(Q50*12)))*(((Q50*12)*(Q50*12)+1)/2))	
50	26	Number of Years to Design Capacity	=((E50*E16)+(H50*H16))/(E16+H16)	Weighted Average of Years to Design Capacity based on Gross Book Values for just Plant Capacity and Main Extension
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