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GOVERNMENTAL CONSULTANTS:
PATRICK R. MALOY
AMY J. YOUNG

ORIGINAL
FILE COPY

September 5, 1995

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

HAND DELIVERY

Re: Docket No. 950495-WS

Dear Ms. Bayo:

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

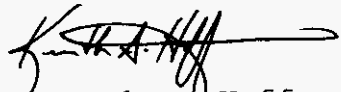
1. Original and fifteen copies of Southern States Utilities, Inc.'s Response to The Office of Public Counsel's August 29 Motion to Dismiss and August 30 Request For Oral Argument; and

ACK 2. A disk in Word Perfect 6.0 containing a copy of the
AFB 3 document entitled "Rate.Andis."

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

SEP _____ Thank you for your assistance with this filing.

Sincerely,



Kenneth A. Hoffman

KAH/r1

cc: All Parties of Record

Willis

DOCUMENT NUMBER-DATE

08656 SEP-5 95

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 950495-WS

Filed: September 5, 1995

SOUTHERN STATES UTILITIES, INC.'S RESPONSE TO THE OFFICE OF PUBLIC COUNSEL'S AUGUST 29 MOTION TO DISMISS AND AUGUST 30 REQUEST FOR ORAL ARGUMENT

Southern States Utilities, Inc. ("SSU"), by and through its undersigned counsel, and pursuant to Rule 25-22.037(2)(b), Florida Administrative Code, hereby files its Response to the Office of Public Counsel's ("OPC") August 29 Motion to Dismiss and August 30 Request for Oral Argument. In support of its Response, SSU states as follows:

1. OPC misrepresents Chairman Clark's test year approval letter as requiring the establishment of an official date of filing by no later than August 2 and directing dismissal if an official date of filing is not established by that date.¹ OPC has either

¹A number of OPC's arguments are tacitly premised on the incorrect supposition that the Chairman's test year approval letter may be challenged. In denying prior requests by OPC for a hearing to challenge the approval of a test year, the Commission has held that such approval "... is an interim decision only, subject to the Commission's final decision approving or disapproving the use of a particular test year in the ratemaking proceeding." See In Re: Petition for a Rate Increase by Florida Power Corporation, 91 F.P.S.C. 11:34, 35 (1991); In re: Application for a rate increase by United Telephone Company, 91 F.P.S.C. 12:288, 289 (1991).

DOCUMENT NUMBER-DATE

08656 SEP-5 95

FPSC-RECORDS/REPORTING

ignored or overlooked the following material part of the Chairman's letter:

Your petition will not be deemed filed until we have received the petition, revised tariff sheets, the minimum filing requirements and the filing fee. To minimize any regulatory lag that may occur, **we request** that you file the above no later than August 2, 1995. Because of the deficiency in scheduling hearing dates **it is not anticipated** that an extension of this filing date will be granted.

(Emphasis added.) Simply put, the Chairman's letter does not state what OPC claims it does. The Chairman's letter very clearly and expressly states **a request** that the petition and supporting information be filed by August 2, 1995, a request with which SSU complied by the filing of its original Application and MFRs on June 28, 1995. The Chairman's letter does not expressly or even impliedly impose a deadline for establishment of an official filing date as theorized by OPC.

2. OPC also alleges that the MFRs have not been met due to OPC's perceived flaw in SSU's prefiled testimony. Rules 25-30.025(1) and 25-30.436(3), Florida Administrative Code, require a utility to prefile direct testimony in order for its filing to be accepted as complete. These rules contain nothing on the subject of what substantive information or issues should be addressed in the direct testimony. OPC's complaint that SSU's prefiled direct testimony was not revised to specifically address SSU operations in Polk, Hillsborough, and Hernando Counties ("Additional Counties") goes to the sufficiency of SSU's testimony to support its filing, not with whether the testimony was filed and the requirements of

the rules met. OPC's opportunity to protest the sufficiency of SSU's testimony is at the hearing.

3. OPC's Motion fails to address the threshold issue of whether the Commission has the authority to grant its Motion. The Commission's order declaring its jurisdiction over SSU land and facilities in the Additional Counties, Order No. PSC-95-0894-FOF-WS, issued July 21, 1995, in Docket No. 930945-WS, was timely appealed on or before August 21, 1995, by all of the County parties to said docket. Pursuant to Rule 9.310(b)(2) of the Florida Rules of Appellate Procedure, a notice of appeal filed by a governmental entity triggers an automatic stay of the order appealed. OPC's Motion is silent as to the effect of the stay. OPC does not even attempt to argue that the Commission has the authority to require SSU to file additional direct testimony concerning Additional Counties while the automatic stay is in force. Therefore, OPC's Motion must be denied on the grounds that OPC has not met its burden of showing that the Commission has the authority to grant the relief requested. Assuming the Commission does not have the requisite authority to grant the requested relief, OPC's Motion was already moot when filed on August 29, 1995.

4. The Commission will violate Section 367.083, Florida Statutes, if it now grants OPC's request to find SSU's MFRs deficient. Section 367.083, Florida Statutes, which governs the Commission's determination of an official date of filing ("ODF"), states as follows:

Within 30 days after receipt of an application, rate request, or other written

document for which an official date of filing is to be established, the commission or its designee shall either determine the official date of filing or issue a statement of deficiencies to the applicant Such statement of deficiencies shall be binding upon the commission to the extent that, once the deficiencies in the statement are satisfied, the official date of filing shall be promptly established as provided herein. Thereafter within 20 days after the applicant indicates to the commission that it believes that it has met the minimum filing requirements, the commission or its designee shall either determine the official date of filing or issue another statement of deficiencies . . . in which this procedure shall be repeated until the applicant meets the minimum filing requirements and the official date of filing is established.

(Emphasis added.)² The Commission's designee, the Director of the Division of Water and Wastewater ("Director") complied with the 30 day requirement in Section 367.083 by issuing a letter dated July 10, 1995 outlining ten alleged deficiencies in SSU's Application and MFRs. See copy of July 10, 1995 letter attached as Exhibit "A" to this Response. On July 14, 1995, SSU filed the necessary documents and information responding to MFR deficiencies 1 through 9 outlined in the Director's July 10 letter while SSU continued to challenge the other alleged deficiency concerning MFR information for the Additional Counties. On August 1, 1995, the Commission ruled that SSU was required to file such information for the Additional Counties and SSU filed such information on August 2, 1995. See copy of SSU's August 2, 1995 letter to Division of

²Sections 366.04(4) and 364.04(5), Florida Statutes, have similar language, but refer to a "commencement date for final agency action" rather than an "official date of filing."

Records and Reporting attached as Exhibit "B" to this Response. Under Section 367.083, the Commission had 20 days after August 2, 1995 (until August 22, 1995) to issue another statement of deficiencies. No such statement was issued by the Commission or its designee, the Director. Instead, on or about August 8, 1995, the Director met the 20 day requirement in Section 367.083 by issuing a letter advising that the ODF had been established as August 2, 1995. See copy of letter from Charles H. Hill attached as Exhibit "C" to this Response.³ If the Commission annuls the acceptance of the MFRs already made by the Director, the Commission will violate the requirement in Section 367.083 that any notification of additional deficiencies be made within 20 days after the utility has indicated it has met the MFRs. Therefore, OPC's argument should be rejected as a request for an impermissible waiver of the statute.

5. The plain language of Section 367.083 requires a swift determination of an ODF. The section's operation does not lend itself to interference from other potentially affected persons. Section 367.083 reflects the Legislature's intent that the only party in interest to the ODF determination is the filing utility. The Legislature must have certainly foreseen the possibility of prospective parties to a rate case petitioning the Commission to withhold an ODF for the most frivolous of reasons and thereby indefinitely delaying a utility's right to earn a reasonable rate

³A copy of Exhibit "C" was received by undersigned counsel for SSU on August 9, 1995. Clearly, the June 26, 1995 date at the top of the letter is a typographical error.

of return. To avoid such an unjust result of questionable constitutionality, the Legislature gave the Commission exclusive authority to enforce its MFR rules. By granting OPC's Motion, the Commission would effectively authorize any intervenor, including OPC, to enforce the Commission's MFR rules, a result clearly in direct contravention of the language and intent of Section 367.083. SSU further asserts that OPC's Motion fails to establish that the Commission's action in determining an ODF constitutes agency action of a type which would entitle OPC to a clear point of entry to protest. In consideration of the above, SSU asserts that OPC lacks standing to participate in the determination of the ODF and its Motion should therefore be stricken as an improper pleading, or, in the alternative, denied.

6. Rule 25-30.025(1), Florida Administrative Code, which is at the core of OPC's argument, states in pertinent part as follows:

The "official date of filing" is the date on which the Director of the Division of Water and Wastewater determines the utility has filed complete sets of the minimum filing requirements (MFRs), including testimony that may be required by Rule 25-30.436(2) and payment of the appropriate filing fee....

OPC argues that the plain meaning of this Rule requires the Director to establish the ODF on the date he makes the determination that MFRs are complete, not the date the completed MFRs are filed.⁴ OPC is in error. The history of Rule 25-

⁴OPC's argument assumes that the Director made his determination that the MFRs were complete on the same day he sent the letter advising of same and establishing the ODF. There is no basis for such an assumption.

30.025(1) supports SSU's position that the ODF is established as of the date of filing, not the date of determination. Prior to November 1993, Rule 25-30.025(1), Florida Administrative Code, read as follows:

The "official date of filing" is **the date on which a utility has filed** completed sets of the minimum filing requirements for any application and paid the appropriate filing fee to the Director of Records and Reporting.

(Emphasis added.) A review of the testimony, posthearing comments of the parties (including those of OPC), the Commissioner's comments at the Agenda for the final vote, and the final order in Docket No. 911082-WS, wherein comprehensive revisions to water and wastewater rules (including Rule 25-30.025) took place, reveals nothing remotely supportive of OPC's newly espoused interpretation of Rule 25-30.025(1). The purpose of the revisions to the Rule was to state the Director's role in designating the ODF, not to change the ODF. The prior version of the rule had always been interpreted so that the date of filing, not the date of determination, controlled. See copies of documents from Docket No. 920199-WS reflecting ODF attached as Composite Exhibit "D". After the November 1993 revisions, the rule has consistently been interpreted in the same way as its predecessor.⁵ The Commission's interpretation of the prior and current versions of Rule 25-30.025(1) also is consistent with Section 367.083, which has been

⁵OPC's reliance on statements in Chairman Clark's test year approval letter regarding this issue are inapposite. The quoted comments are neither specific nor clearly intended to be dispositive on the issue.

unchanged since 1991.


7. Commission action to interpret Rule 25-30.025(1) in a manner contrary to its consistent prior interpretation would constitute impermissible rulemaking because the Commission would effectively amend the rule without undertaking the rulemaking procedures required by Section 120.54, Florida Statutes. See e.g. Balsam v. Dept. of Health & Rehab. Services, 452 So.2d 976 (Fla. 1st DCA 1984) (policy imposing moratorium on certificate of need applications, which adversely affected rights and had direct and consistent effect of law, constituted unlawful rule).⁶

8. OPC's request for oral argument also must be denied. Rule 25-22.058(1) requires a request for oral argument to accompany the pleading upon which argument is requested and to "... state with particularity why oral argument would aid the Commission in comprehending and evaluating the issues before it." OPC failed to file its request for oral argument with its Motion and made no attempt to demonstrate with particularity why oral argument would aid the Commission. Further, OPC's request for oral argument is improper since OPC has no standing to challenge the Commission's establishment of an ODF as explained hereinabove. SSU also notes that oral argument on a Motion such as this would serve no useful purpose and would only needlessly increase rate case expense.

⁶The Commission would be foreclosed from interpreting the rule one way in SSU's case and in a different way in other cases, as such would constitute a clear abuse of discretion.

WHEREFORE, Southern States Utilities, Inc. requests that the Commission deny OPC's Motion to Dismiss and Request for Oral Argument for the reasons set forth herein.

Respectfully submitted,


KENNETH A. HOFFMAN, ESQ.
WILLIAM B. WILLINGHAM, ESQ.
Rutledge, Ecenia, Underwood,
Purnell & Hoffman, P.A.
P. O. Box 551
Tallahassee, FL 32302-0551
(904) 681-6788

and

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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing Southern States Utilities, Inc.'s Response to The Office of Public Counsel's August 29 Motion to Dismiss and August 30 Request For Oral Argument was furnished by U. S. Mail to the following this 5th day of September, 1995:

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

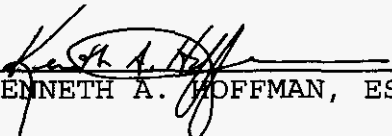
Charles J. Beck, Esq.
Office of Public Counsel
111 W. Madison Street
Room 812
Tallahassee, FL 32399-1400

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

Joseph Coriaci, Pres.
Marco Island Civic Asso.
413 S. Barfield Drive
Marco Island, FL 33937

Mr. Morty Miller
President
Spring Hill Civic Asso., Inc.
P. O. Box 3092
Spring Hill, FL 34606

Mr. W. Allen Case
President
Sugarmill Woods Civic Asso., Inc.
91 Cypress Blvd., West
Homosassa, FL 34446


KENNETH A. HOFFMAN, ESQ.

1995\rate.andis

State of Florida

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



DIVISION OF WATER &
WASTEWATER
CHARLES HILL
DIRECTOR
(904) 413-6900

Public Service Commission

July 10, 1995

Mr. Brian P. Armstrong
Southern States Utilities, Inc.
1000 Color Place
Apopka, Florida 32703

Re: Docket No. 950495-WS, Application For Increased Water and Wastewater Rates by Southern States Utilities, Inc. and Orange/Osceola Utilities, Inc.

Dear Mr. Armstrong:

We have reviewed the company's application including the minimum filing requirements submitted on June 28, 1995, on behalf of the above mentioned utilities. After reviewing this information, we find the filing to be incomplete and the minimum filing requirements to be deficient. The specifics are identified below.

The utility has requested that uniform rates be established in this proceeding but has failed to file all of the information necessary for that request to be considered. Because of the decision by the Commission in Docket No. 930945-WS, the utility's facilities and land constitute a single system. Accordingly, the application should be modified to include Hernando, Hillsborough and Polk counties. Until this information is filed the application must be considered lacking and therefore incomplete.

Further, the minimum filing requirement deficiencies are as follows:

1. Schedule A-16(S), Interim Test Year Ended 12/31/95 (Lehigh). This schedule does not tie to Schedule A-2(S), or Schedule A-7(S). The schedule provided shows 1996 numbers for Sewer Advances for Construction instead of the 1995 numbers.
2. AFPI Schedule 3. The total compounded earnings is incorrect. It is calculated without including the return on expenses for the current year.
3. AFPI Schedule G-3 (W). The earnings expansion factor for taxes is incorrect. It should be 1.30 instead of 3.90.

JUL-10-95 MON 10:10:00 AM 10:10:00 AM 10:10:00 AM 10:10:00 AM 10:10:00 AM
Mr. Brian P. Armstrong
July 10, 1995
Page Two

4. All Schedules A-16. These schedules must include a brief description of the company's policy regarding advances as required by the instructions.

5. Schedules A-5, A-6, A-9, A-10, A-11, A-12, and A-14. The 12/31/94 balance per books for the Historical Year Ended 12/31/94 (Vol III, Book 5 of 6; Vol III, Book 6 of 6) does not agree with the 12/31/94 balance per book for the projected year ended 12/31/95 (Vol III, Book 3 of 6; Vol III, Book 4 of 6). In addition, the 12/31/95 balance per books for the projected year ended 12/31/95 (Vol III, Book 3 of 6; Vol III Book 4 of 6) does not agree with the 12/31/95 balance per books for the projected test year ended 12/31/96 (Vol III, Book 1 of 6; Vol III, Book 2 of 6). Revise schedules or provide information explaining differences.

6. Volume V, Book 1 of 1, Schedules Nos. E2-3 on pages 371, 423, 651 & 691. These schedules were offered as a Summary of Revenue Reconciliations, however the column titles in the table are not explained. Additional information must be provided to explain these differences between the calculated revenues and the booked revenues.

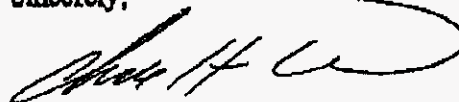
7. Volume VIII, Book 1 of 4, page 87. Pursuant to Rule 25-30.565(4)(k), Florida Administrative Code, the company did provide an estimate of the contributed property, but did not provide a description of this property.

8. Volume VIII, Book 1 of 4, page 89. The utility did not provide a timetable for the proposed plant expansions pursuant to Rule 25-30.565(4)(o), Florida Administrative Code.

9. Volume VIII, Books 1, 2 and 3 of 4. These books contain pages and tariffs that do not include the correct meter installation charge for 3/4" meters and contain the wrong meter installation charges for 1", 1 1/2", 2" and over 2" meters.

Your petition will not be deemed filed until we have received the above mentioned information. These corrections should be submitted no later than August 10, 1995.

Sincerely,



Charles H. Hill
Director

CHH/MWW

Mr. Brian P. Armstrong
July 10, 1995
Page Two

- c: Division of Records and Reporting
- Division of Legal Services (Jaber, O'Sullivan)
- Division of Water and Wastewater (Willis, Merchant, Crouch, Rendell)

RUTLEDGE, ECENIA, UNDERWOOD, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

STEPHEN A. ECENIA
KENNETH A. HOFFMAN
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GOVERNMENTAL CONSULTANTS.

RECEIVED
AUG - 2 1995
PATRICK B. MALOY

August 2, 1995

EPSC-RECORDS/REPORTING
HAND DELIVERY

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

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

Dear Ms. Bayo:

Enclosed herewith for filing in the above-referenced docket are an original and nineteen copies of the Amended and Restated Application of Southern States Utilities, Inc. ("Southern States") for Increased Water and Wastewater Rates, Allowance for Funds Prudently Invested and Service Availability Charges. The Amended and Restated Application includes Southern States' service areas in Hernando, Hillsborough and Polk Counties and, thus, addresses revenue requirements for 105 water and 47 wastewater service areas. The Amended and Restated Application continues to include the water and wastewater facilities currently owned by Orange-Osceola Utilities, Inc. in the Buenaventura Lakes service areas for the 1996 projected test year only. This application for increased water and wastewater rates, AFPI and service availability charges includes all of these 152 service areas. In support of the Amended and Restated Application, we also are filing copies of supplemental volumes to the Minimum Filing Requirements ("MFRs") and the other pertinent information previously filed in this docket.

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

RECEIVED & FILED

Kay Lynn
EPSC-BUREAU OF RECORDS

EXHIBIT "B"

317

Ms. Blanca S. Bayo, Director
Page 2
August 2, 1995

If you or your staff have any questions or experience difficulty regarding this Amended and Restated Application, supplemental volumes to the MFRs or associated documents, please do not hesitate to call Matthew Feil, Esq., at (407) 880-0058, ext. 260 or Ms. Karen Shofter, at ext. 160. Thank you for your anticipated assistance with this filing.

Sincerely,


Kenneth A. Hoffman

KAH/rl

cc: Brian P. Armstrong, General Counsel
Matthew Feil, Esq.
Ms. Karen Shofter

RECEIVED

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



DIVISION OF WATER &
WASTEWATER
CHARLES HILL
DIRECTOR
(904) 488-8482

Public Service Commission

June 26, 1995

Mr. Brian P. Armstrong
Southern States Utilities, Inc.
1000 Color Place
Apopka, Florida 32703

RE: Docket No. 950495-WS, Application of Southern States Utilities, Inc. and Orange
Osceola Utilities, Inc. for increased water and wastewater rates.

Dear Mr. Armstrong:

Please be advised that the minimum filing requirements have now been met and that
the official date of filing for the above case is hereby established as August 2, 1995.

Sincerely,

Charles H. Hill
Director

cc: Division of Records and Reporting
Division of Water and Wastewater (Willis, Crouch, Merchant, Rendell)
Division of Legal Services (Jabor, O'Sullivan)
Jack Shreve, Office of Public Counsel
✓ Kenneth A. Hoffman, P.A.

EXHIBIT "C"

State of Florida

Commissioners:
THOMAS M. BEARD, CHAIRMAN
BETTY EASLEY
J. TERRY DEASON
SUSAN F. CLARK
LUIS J. LAUREDO



DIVISION OF WATER &
WASTEWATER
CHARLES HILL
DIRECTOR
(904) 488-8482

Public Service Commission

RECEIVED

JUN 23 1992

June 22, 1992

Mr. Kenneth A. Hoffman
Messer, Vickers, Caparello, Madsen, Lewis & Metz
P.O. Box 1876
Tallahassee, Florida 32302-1876

RE: Docket No. 920199-WS, Application of Southern States Utilities, Inc. and
Deltona Utilities, Inc. for an increased in water and wastewater rates.

Dear Mr. Hoffman:

Please be advised that the minimum filing requirements have now been met and that
the official date of filing for the above case is hereby established as June 17, 1992.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles Hill".

Charles H. Hill
Director

cc: Division of Records and Reporting
Division of Legal Services (Bedell, Feil, Summerlin)
Division of Water and Wastewater (Willis, Crouch, Messer, Merchant)

COMPOSITE EXHIBIT "D"

LAW OFFICES

MESSER, VICKERS, CAPARELLO, MADSEN, LEWIS, GOLDMAN & METZ
A PROFESSIONAL ASSOCIATION

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TALLAHASSEE, FLORIDA 32302-1876
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2000 PALM BEACH LAKES BOULEVARD
WEST PALM BEACH, FLORIDA 33409
TELEPHONE (407) 640-0820
TELECOPIER (407) 640-8202

Tallahassee
REPLY TO:

June 17, 1992

HAND DELIVERY

Mr. Charles H. Hill
Director
Division of Water and Wastewater
Florida Public Service Commission
Fletcher Building
101 East Gaines Street
Tallahassee, FL 32399-0870

Re: Docket No. 920199-WS: Application For Increased
Water and Wastewater Rates By Southern States
Utilities, Inc. and Deltona Utilities, Inc.

Dear Mr. Hill:

We are in receipt of your letters dated May 21 and 29, 1992, concerning alleged deficiencies in the application of Southern States Utilities, Inc. (Southern States) and Deltona Utilities, Inc. (Deltona) (hereinafter these two companies shall be collectively referred to as "Southern States") for increased water and wastewater rates. We have reviewed our filing, the Commission rules and your letters, and we offer the following in response to the alleged deficiencies.

Letter dated May 21, 1992

1. Volume I, Book 3 of 4, Volume II, Books 1 through 6 of 11 and Volume III, Books 1 through 3 of 6, Schedule B-7. The calculations have been made using Average Equivalent Residential Connections. The minimum filing requirements require the calculations to be made using customers, not Equivalent Residential Connections.

Mr. Charles H. Hill
Page 2
June 17, 1992

Response:

By letter dated June 4, 1992, Staff amended their May 21, 1992 deficiency letter to remove this deficiency.

2. Volume II, Book 7 of 11, Schedule D-4 has been omitted for Minnesota Power and Light.

Response:

Schedule D-4 (for Minnesota Power), Volume II, Book 7 of 11 is attached hereto as Appendix A (20 copies).

3. Volume II, Book 11 of 11. Schedule F-3 for the Fern Park water system has been omitted from the filing.

Response:

Schedule F-3 (for Fern Park), Volume II, Book 11 of 11, is attached hereto as Appendix B (20 copies).

4. Volume II, Book 8 of 11 and Volume III, Book 4 of 6. Schedule E-2A for all systems includes proposed miscellaneous service charge revenues in the "present rates" column. The schedules should be corrected to include present miscellaneous service revenues in the "present rates" column and refiled.

Response:

By letter dated June 3, 1992, the Commission approved the consolidated tariff of Southern States and Deltona effective June 5, 1992 (WS File No. WS-91-0190). The miscellaneous service charges shown in the MFRs, which are the subject of this deficiency, are the charges indicated in the consolidated tariff which is now effective. We propose no change from these charges and, therefore, believe that the present and proposed miscellaneous revenues indicated in the MFRs are accurate.

5. Volume II, Book 8 of 11:

A. Fountains. There is no billing analysis to support the bills and gallons that are identified on Schedule E-24, page 297.

B. Fountains. Schedule E-2B has been omitted.

C. Fountains. Schedule E-3 has been omitted.

Response to Deficiency No. 5, subparts A through C:

Mr. Charles H. Hill
Page 3
June 17, 1992

Fountains is a new system being operated by Southern States pending FPSC approval in Docket No. 911212-WU. Since we cannot bill these customers until Commission approval of our request to do so, no billing analysis is available, and no information is available to complete Schedules E-2B and E-3. We therefore omitted these schedules from our filing. We used budgeted 1992 billing determinants to calculate Fountains' proposed revenues. For 1992, we budgeted for 180 residential bills per year with an average consumption of 8,000 gallons per bill.

D. Intercession City. Separate billing analyses must be filed to support the SP and RG classes of service identified on Schedule E-2A, page 309.

Response:

A billing analysis summary of Schedules RG and SP is attached hereto as Appendix C (20 copies). The "SP" data does not represent a "class of service." Schedules RG and SP both apply to the same residential class of service. The SP data merely reflects a special billing arrangement requested by duplex customers. Thus, SP rates are calculated by dividing the residential rate by two. The billing analysis on Schedule E-14 includes RG and SP billing determinants by meter size. Detailed summaries by rate codes supporting the schedules also are provided in Volume V, Book 1 through 3.

E. Intercession City. The rates by meter size are not identified by meter size on Schedule E-1A, page 33.

Response:

As indicated in the response to deficiency no. 5(D) above, the SP schedules represent a billing arrangement for duplex customers. Thus, "SP rates" are merely the quotient resulting when residential rates are divided by 2. Therefore, the rates by meter size for the RG and SP schedules are identical and are provided by meter size on Schedule E-1A, page 33. Attached as Appendix D (20 copies) is a Schedule E-1A (Revised), page 33 of 94. This schedule has been revised to change the schedule's title from "Schedule RG" to "Schedule RG/SP".

F. Marion Oaks Utilities. The rates by meter size for the residential class of service are not identified on Schedule E-1A, page 47.

Response:

Rates for Marion Oaks' commercial and residential classes are identical. Therefore, the rates by meter size for commercial and

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residential classes also are identical. Attached as Appendix E (20 copies) is Schedule E-1A (Revised), page 47 of 94. This schedule has been revised to change the schedule's title from "Commercial" to "Residential/Commercial".

G. Meredith Manor. Separate billing analyses must be filed for the RG and SP Commercial classes as indicated in Schedule E-2A, page 324.

Response:

A billing analysis summary of Schedules RG and SP is attached for your information as Appendix F (20 copies). Rate Schedules RG and SP both apply to the same residential class of service. The SP data merely reflects a special billing arrangement requested by duplex customers. Thus, SP rates are calculated by dividing residential rates by two. The billing analysis on Schedule E-14 summarizes RG and SP billing determinants by meter size. Detailed summaries supporting the schedules by rate codes also are provided in Volume V, Book 1 through 3.

H. Palisades Country Club. Schedule E-2A must be supported by a billing analysis. The billing analysis on page 465 of Volume II, Book 10 of 11 does not support Schedule E-2A as required.

Response:

Southern States received Commission authority to provide service to Palisades Country Club in 1991. We only billed our Palisades' customers for one month of service in 1991. Therefore, only one month of data is reflected in our 1991 billing analysis. We used budgeted 1992 billing determinants to calculate the annualized and proposed revenues reflected in Schedule E-2A. For 1992, we budgeted for 312 residential bills per year with an average consumption of 10,000 gallons and 14 commercial bills with an average consumption of 244,000 gallons.

I. Quail Ridge, Schedule E-2A must be supported by a billing analysis. The billing analysis on page 539 of Volume II, Book 10 of 11 does not support Schedule E-2A as required.

Response:

Southern States received Commission authority to provide service to Quail Ridge in 1991. We only billed our Quail Ridge customers for one month of service in 1991. Therefore, only one month of data is reflected in our 1991 billing analysis. We used budgeted 1992 billing determinants to calculate the annualized and proposed revenues reflected in Schedule E-2A. In 1992, we budgeted for 228 residential bills per year with an average consumption of

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5,000 gallons.

J. Zephyr Shores. A billing analysis must be filed to support the separate Commercial class of service for 3 inch and 4 inch meters as well as the PF class of service on Schedule E-2A, page 375.

K. Zephyr Shores. The billing analysis does not support the bill and gallons listed for the 1-1/2 and 2 inch meters on page 374-375 on Schedule E-2A.

Response to Deficiency No. 5, subparts J and K:

The commercial class of service for 3" and 4" meter sizes indicated on Schedule E-2A is the result of an inadvertent mislabelling of service classes. The data relates to 1" and 1 1/2" meter sizes. There are no commercial customers with 6" meters although a commercial rate code was incorrectly assigned for a brief period to a customer during the early part of 1991. The billing analysis for the 6" commercial class should be labelled FP class. We inadvertently included the billing determinants associated with the 6" meter in the calculation of the revenues. A revised Schedule E-2A, page 101 through 103 (20 copies) is submitted herewith as Appendix H to correct this error. A copy of the billing analysis correcting the labelling from "COM" to "FP" also is attached as Appendix G (20 copies).

6. Volume III, Book 4 of 6:

A. Palm Terrace. A billing analysis must be filed to support the separate Residential RS2 class of service on Schedule E-2A, page 154.

Response:

A billing analysis summary of Schedules RS1 and RS2 is attached hereto as Appendix I (20 copies). Rate Schedules RS1 and RS2 apply to the same residential class of service and are identical on a monthly basis. The billing analysis on Schedule E-14 summarizes RS1 and RS2 billing determinants in one residential class by meter size. Detailed summaries supporting the schedules by rate codes are provided in Volume V, Book 1-3.

B. South Forty. The billing analysis for residential customers on page 800 of Volume III, Book 5 of 6, does not support Schedule E-2A as required.

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Response:

The consumption by most of our South Forty customers is measured by cubic feet, rather than gallons. The billing units shown in the billing analysis include both cubic feet and gallons since the billing analysis reflects the "as billed" units. Schedule E-2A reflects the billing analysis after the cubic feet of measurement is converted to gallons. Therefore, the billing units shown in the billing analysis are not consistent with the information provided in Schedule E-2A. A billing analysis summary of consumption showing units measured by cubic feet and gallons, individually, is attached as Appendix J (20 copies).

7. Volume II, Books 1 through 6 and 8 of 11 and Volume III, Books 1 through 4 of 6. The E-2 schedules for water and wastewater showing total proposed revenues should match Schedules B-1 and B-2 that also lists the total proposed revenues. These schedules do not match. Either revised schedules must be filed or another set of schedules must be provided that reconciles this difference.

Response: Attached as Appendix K (20 copies) are Revised B-1 and B-3 Water Schedules which have been revised to match Schedules E-2. Attached as Appendix L (20 copies) are Revised B-2 and B-3 Wastewater Schedules which also have been revised to match Schedules E-2.

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8. Schedule B-9, Analysis of test year contractual services. The company's analysis was based on 2% of required revenues not test year revenues as the MFRs require. The company must also indicate for each system whether the 2% threshold was exceeded. Further, the detail provided in Volume I regarding the benchmark is not satisfactory. The instructions require, for those amounts exceeding 2% of test year revenues, that specific detail by type of service, separated by system and method of allocation must be provided.

Response:

The information requested is provided in Appendix M, attached (20 copies). As indicated in the MFRs, administrative and general and customer service expenses were allocated to the systems based on number of customers. The nominal "allocation from SSU" applies only to certain testing on systems owned and operated by Southern States Utilities, Inc. These costs were allocated based on direct labor.

9. Schedule B-10, Analysis of Rate Case Expense. The company did not provide a breakdown of consultants by individuals

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assisting in the preparation and processing of this application and the number of hours to complete the case. An hourly rate range per consultant is not acceptable.

Response:

The requested information is provided in Appendix N (20 copies) which contains a schedule entitled, "Supplemental Information to Schedule B-10, Analysis of Rate Case Expense."

10. Income Tax Expense Schedule C-1, C-2, C-3 and C-5. These schedules reflect the total company numbers only. These amounts are also required to be reflected on a per system basis and between water and wastewater.

Response:

By letter dated June 10, 1992, the Commission rescinded the portion of this alleged deficiency regarding "per system" information. Attached as Appendix O (20 copies) are revised Schedules C-1, C-2, C-3, C-4 and C-5 which have been revised to present the information requested by the Commission.

Additional Information:

Schedules E-2A found in Volumes II and III of the filing have been revised to include both required and proposed revenues under final rates. The modified Schedules E-2A are included in Appendix P (20 copies). In addition, the proposed revenues of the following water systems have been revised to correct inaccuracies in the private fire protection schedules. The systems affected by the revisions to the private fire protection schedules are:

<u>System</u>	<u>Proposed Revenues</u>	
	Prior	Revision
Burnt Store	\$281,415	\$281,395
Keystone Heights	285,375	283,883
University Shores	811,583	809,523
Zephyr Shores	94,366	90,321

Supplemental information to Schedule E-2A for water and wastewater also are attached hereto as Appendix Q & R, respectively (20 copies). This supplement provides present, required, and proposed revenues under interim rates. Summaries for the Typical Water and Wastewater Bill Comparison contained in Volume I, Book 1, W-Schedule E, under proposed interim rates are revised to reflect the required interim rates.

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Finally, attached as Appendix S (20 copies) are revisions to the following portions of Volume I, Book 1 of 4:

Overall Financial Summary - Water and Wastewater
W - Schedule B
W - Schedule C
W - Schedule E
WW - Schedule B

These revisions to incorporate changes made pursuant to the deficiency responses addressed in this letter. We determined that the replacement of the Overall Financial Summary, W-Schedule B and WW-Schedule B of Volume I, Book 1 of 4, in toto, would be more easily managed than an attempt to replace individual pages in these sections affected by our responses. For W-Schedule C and W-Schedule E only affected pages have been provided.

We believe the information contained in this letter and attached hereto responds fully to your letters dated May 21 and 29. Please let us know at your earliest convenience if further information is required.

Sincerely,


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and

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