920199-WS

SOUTHERN STATES UTILITIES, INC.
RESPONSE TO REQUEST FOR PRODUCTION OF DOCUMENTS
DOCKET NO. 920199-WS

REQUESTED BY:	OPC
SET NO.:	7
DOCUMENT REQUEST NO.:	172
ISSUE DATE:	Aug 14, 1992
PREPARED BY:	Charles Sweat

DOCUMENT REQUEST: 172

Provide a copy of all internal memorandum, reports, studies, and other documents between or by employees of the Company, Topeka, MPL, between or by consultants of the company, Topeka, and MPL, and all memorandum to files which address the Company's discontinuance of the remainder of its gas operations.

RESPONSE: 172

Please see attached Appendix DR-172A. The Company requests confidential treatment of the information provided as it relates to proposed sales and internal valuation of remaining systems which the Company wishes to sell and, as such, the Company could be harmed by disclosure of this information to third parties.

DOCKET 920199-WS
CASE # 93-03324
CASE # 93-04089
VOLUME # 81

~~CONFIDENTIAL~~ EXHIBIT "B"

(order 92-1266)
Declassified

SSU SERVICES

General Offices
Customer Service
1000 Color Place
Apopka, FL 32703
(407) 880-0100
1-800-432-4501

Notice to our LP Gas Customers

December 30, 1991

Dear Customer:

Southern States Utility Services, Inc. (Southern States) and Flo-Gas Corporation (Flo-Gas) have entered into an agreement for Flo-Gas to purchase all LP Gas operations currently owned and managed by Southern States' Deltona Lakes LP gas division (Deltona). Southern States/Deltona will continue to provide service through December 30. As of December 31, 1991, your LP Gas service will be provided by Flo-Gas, and requests for service after December 30 should be made to Flo-Gas.

If your water and/or sewer service is currently provided by Southern States, this transition will have no effect on that service.

Southern States has taken meter readings on December 19 and 20, and you will receive a final bill based on your LP Gas usage through that date. Flo-Gas will bill you in January for any gas consumed after the meter reads on December 19 and 20. If you have a LP gas deposit on account with Southern States/Deltona, that deposit will be transferred to Flo-Gas on December 30. Please be advised that you are responsible for paying your final bill to Southern States whether or not you have funds on deposit with Southern States. The interest accrued on your Southern States LP gas deposit will be applied as a credit on your final Southern States LP gas bill.

If you have any questions about your Flo-Gas account, or if you have questions or problems regarding your LP Gas service, please contact Flo-Gas customer service representatives at 904/734-1951. If we can assist you with questions regarding your Southern States LP gas account, please feel free to contact our customer service representatives at 407/574-6608 or toll-free at 1-800-432-4501. We have enjoyed the opportunity to serve your LP Gas needs.

Very truly yours,

Judy Lee Sweat

Judy Lee Sweat, Manager
Customer Service

SSU
SERVICES
intra-company correspondence

TO:	Bud Atkisson	Apopka
	Tony Bouvier	Marion Oaks
	Gary Caporale	Deltona
	Tom Eaton	Deltona
	Frank Farrell	Spring Hills
	Gary Hines	Deltona
	Todd Healy	Deltona
	Wesley Hoch	Spring Hill
	Ray Johnson	Citrus Springs
	Dennis Krouse	Spring Hill
	Mike Lackey	Deltona
	John McDowell	Marion Oaks
	Donnie Middleton	Deltona
	Timothy Mincevich	Spring Hill
	Rocky Przekora	Spring Hill
	David B. Schroeder	Lehigh
	Richard J. Sullo	Deltona
	Frank Volpe	Spring Hill
	Tom Ziegler	Marco Island
cc:	Bert Phillips	
	Charles Sweat	
	Karla Olson Teasley	

Mike

From: Mike Schweizer

Date: August 12, 1991
Re: Possible sale of the gas division

I've been talking with many of you concerning any fears or concerns you might have, if the Gas Division is sold. I will attempt to answer some of the questions you have:

Q: WILL I LOSE MY JOB?
A: You will be able to choose what offer is best for you, as an individual. If you are offered a comparable position by the acquiring company, you should give serious consideration to it. If you decide that you would prefer to remain with SSU, you may bid on any available openings locally and throughout the state, as long as you're willing to be relocated and/or retrained. If the acquiring company does not offer you a position, we will find one for you within SSU, as long as you're willing to be relocated and/or retrained. We will try our best to place you in a new position comparable in status to your current job. Some of you have indicated an interest in possibly transferring to North Carolina, South Carolina, Minnesota Power or any of its subsidiaries. I will be in touch with all MP's subsidiaries, and will send them a copy of your resume. We'll do all we can to help you in this endeavor.

Q: WILL SEVERANCE PAY BE PAID TO SOMEONE WHO CAN'T MOVE?
A: Some of you have indicated that you are unable to relocate to another part of the state because of family ties or working spouses. Severance pay will be paid to any employee:

1) whose position has been eliminated due to the sale of the gas division and

2) Who is not able to relocate to remain with the company and

3) who has not been offered a job at a pay rate equilvalent to your current rate, by the acquiring company.

Severance payment will be equal to one month of pay for every two years of service with this and predecessor companies. For example, an individual that meets the above criteria and who has 6 years of service will get 3 months severance. An individual with 7 years of service would get 3.5 months severance.

Human Resources will work with each affected person to help them refine job hunting skills, interviewing techniques etc., and provide them with as much outplacement assistance as possible. In addition, the Florida Dislocated Worker Unit, Division of Employment Security, the local Private Industry Council ,our Employee Assistance Program and other resources will be called in to help individuals secure employment.

Q: WILL THERE BE ANY RELOCATION ASSISTANCE, IF I DECIDE TO STAY WITH THE COMPANY?
A: Yes. Dislocated workers will be provided the relocation benefits outlined in the attached policy statement, which we are amending to include Dislocated Employees, regardless of exempt or non-exempt status.

Q: WILL THE COMPANY PAY FOR RETRAINING?
A: Yes. There seems to be some confusion regarding training and Education Assistance. At the present time, training expenses are looked at closely due to budgetary constraints. However, Education Assistance has not been impacted. If you take a course that is required for some license (water, wastewater, distribution or collection), to complete a GED, or a course that is required for a degree in a field related to some potential future assignment with the company; the cost of tuition, books, registration and lab fees will be paid by the company. A form and the policy is attached for your convenience. If you are interested in one of Sacramento University's correspondence courses in water or wastewater collection, please let me know and I will send you a brochure.

Q: IF I STAY WITH THE COMPANY, WILL MY PAY BE CUT IF I TAKE A POSITION THAT IS CLASSIFIED LOWER THAN MY CURRENT JOB?
A: If you take a position covered by the bargaining unit at Deltona, your pay will be whatever is mandated by the collective bargaining agreement. Beyond this, no one's pay will be reduced, if they elect to stay with the company. We will do our best to

place you in a position of comparable status, based on your qualifications.

Q: WILL MY MERIT INCREASES BE AFFECTED IF I TAKE A POSITION CLASSIFIED LOWER THAN MY CURRENT JOB?
A: Possibly. Merit increases are based on performance and your position within the salary grade for the position you are occupying. We will discuss this situation with you personally before you accept any position within the company.

Q: HOW SOON WILL I BE ABLE TO FIND OUT WHAT OPPORTUNITIES THE COMPANY HAS TO OFFER?
A: Human Resources staff will visit each facility with gas operations and talk with you individually to determine what your wants and needs are, and to find out how we can help you. The staffing budget for 1992 has been approved. HR Staff will discuss each new position budgeted for 1992 with you, as well as current vacancies. Remember, though, that no one has made an offer yet for the gas division and our customers still need to be serviced.

Both Roxan Haggerty and I have been through situations very similar to what you are facing right now. Rumors will be flying in the coming months. If you have any questions, concerns or would like some rumor you might have heard addressed, PLEASE CALL US. We are here to help you. You may also want to make use of your Employee Assistance Program (EAP). They can be a big help to you in learning to cope with changes and stress. Remember, their services are completely confidential, so don't be afraid to use them. Their toll free number is 1-800-272-7252. They are open from 9 a.m. till midnight, Monday through Friday.

SSU
SERVICES
intra-company correspondence

DATE:	August 1, 1991	
TO:	Donnie Middleton	Doug Lovell - Deltona
	Bud Atkisson	Bill Williams - Spring Hill
	Gary Caporale	Dave Denny - Marco Island
	Dennis Krouse	Bob Williams - Citrus Springs
	Karla Teasley	Joe Roberts - Marion Oaks
	Chuck Wood	Harold Register - Sunny Hills
FROM:	Judy Kimball	
RE:	Sale of Gas Business	

Account No. 166.200 was previously established to accumulate costs related to the sale of the gas business. At the time that account number was created, we were asking that in-house labor not be charged to this account, but expensed as incurred. This decision has raised several questions as to the appropriate account to charge for payroll purposes.

Because of the number of individuals working on accumulating information for the sale and the diversity of costs centers involved, the decision has been made to charge all labor related to this effort to the referenced account as well. Therefore, all payroll costs associated with the sale of the gas business should be charged to Account 166.200 and coded to plant 50000.

JJK/alt

cc: Dick Ausman
Donnie Crandell
Kathy Harter
Laura Holquist
Bert Phillips
Robin Small

SSU
SERVICES
intra-company correspondence

Date: June 24, 1992

To: Distribution

From: Esperanza Mercado

Ref: Gas Sale Meeting - 6/23/92

==

Present:

Allison Sweat	Billing Department, SSU
Esperanza Mercado	IS Department, SSU
Laura Holquist	MP
Michael Krimbill	Heritage Propane
R.C. Mills	Heritage Propane
Sandy Kicliter	Heritage/Sawyer
Judy Sweat	Cust. Service, SSU
Bud Atkisson	SSU

The plan is to close the deal on July 31, 1992.

As of now we will continue reading all the meters on schedule. Once we finalize the agreement, we will take the final meter readings as follows:

Marion Oaks	7/20 and 7/21	Monday & Tuesday
Citrus Spring	7/20 and 7/21	Monday & Tuesday
Pine Ridge	7/20 and 7/21	Monday & Tuesday
Spring Hills	7/22 and 7/23 -	Wed. & Thur.

Cycle one and two will be read in July and billed in July as scheduled. Cycle three will be read in July 13-15 just in case the deal falls through.

What we need to do:

Send a letter to the customers explaining what is going on. Judy Sweat will modify the letter that was sent out when Deltona Gas sale took place. Heritage representatives will review the letter and provide input. The letter should include the cut off date.

The deposits on the customer files will be removed before we produce the final bill. A check for the total amount of the deposits will be handed to Heritage Reps. Interest at a 6% rate will be credited to the final bill as of 7/31/92.

Consumption information will be provided in two different reports: one for 1991 and another one for 1992.

SSU
SERVICES
intra-company correspondence

This information will also be available in a Diskette. Credit and payment history and rate schedules will also be provided.

Special Labels will be printed, sorted by book and sequence number so Heritage can use them (stick them) in their books. Customer Number, name, service address, account number, book number, sequence number, meter or serial number, previous reading and current reading will print on the labels. Special labels will be ordered to make sure we can fit all the information.

The final bills will go out within two weeks after the cut off day. Ninety days after 7/31/92 , any unpaid balance for the last/final billing charges will be covered by Heritage UP TO the amount of the customer's deposit MINUS any balance owned by the customer to Heritage.
SSU will provide a list of delinquent amount 21 days after the final billing so Heritage can follow up with the customers. If the customers refuse to pay SSU, the service will be cut off.

Larry and John Hughes from Computer Energy Inc will contact Esperanza to discuss the format in which SSU will provide the information.

Other Issues:
Deposits are not refunded until the customer close the service.
Spring Hills has been using Hand Held Devices to read the meters for the last two years.
Customers with "Tanks" are charged base facility even if there is no usage.

Distribution:
- Jack Bush
- Judy Sweat
- Helena Loucks
- Forrest Ludsen
- Allison Sweat
- Karla Teasley
- Bud Atkisson

DRAFT

LIQUEFIED PETROLEUM GAS BUSINESS

SOUTHERN STATES UTILITY SERVICES

ISSUES AND OPPORTUNITIES

June, 1990

LP Gas Business Background

The Deltona Utilities entered the liquefied petroleum (LP) gas business as part of an effort by Deltona Corporation to meet the commitment to provide a complete infrastructure of utility services to purchasers of homes and businesses in its development communities. The pipeline distribution was installed in anticipation of natural gas service and is built to those specifications. The initial customer base was not sufficient to attract a natural gas supplier, however, so the utilities took on the LP gas business. While active, Deltona's home construction subsidiary assured customer growth by installing gas furnaces, water heaters, appliances, etc. That equipment is now being replaced, with customers making choices between electric and gas alternatives.

According to 1988 statistics, approximately 3 million consumers use LP gas in the state of Florida. Our subsidiary companies Deltona Utilities and United Florida Utilities provide gas service to approximately 8,400 residential and over 100 commercial customers as of the end of 1989. Over 90 percent of our gas customers are served by our pipeline distribution system on a metered basis. Bulk or metered tank service is available for customers not on the pipeline. Bobtail delivery of gas to customer tanks is provided by outside services under contract to us except at Marco Island where we own all equipment and provide the delivery service. At Marco Island we also provide 20# gas cylinder fill service.

Regulation

Franchises are not granted for the LP gas business in Florida where we operate in a competitive environment. Due to our pipeline distribution system, we are covered by U. S. Department of Transportation guidelines for transport of gas. The Division of Liquefied Petroleum Gas of the Department of Insurance of the State of Florida regulates the sale of LP gas, especially as it affects the public welfare and safety. The division is responsible to enforce pertinent laws and regulations related to the storage, handling and safe consumption of LP gas. It also enforces the federal Pipeline Safety Act, provides safety seminars, and regular inspections of all licensed LP gas facilities to assure compliance. Licensing requirements are set forth for "Dealers in LP Gas, and in Appliances and Equipment using LP gas". Individual licenses are issued annually.

Florida LP Gas Business

RETAIL DEALER MEMBERS

	'87	'88	
	Number of Dealers		Retail Gallons Sold
A)	75	63	Up to 500,000
B)	26	19	500,000 to 1,000,000
C)	13	11	1,000,000 to 1,500,000
D)	3	4	1,500,000 to 2,500,000
E)	5	7	2,500,000 to 3,500,000
F)	2	1	3,500,000 to 5,000,000
G)	4	5	5,000,000 to 7,000,000
H)	6	4	Over 7,000,000
	134	114 Dealer Members	

How Deltona LP Gas Business and others fit in ('88):
E) Deltona/United Florida Utilities
C) General Development
A) Lehigh
H) Suburban Propane
(Source: Member Directory - Florida LP Gas Dealers)

Staffing

Approximately 10 full-time positions support the gas business. The marketing manager, Arthur (Bud) Atkisson, is responsible for sales, pricing and customer contracts, negotiating price with suppliers and promotional efforts. The gas operations manager, Donnie Middleton, is responsible for service, maintenance, gas safety, training, and overview of operations at all locations. The other full-time positions include one welder, a mechanic/welder, two distribution laborers, a distribution mechanic, a distribution supervisor and two service technicians. Management, billing, meter reading, accounting, rates, administrative, data processing, etc. personnel throughout all areas of the company allocate portions of their time to the gas business either on a direct labor basis, or frequently, an estimated percentage. Gas activity peaks in the three to four winter months and is reflected in the allocation of labor costs.

Insurance Coverage and Costs

According to a December 1989 analysis of the insurance coverage maintained for the combined entities of Deltona and SSU, the cost of general liability insurance related directly to the gas business is $22,416. This cost is 14.6% of the total general liability cost ($153,761) and 2.3% of the total insurance coverage cost ($978,169).

In late 1989 our general liability carrier, Ranger Insurance, inspected our LP gas operations and were comfortable with all aspects of the operations. We responded satisfactorily to all of their follow-up inquiries including those regarding the gas check program, formalized training program, leak testing and response to calls, odorant use and testing, cylinder inspection and scale testing, regulator testing and changeout, and bobtail delivery responsibilities. An extensive 'Inspection and Operation Maintenance Plan' is maintained for each location and coordinated by Donnie Middleton.

Gas Plant and Equipment

At year end 1989, the total LP Gas Plant in Service net of accumulated depreciation was $3.9 million. Gas plant investment by Deltona Community follows:

	December 31, 1989 ($000)		
	Gas Plant	Accumulated Depreciation	Net Plant Investment
Deltona Utilities, Inc.			
Deltona Lakes	1,765	601	1,164
Spring Hill	1,441	445	996
Marco Island	1,147	442	705
	4,353	1,488	2,865
United Florida Utilities			
Marion Oaks	636	148	488
Citrus Springs/Pine Ridge	462	158	304
Sunny Hills	283	64	219
	1,381	370	1,011
Total - All Gas	5,734	1,858	3,876

Plant investment primarily includes the cost of the pipeline distribution systems. We currently own the gas storage facilities (tanks) at Marco Island, Citrus Springs/Pine Ridge, and Sunny Hills. At the other locations Suburban Propane, our primary gas supplier, has provided gas storage facilities for our use. Suburban is the sole supplier at these locations and charges an additional $.05 per gallon for use of large storage tanks and $.20 per gallon for bobtail service and use of customer site tanks. The Suburban gas sales contracts automatically renew from year to year unless terminated by either party. Termination by Suburban gives Deltona Utilities the option to purchase the gas storage facilities at a price approximating 75% of original cost or to have Suburban remove the facilities. Termination by Deltona Utilities gives Suburban the option to force Deltona Utilities to purchase the facilities at this price (75% of original cost) or to remove the facilities. Although these contracts were signed in 1980, they automatically renew from year to year and appear to be in effect currently. A copy of the Deltona Lakes 1980 Agreement with Texgas, which was later acquired by Suburban, is attached as Appendix A.

Suburban proposed to sell the storage facilities at Deltona Lakes, Spring Hill and Marion Oaks to Deltona Utilities in early 1989 for approximately $700,000. Replacement cost for new facilities has been estimated at approximately $1.4 million. Deltona Utilities is currently renting these facilities from Suburban at a cost of $.05 for each gallon of propane going into the tanks or approximately $120,000 per year (2.4 million gallons × $.05). The effect on our income statement of purchasing these facilities for $700,000 would be negative because assuming new debt costs 10% pretax and a 10 year remaining useful life, we would record $70,000 of depreciation and another $70,000 of interest expense for a total pretax related cost of $140,000 vs. $120,000 under the rent scenario. Maintenance and insurance costs would also be incurred if we owned the equipment. Suburban has proposed a method of payment for the facilities which includes $.05 per gallon add-on to the gas price over an eight year period. This method has the characteristics of a capital lease which requires that we record the assets on our books and the related depreciation and interest expense. A copy of Suburban's 1989 equipment sale proposal is attached as Appendix B.

Additional information is needed before any decision can be made whether or not to purchase these gas storage facilities. Although near term operating results would be better by continuing to rent the tanks, longer term considerations such as projected levels of gas sales and actual equipment lives are important. Our rights and obligations with respect to the 1980 Suburban Agreement should be clarified and their current posture relative to a negotiated purchase has been requested and must be evaluated. Also, we should determine what terms for gas purchase and storage facility usage are available from other gas suppliers.

Capital Expenditures included in 1990 budget

The 1990 capital budget for gas operations is $56,433. The budget items are primarily for replacement of operating equipment - with some items being shared with water and sewer operations. The gas budget amount is 0.2% of the total capital budget of about $28 million for 1990.

Marketing - Sales and Promotion Effort

The position of marketing manager was created in 1987, and Bud Atkisson began an effort to focus on the issues facing the business in an increasingly competitive environment. Currently, the gas marketing manager is responsible for initiating, coordinating and evaluating LP gas promotional efforts at all locations. The thrust of the program is first, customer retention; second, replacement of electric appliances/equipment with LP gas; third, securing new commercial customers; fourth, new retail customers. He believes there is room for residential business growth of about 20% within the existing pipeline distribution system over the next five years - plus any new commercial customers and growth in the tank and cylinder business.

Historical customer counts follow:

	Gas Customers				
	Nov. 87	Nov. 88	Nov. 89	Apr. 90	% Change
Deltona Lakes	3,049	3,035	3,060	3,035	<0.5%>
Spring Hill	3,208	3,176	3,104	3,114	<2.9%>
Marco Island	710	711	727	723	1.8%
Marion Oaks	914	916	910	917	0.3%
Citrus Springs	596	588	570	542	<9.1%>
Pine Ridge	35	35	35	33	<5.7%>
Sunny Hills	183	182	177	174	<4.9%>
Total	8,695	8,643	8,583	8,538	<1.8%>

Current promotion efforts include high volume discounts for commercial customers; fixed price for specific time frame; free piping installation with guaranteed usage amount; local 24 hour service; combined utility billing convenience; energy efficiency; gas water heater free with furnace purchase for pipeline customers; special prices on gas appliances to replace existing appliances; swimming pool heating; advantages of LP gas over electric; check-up service; gas appliance/equipment displays in customer business offices; etc. Bud has developed a customer survey which he envisions as a one-on-one home visit to discuss gas usage with utility customers and to collect information on what customers have and want. The survey has not been completed.

Gas appliances and heating equipment are sold to gas customers primarily to maintain or increase gas demand and as a convenience to customers. Merchandising has not been profitable historically on a stand alone basis. Small merchandise inventories are maintained for display and for sale with local contractors performing installation. As sales are made, most of the appliances are obtained from local dealers which eliminates the need for large inventories. However, controls over appliance inventories could be enhanced by maintaining a list of all appliances purchased with current status noted (i.e. in inventory or sold/installed.) These items are expensed as purchased and there is currently no record kept of items in stock.

Gas Pricing to Customers

Until the sharp climb mid-winter '89-90, LP gas prices had stabilized since about 1985 - even declining somewhat. To retain or attract large volume commercial customers, Bud Atkisson developed contracts which guaranteed a certain price to a customer for a period of time (say one year) in exchange for a guaranteed annual consumption minimum amount. This rate was based upon an industry benchmark price and adjusted periodically under the contract terms. He also may incorporate incentives such as piping installation and free service calls for a specified time. The contracts contain penalty provisions for cancellation or not meeting the minimum use. Quality service, technical expertise, reputation, and attention to safety are key considerations for customers when discussing LP gas purchase contracts, also.

Based upon his experience in the industry, Bud's pricing approach is something like this: given a customer with 100,000 gallons annual usage, we need a $.20 per gallon margin including the $.05 premium paid to our supplier for tank usage; given a customer with 10,000 gallons annual usage, he prices at around $.50 over cost. He believes that the pipeline offers the customer a $.10 price advantage over truck delivery to customer-site tank. Bud stresses heavily the impact of competition on pricing, and has questions about the amount of 'overhead' type costs assigned to the gas division by the utilities. Further work should be done here to verify the pricing assumptions being made and the basis for cost distribution/allocation.

Competitive vs. Regulated Business Environment

The structure, policies and procedures of the Southern States Utility Services organization is geared to a regulated mode of operation, working with customers in franchised service areas, focusing on customer service, equitable distribution of costs, and earning a fair rate of return on our investment. Although there are many synergies among the water, sewer and gas businesses, it seems to have been difficult to adapt the established mode of operation to the gas business where competition and opportunism are facts of life. The nature of operating/marketing information requirements is rather different from that normally provided a regulated utility. There can be conflicts when significant price changes occur for gas, and established policies and systems, as well as utility customer relations factors, do not permit quick adjustment of rates. However, the advantages of providing a full range of utility services, combined customer billing, on-site presence of utility personnel, additional customer contact through promotion activities, and the gas business profit we've experienced are factors which accent the synergies of water, sewer and gas.

Profitability and Trends

In 1989 total revenues from LP gas sales of 2.6 million gallons was $2.86 million with a 32.5% gross margin of $.93 million (net of operations/maintenance, administrative, customer service and gas costs). Appendices D and E include historic revenue and cost data for Deltona Utilities and United Florida, respectively. Upon review of revenues and expenses 1980 through 1989, revenues are stable (effect of increased consumption and lower gas prices). Gas costs have declined substantially, while operations, maintenance and administrative costs have experienced significant increases. In 1989, gas cost, operations/maintenance, and customer/administrative expense were 38.6%, 12.2%, and 16.7% of gas revenues, respectively. Although relative growth has been more significant in the less developed utility divisions, the gross margin on gas sales in 1989 continues to be much higher in Deltona utilities than the less mature United Florida Utilities (48% vs. 31%). These statistics represent operating information before tax and debt costs. The corresponding 1989 gross margins in the water and sewer operations were 55% and 47% for Deltona and 46% and 49% for United Florida.

A recently completed consultant's analysis showed the following level of investment and earnings during 1989 for the gas operations.

	($000) Deltona Utilities	United Florida	Total
Gas Investment (Rate Base)	3,056	1,014	4,070
Equity Ratio	44%	76%	52%
Equity Investment	1,334	770	2,104
Net Income	150	45	195
Return on Equity	11.2%	5.8%	9.3%

While returns on gas investment exceed those currently earned on water and sewer, they are below the cost of capital of these entities.

Conclusions and Recommendations

Current earning levels for the Deltona utility group are not adequate and must be improved. On the regulated side of operations, rate case filings and other activities are underway to help correct this situation. Of course, improving gas earnings will require a much different approach. Bud Atkisson's memo (See Appendix C) provides his view of the current status of the gas operation and recommendations for improvement. The memo includes informative background information and proposes actions which must be evaluated.

At this time, it appears that nobody is responsible for the success of the gas business. An individual should be placed in charge of the gas operations who will dedicate 100% of his or her time to this unregulated segment. Once up to speed, this individual should be empowered to make changes required to properly run this business in a competitive environment. These changes would include redesigning information requirements and modifying procedures to allow more timely rate changes.

A more complete set of financial statements relative to the gas operations should be designed. Currently, operating statements are incomplete and gas balance sheets do not exist making it difficult to identify a true level of investment and related return. Such reports are needed on a timely basis to support decision making and assess our success or failure.

A proposal has been made to break out the gas operations as a separate corporation. Establishing either a gas "division" or a separate corporation would be preferable to the current situation in which gas is a "stepchild" to water and sewer. However, the gas operation will continue to require allocated labor and administrative services as gas is too small an operation to justify full time employees at all locations and stand alone billing, payroll, etc., systems.

No information was obtained from investment banking contacts which would assist in determining the value of our gas operation in a sale scenario. We did not request proposals from potential buyers at this time but several have been identified. We feel that any improvements which we can make to the gas operations in the near term will enhance its value if sold. We should better understand what we have and its prospects prior to making this decision.

G. R. Van Tassel

P. D. Bergerson

APPENDIX DR 172-A

PAGE 17 OF 129

UNITED FLORIDA (GAS)

TOTAL REVENUE VS. TOTAL A&G, O&M EXPENSE (SUMMARY OF ALL PLANTS)

	REVENUE	A&G EXP.	OPR. EXP.	MAIN. EXP.	COST OF GAS
1980	$390,272	$52,868	$29,070	$3,738	$266,581
%CHANGE	45.4%	10.8%	-1.7%	140.3%	33.5%
1981	$567,556	$58,565	$28,569	$8,983	$355,862
%CHANGE	-10.8%	2.8%	9.1%	25.0%	-28.3%
1982	$506,381	$60,202	$31,160	$11,231	$255,298
%CHANGE	32.6%	4.6%	22.6%	-40.7%	44.2%
1983	$671,518	$62,956	$38,217	$6,658	$368,033
%CHANGE	-7.2%	15.0%	41.3%	-51.0%	-5.1%
1984	$623,464	$72,382	$53,999	$3,263	$349,338
%CHANGE	-9.2%	20.3%	-0.9%	86.7%	-26.7%
1985	$566,022	$87,049	$53,506	$6,093	$256,158
%CHANGE	11.5%	3.1%	-3.5%	-4.6%	4.8%
1986	$631,005	$89,724	$51,653	$5,814	$268,415
%CHANGE	1.4%	27.3%	-8.1%	-41.8%	-17.4%
1987	$639,766	$114,216	$47,487	$3,384	$221,808
%CHANGE	8.8%	-32.3%	5.5%	-34.9%	15.7%
1988	$696,074	$77,324	$50,086	$2,202	$256,538
%CHANGE	-24.9%	40.0%	20.8%	169.9%	-27.8%
1989	$522,785	$108,267	$60,515	$5,943	$185,259

Appendix E

DELTONA UTILITIES, INC. (GAS)

TOTAL REVENUE VS. TOTAL A&G, O&M EXPENSE
(SUMMARY OF ALL PLANTS)

	REVENUE	A&G EXP.	OPR. EXP.	MAIN. EXP.	COST OF GAS
1980	$2,418,024	$196,748	$83,129	$16,535	$1,785,230
%CHANGE	31.4%	9.6%	30.9%	-13.8%	17.8%
1981	$3,177,964	$215,661	$108,795	$14,249	$2,103,637
%CHANGE	-18.5%	4.6%	-9.8%	-29.9%	-34.9%
1982	$2,590,875	$225,605	$98,158	$9,994	$1,369,838
%CHANGE	24.4%	-5.2%	52.3%	59.1%	30.4%
1983	$3,222,773	$213,905	$149,507	$15,900	$1,785,962
%CHANGE	1.5%	11.2%	7.5%	-29.9%	2.9%
1984	$3,270,538	$237,852	$160,730	$11,143	$1,837,359
%CHANGE	-11.4%	6.7%	-9.1%	-43.6%	-24.3%
1985	$2,897,058	$253,860	$146,141	$6,280	$1,390,250
%CHANGE	-4.2%	6.2%	20.1%	42.9%	-14.2%
1986	$2,774,035	$269,573	$175,443	$8,977	$1,192,802
%CHANGE	3.8%	15.3%	18.3%	103.3%	-11.1%
1987	$2,879,895	$310,904	$207,617	$18,247	$1,060,225
%CHANGE	-2.7%	6.8%	13.3%	28.4%	0.6%
1988	$2,803,087	$331,934	$235,182	$23,437	$1,066,848
%CHANGE	-16.8%	10.6%	10.5%	3.5%	-14.3%
1989	$2,333,206	$367,003	$259,779	$24,266	$914,534

Appendix D

APPENDIX ~~#90~~ DR 172-A

PAGE 19 OF 129

GAS ASSUMPTIONS

Gas Revenues	2800	2912	3028	3150	3275	3407	3543	3685	3832	3985	4145	4310
(Gas Oper.Exp.)	2273	2363	2461	2566	2675	2788	2906	3031	3172	3318	3448	3613
Oper.Income	527	549	567	584	600	619	637	654	660	667	697	697
(Alloc.Int.Exp.)	197	197	197	197	197	197	197	197	197	197	197	197
Pre-Tax Income	330	352	370	387	403	422	440	457	463	470	500	500
(Income Tax)	132	141	148	155	161	169	176	183	185	188	200	200
Gas Net Income	198	211	222	232	242	253	264	274	278	282	300	300

Subsidiary Performance - SCHEDULE SH2

SOUTHERN STATES UTILITY SERVICES ///	Estimated 1990		Projected 1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	- COMMENTS -
INCOME STATEMENT														
Water and Sewer Revenues	33616	::	38295	45057	52551	59107	64800	69926	75554	81716	88586	96186	102200	
Other Oper.Revenues - 1	0	::	0	0	0	0	0	0	0	0	0	0	0	
Other Oper.Revenues - 2	0	::	0	0	0	0	0	0	0	0	0	0	0	
TOTAL REVENUES	33616	::	38295	45057	52551	59107	64800	69926	75554	81716	88586	96186	102200	
O&M, A&G Expenses	21837	::	22693	23930	26759	29945	33447	37350	41667	46430	51674	57473	61500	
Depreciation/Amort.	3511	::	4505	6126	6444	6726	7046	7353	7672	8005	8376	8784	9000	
Other Oper.Expenses (Income)	-735	::	-635	-635	-635	-635	-635	-635	-635	-635	-635	-635	-635	
TOTAL OPER.EXPENSES	24613	::	26563	29421	32568	36036	39858	44068	48704	53800	59415	65622	69865	
OPERATING INCOME	9003	::	11732	15636	19983	23072	24942	25858	26850	27916	29171	30564	32335	
Interest Expense	6968	::	7684	9158	9493	9721	10069	10424	10870	11322	11949	12619	13200	
(FUDC: Debt and Other)	1576	::	539	658	590	533	640	640	696	753	865	972	900	
PRE-TAX INCOME	3611	::	4587	7136	11080	13884	15513	16074	16676	17347	18087	18917	20035	
Income Tax Expense	1314	::	1718	2773	4322	5424	6065	6289	6529	6796	7090	7418	8000	
NET INCOME (Regulated)	2297	::	2869	4363	6758	8460	9448	9785	10147	10551	10997	11499	12035	
NET INCOME (LP Gas)	198	::	211	222	232	242	253	264	274	278	282	300	300	
NET INCOME (Other)	0	::	0	0	0	0	0	0	0	0	0	0	0	
ASSET BASE	Estimated 12-31-90		Projected 12-31-91	12-31-92	12-31-93	12-31-94	12-31-95	12-31-96	12-31-97	12-31-98	12-31-99	12-31-00	12-31-01	
Eligible Rate Base Assets	87023	::	105539	113911	122444	125534	131409	136069	141959	146971	152920	159579	165000	
Net WC Allowance	2058	::	2058	2058	2058	2058	2058	2058	2058	2058	2058	2058	2058	
CWIP	14327	::	4900	5982	5364	4845	5818	5818	6327	6845	7864	8836	8182	
LP Gas Assets	4070	::	4070	4070	4070	4070	4070	4070	4070	4070	4070	4070	4070	
Other Assets (Including NU&U)	42076	::	37748	33423	29100	24779	20460	16144	11830	7517	3216	3144	3000	
TOTAL ASSETS	149554	::	154315	159444	163036	161286	163815	164159	166244	167461	170128	177687	182310	Excluding CIAC funded plant.

Form No. 1 Rev. 10/87

APPENDIX DR-172-A
PAGE 20 OF 129

Topeka Group INC.

intra company correspondence

June 18, 1990

S. W. Vierima

Re: Long Range Forecast Requested Data

As you requested in your May 24 letter, I have put together the following 10-year projections of SSUS gas-related investment and associated returns. Also, I am providing this information to Dick Ausman for his review and incorporation into the consolidated SSUS projections.

At the end of 1989 DUI had approximately $3,050K of gas-related investment funded by $1,320K of equity (DUI's equity ratio was 43% at 12/31/89). DUI's gas earnings in 1989 provided a return on equity of about 11.2%. United Florida had approximately $1,010K of gas investment representing an equity investment of $700K (United Florida's equity ratio was 69.4%). Earnings for 1989 from United Florida's gas operations provided a return on equity of about 5.8%.

This forecast assumes no major changes in the gas operations with gas plant additions equal to annual depreciation and gradual improvement in returns due to 1) more effective management, 2) decreasing cost of debt, and 3) better utilization of United Florida plant as density improves. No changes in equity ratio's have been made.

($000)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
DUI										
'Equity' Investment	1,350 ----------									
ROE	11.5%	12.0%	12.5%	13.0%	13.5%	14.0%	14.5%	15.0%	15.0%	15.0%
Net Income	155	162	169	176	182	189	196	203	203	203
United Florida										
'Equity' Investment	720	750 ----------								
ROE	6.0%	6.5%	7.0%	7.5%	8.0%	8.5%	9.0%	9.5%	10.0%	10.5%
Net Income	43	49	53	56	60	64	68	71	75	79

Please advise if you have any comments or questions.

ASSUME NET MARGIN = 7%
d RAP = 66% of REV.

Phil Bergerson

P. D. Bergerson

PDB:hep

cc: R. P. Ausman
G. R. VanTassel

minnesota power / 30 west superior street / duluth, minnesota 55802 / telephone 218-722-2641

August 28, 1992

Mr. Arthur Atkisson
Southern States Utilities, Inc.
1000 Color Place
Apopka, FL 32703

RE: FPUC Data Request

Dear Bud:

In response to your facsimile to me of August 25 (see attached), I have enclosed the following documents I have generated or have had generated related to the sale of the remaining gas systems:

- LP Gas Valuation Report dated April 9, 1991.
- Justification for Capital Expenditure to Purchase Bulk Storage Equipment for Gas Operations at Spring Hill and Marion Oaks dated February 7, 1992.
- April 1992 Selected Information for Propane Gas Division.
- Propane Supply Consultants of Virginia, Inc. Report dated August 18, 1992.

If you have any questions or need further information, please let me know.

Sincerely,

Laura Holquist

Laura A. Holquist

LAH:mkw
Enclosures

File: Gas sale

minnesota power
intra company correspondence

April 9, 1991

TO: J. K. Vizanko

SUBJECT: LP Gas Valuation

During 1989 Topeka exercised its option to convert the preferred stock of Deltona for all of the outstanding common stock of Deltona's utility companies. In addition to water and wastewater businesses, Topeka acquired an unregulated LP gas segment, which currently serves approximately 8,500 customers. Revenues from LP gas sales for 1990 were about $3.2 million. Lehigh Utilities, a potential acquisition candidate for Topeka in 1991, also has an LP gas segment, which served about 2,100 customers and had revenues of approximately $450,000 in 1990.

The Florida Public Service Commission has indicated that it may consider such unregulated enterprises as being funded 100% from equity, which would negatively impact the earnings of the regulated water business. Further, Topeka is assessing whether LP gas truly fits into its vision for the future. For these reasons, Topeka has requested that we determine the value for which we believe these LP gas assets could be sold. I have considered below two methods to estimate the value of these assets; comparable transaction analysis and discounted cash flow.

Comparable Transactions

I have researched recent LP gas acquisitions and found information on four relatively small (under $35 million acquisition costs) LP gas only transactions. From this information I calculated price multiples based on three operating variables: annual revenues; annual gallons sold; and number of customers. I found that the price paid has averaged 1.75 times annual revenues, 1.72 times gallons sold per year, and $960 per customer. The cost per customer varied more significantly from transaction to transaction. This is due, I believe, to variations in the ratio of wholesale customers to total customers. In my opinion this makes the price per customer a less reliable indicator of the expected value. I have therefore used the price per gallon sold and per annual revenue multiples for this analysis. Net book value and net income information on these transactions was not available for comparison.

Applying these multiples to the Deltona variables for 1990 yields a price in the range of $5 to $5.5 million. For Lehigh, these figures would be $725,000 to $810,000. Thus the combined assets would be valued at $5.7 to $6.3 million. Attachment 1 shows the calculation of these values. It should be pointed out that these transactions occurred in 1989 and that I did not find any sales of LP gas only enterprises occurring since then.

Discounted Cash Flow

One way to look at the value of these assets is to estimate the net cash that they will produce into the future and discount these cash flows to a present value. This discounted amount would represent what we expect to earn and, as such, would represent the minimum amount we would expect to receive on a sale of the assets. I have estimated future revenues and expenses by escalating 1990 values by 4% per year. Income taxes paid are calculated using tax depreciation based on historical depreciation schedules on file in the Tax Department. A terminal value of 1.75 times annual revenues in the tenth year of the projections is assumed, as is a discount rate of 15%.

Based on these projections, the minimum price we would expect to receive for the Deltona assets is $4.8 million. Similarly, the minimum price for the Lehigh assets is $625,000. Attachment 2 shows the cash flows and the calculation of the minimum sale price while Attachment 3 shows the minimum sale price using different discount rate assumptions.

If we were to decline an offer to sell the assets for the $6.3 million indicated by the comparable transaction analysis, we could consider the $5.6 million after tax we would have received to be an investment and the projected net cash generated by the assets to be the cash inflows associated with that investment. The internal rate of return for this cash flow stream is 13.3%. As you increase the amount of the investment (the cash foregone), the internal rate of return associated with the decision to decline the offer decreases.

Income Effects

Currently, the net book value of the combined gas plant assets is approximately $4.6 million ($3.8 million for Deltona and $800,000 for Lehigh). If these assets were sold for $6.3 million based on the comparable transaction analysis, the book gain on the sale would be $1.7 million before tax and $1.0 million after-tax. The after-tax cash received from this sale would be $5.6 million. Attachment 3 shows these effects at various sale prices.

Conclusion

The comparable transaction analysis supports a selling price for the Deltona and Lehigh LP gas assets of $6.3 million. At this price the present value of cash received exceeds the present value of cash we would otherwise expect to receive by retaining the assets. An after-tax gain of $1 million would be recorded on the consolidated Topeka income statement. If Topeka were able to negotiate a higher selling price, the gain and the after-tax cash received would both be greater than indicated.

If you have any questions, please advise.

Dick Hooey

R. G. Hooey

c: D. G. Gartzke
S. W. Vierima
Financial Planning Routing

Attachment 1

LP Gas Recent Transactions
Multiples Applied to Topeka Companies

	Deltona	Lehigh	Combined
1990 Revenues	3,175,000	463,000	3,638,000
Multiple	1.75	1.75	
Indicated Value	5,556,250	810,250	6,366,500

	Deltona	Lehigh	Combined
1990 Gallons Sold	2,900,000	421,000	3,321,000
Multiple	1.72	1.72	
Indicated Value	4,988,000	724,120	5,712,120

DELTONA LP GAS OPERATION
PROJECTED BOOK INCOME AND CASH FLOW

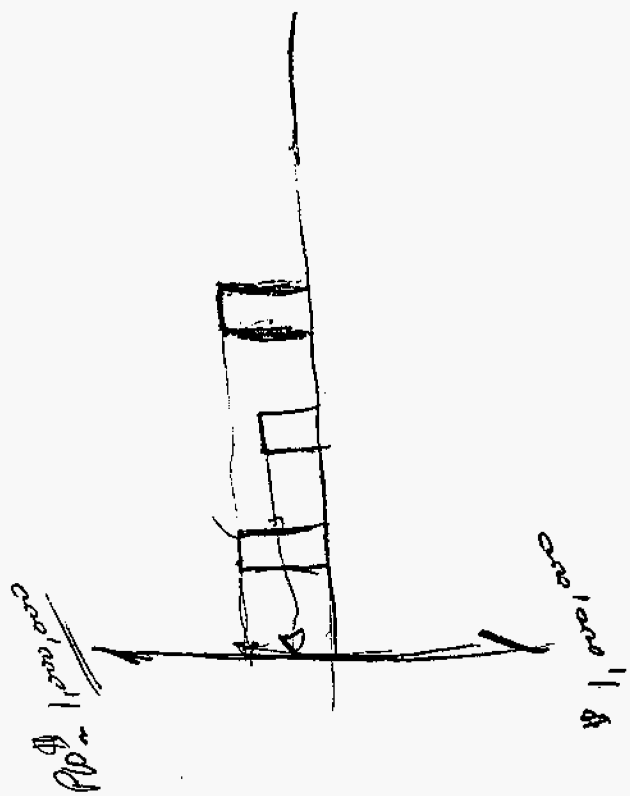
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
GROSS REVENUE	$ 3,300,000	$ 3,432,000	$ 3,569,280	$ 3,712,051	$ 3,860,533	$ 4,014,955	$ 4,175,553	$ 4,342,575	$ 4,516,278	$ 4,696,929
COST OF GOODS SOLD	$ 1,400,000	$ 1,456,000	$ 1,514,240	$ 1,574,810	$ 1,637,802	$ 1,703,314	$ 1,771,447	$ 1,842,304	$ 1,915,997	$ 1,992,637
GROSS PROFIT	$ 1,900,000	$ 1,976,000	$ 2,055,040	$ 2,137,242	$ 2,222,731	$ 2,311,641	$ 2,404,106	$ 2,500,270	$ 2,600,281	$ 2,704,292
VARIABLE OH COST	$ 890,175	$ 925,782	$ 962,813	$ 1,001,326	$ 1,041,379	$ 1,083,034	$ 1,126,355	$ 1,171,410	$ 1,218,266	$ 1,266,997
BOOK DEPRECIATION	$ 151,282	$ 156,325	$ 161,536	$ 166,920	$ 172,484	$ 178,234	$ 184,175	$ 190,314	$ 196,658	$ 203,213
TOTAL OPER EXP	$ 1,041,457	$ 1,082,107	$ 1,124,349	$ 1,168,246	$ 1,213,863	$ 1,261,268	$ 1,310,530	$ 1,361,723	$ 1,414,924	$ 1,470,209
NET OPERATING INCOME	$ 858,543	$ 893,893	$ 930,691	$ 968,996	$ 1,008,868	$ 1,050,373	$ 1,093,576	$ 1,138,547	$ 1,185,358	$ 1,234,083
PRETAX BOOK INCOME	$ 858,543	$ 893,893	$ 930,691	$ 968,996	$ 1,008,868	$ 1,050,373	$ 1,093,576	$ 1,138,547	$ 1,185,358	$ 1,234,083
LESS: INCOME TAX PAID	$ 317,994	$ 331,230	$ 342,202	$ 353,894	$ 366,365	$ 379,647	$ 393,829	$ 408,794	$ 424,386	$ 440,631
LESS: DEFERRED TAXES	$ 5,076	$ 5,142	$ 8,017	$ 10,739	$ 13,272	$ 15,608	$ 17,684	$ 19,641	$ 21,664	$ 23,755
ADD: INVESTMENT INCOME	$ 5,979	$ 24,516	$ 50,757	$ 79,316	$ 110,331	$ 143,946	$ 180,313	$ 219,593	$ 261,964	$ 307,618
NET INCOME	$ 541,452	$ 582,037	$ 631,229	$ 683,678	$ 739,562	$ 799,064	$ 862,377	$ 929,705	$ 1,001,272	$ 1,077,316
CASH FLOW AND RETURN										
CASH FROM OPERATING AC	$ 273,893	$ 726,547	$ 783,147	$ 842,997	$ 906,245	$ 973,069	$ 1,043,605	$ 1,118,205	$ 1,197,280	$ 1,281,077
LESS: CASH FOR INV ACT	$ 0	$ 151,282	$ 156,325	$ 161,536	$ 166,920	$ 172,484	$ 178,234	$ 184,175	$ 190,314	$ 196,658
CASH INFLOW INCL INV I	$ 273,893	$ 575,265	$ 626,822	$ 681,462	$ 739,324	$ 800,585	$ 865,371	$ 934,030	$ 1,006,966	$ 1,084,419
LESS: INVESTMENT INCOM	$ 5,979	$ 24,516	$ 50,757	$ 79,316	$ 110,331	$ 143,946	$ 180,313	$ 219,593	$ 261,964	$ 307,618
PLUS: TERMINAL VALUE	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 6,322,841
CASH INFLOW	$ 267,915	$ 550,749	$ 576,065	$ 602,146	$ 628,994	$ 656,639	$ 685,058	$ 714,437	$ 745,002	$ 7,099,642
NET PRESENT VALUE	$ 232,969	$ 649,415	$ 1,028,187	$ 1,372,466	$ 1,685,187	$ 1,969,070	$ 2,226,608	$ 2,460,159	$ 2,671,935	$ 4,426,858
TOTAL EQUITY	$ 4,321,497	$ 4,903,534	$ 5,534,763	$ 6,218,441	$ 6,958,003	$ 7,757,067	$ 8,619,444	$ 9,549,149	$ 10,550,421	$ 11,627,736
AVG EQUITY	$ 2,160,749	$ 4,612,516	$ 5,219,148	$ 5,876,602	$ 6,588,222	$ 7,357,535	$ 8,188,255	$ 9,084,296	$ 10,049,785	$ 11,089,079
RETURN ON AVG EQUITY	25.06%	12.62%	12.09%	11.63%	11.23%	10.86%	10.53%	10.23%	9.96%	9.72%
GROSS MARGIN	57.58%	57.58%	57.58%	57.58%	57.58%	57.58%	57.58%	57.58%	57.58%	57.58%
PROFIT MARGIN	16.41%	16.96%	17.69%	18.42%	19.16%	19.90%	20.65%	21.41%	22.17%	22.94%
COVERAGE	999999.00	999999.00	999999.00	999999.00	999999.00	999999.00	999999.00	999999.00	999999.00	999999.00

PAGE 26 OF 129
APPENDIX DE 179-A

ATTACHMENT 2
PAGE 1 OF 4

DELTONA LP GAS OPERATIONS
CALCULATION OF MINIMUM SALE PRICE

MINIMUM SALE PRICE		4,831,698
LESS TAX BASIS TODAY	3,755,853	
TAXABLE GAIN	1,075,845	
TAX RATE	37.63%	
TAX		404,841
AFTER TAX CASH RECEIVED		4,426,858



LEHIGH LP GAS OPERATION
PROJECTED BOOK INCOME AND CASH FLOW

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
GROSS REVENUE	$ 482,150	$ 501,436	$ 521,493	$ 542,353	$ 564,047	$ 586,609	$ 610,074	$ 634,477	$ 659,856	$ 686,250
COST OF GOODS SOLD	$ 204,550	$ 212,732	$ 221,241	$ 230,091	$ 239,295	$ 248,866	$ 258,821	$ 269,174	$ 279,941	$ 291,138
GROSS PROFIT	$ 277,600	$ 288,704	$ 300,252	$ 312,262	$ 324,753	$ 337,743	$ 351,253	$ 365,303	$ 379,915	$ 395,111
VARIABLE OH COST	$ 130,000	$ 135,200	$ 140,608	$ 146,232	$ 152,082	$ 158,165	$ 164,491	$ 171,071	$ 177,914	$ 185,031
BOOK DEPRECIATION	$ 29,651	$ 30,392	$ 31,152	$ 31,931	$ 32,729	$ 33,547	$ 34,386	$ 35,246	$ 36,127	$ 37,030
TOTAL OPER EXP	$ 159,651	$ 165,592	$ 171,760	$ 178,163	$ 184,811	$ 191,712	$ 198,878	$ 206,317	$ 214,041	$ 222,061
NET OPERATING INCOME	$ 117,949	$ 123,112	$ 128,492	$ 134,099	$ 139,942	$ 146,031	$ 152,375	$ 158,986	$ 165,874	$ 173,051
PRETAX BOOK INCOME	$ 117,949	$ 123,112	$ 128,492	$ 134,099	$ 139,942	$ 146,031	$ 152,375	$ 158,986	$ 165,874	$ 173,051
LESS: INCOME TAX PAID	$ 40,048	$ 42,033	$ 43,673	$ 45,411	$ 47,272	$ 49,566	$ 52,963	$ 56,880	$ 60,377	$ 63,252
LESS: DEFERRED TAXES	$ 4,336	$ 4,294	$ 4,679	$ 5,051	$ 5,388	$ 5,386	$ 4,376	$ 2,946	$ 2,041	$ 1,867
ADD: INVESTMENT INCOME	$ 1,018	$ 3,852	$ 7,647	$ 11,777	$ 16,264	$ 21,120	$ 26,339	$ 31,912	$ 37,865	$ 44,252
NET INCOME	$ 74,583	$ 80,637	$ 87,787	$ 95,415	$ 103,545	$ 112,199	$ 121,375	$ 131,071	$ 141,321	$ 152,183
CASH FLOW AND RETURN										
CASH FROM OPERATING AC	$ 46,633	$ 112,845	$ 121,042	$ 129,717	$ 138,876	$ 148,234	$ 157,123	$ 166,129	$ 176,229	$ 187,689
LESS: CASH FOR INV ACT	$ 0	$ 29,651	$ 30,392	$ 31,152	$ 31,931	$ 32,729	$ 33,547	$ 34,386	$ 35,246	$ 36,127
CASH INFLOW INCL INV I	$ 46,633	$ 83,194	$ 90,650	$ 98,565	$ 106,945	$ 115,505	$ 123,575	$ 131,743	$ 140,983	$ 151,563
LESS: INVESTMENT INCOM	$ 1,018	$ 3,852	$ 7,647	$ 11,777	$ 16,264	$ 21,120	$ 26,339	$ 31,912	$ 37,865	$ 44,252
PLUS: TERMINAL VALUE	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 957,525
CASH INFLOW	$ 45,615	$ 79,342	$ 83,003	$ 86,788	$ 90,681	$ 94,385	$ 97,237	$ 99,831	$ 103,118	$ 1,064,836
NET PRESENT VALUE	$ 39,665	$ 99,659	$ 154,235	$ 203,856	$ 248,941	$ 289,746	$ 326,301	$ 358,935	$ 388,248	$ 651,459
TOTAL EQUITY	$ 854,252	$ 934,889	$ 1,022,677	$ 1,118,092	$ 1,221,637	$ 1,333,836	$ 1,455,211	$ 1,586,282	$ 1,727,603	$ 1,879,787
AVG EQUITY	$ 427,126	$ 894,571	$ 978,783	$ 1,070,384	$ 1,169,864	$ 1,277,737	$ 1,394,523	$ 1,520,747	$ 1,656,943	$ 1,803,695
RETURN ON AVG EQUITY	17.46%	9.01%	8.97%	8.91%	8.85%	8.78%	8.70%	8.62%	8.53%	8.44%
GROSS MARGIN	57.58%	57.58%	57.58%	57.58%	57.58%	57.58%	57.58%	57.58%	57.58%	57.58%
PROFIT MARGIN	15.47%	16.08%	16.83%	17.59%	18.36%	19.13%	19.90%	20.66%	21.42%	22.18%
COVERAGE	999999.00	999999.00	999999.00	999999.00	999999.00	999999.00	999999.00	999999.00	999999.00	999999.00

LEHIGH LP GAS OPERATIONS
CALCULATION OF MINIMUM SALE PRICE

MINIMUM SALE PRICE		623,154
LESS TAX BASIS TODAY	698,374	

TAXABLE GAIN	-75,220	
TAX RATE	37.63%	

TAX		-28,305

AFTER TAX CASH RECEIVED		651,459
		===========

Attachment 3

LP Gas DCF Analysis
Sensitivity to Discount Rate

	Minimum Sale Price ($ millions)		
Discount Rate	Deltona	Lehigh	Combined
18%	$ 3.7	$ .5	$ 4.2
15%	$ 4.8	$ .6	$ 5.4
12%	$ 6.3	$ .8	$ 7.1

LP Gas Book and Cash Effect
At Various Sale Prices

Combined Sale Price ($ millions)	After-tax Book Gain	After-tax Cash Received
$ 4.6 (Book Basis)	$ 0	$ 4.5
$ 5.4 (DCF Indicated Value)	$ .5	$ 5.1
$ 6.3 (Comparable Sales)	$ 1.0	$ 5.6
$ 7.0 (Sensitivity)	$ 1.5	$ 6.0

Propane Supply Consultants of Virginia, Inc.

(804) 272-0260
Dan and Grace Hinchman

August 18, 1992

Laura A. Holquist
Topeka Group
Minnesota Power
30 West Superior Street
Duluth, Minnesota 55892

CONFIDENTIAL

SSU REVISION II

Dear Ms. Holquist:

Per your request we are submitting a revised report which reflects some additional text as well as additional charts and graphs.

In compliance with an agreement between Topeka Group, Inc., we are submitting our report based on a review of your operating data and financial data as displayed in your prospectus, plus our findings and reactions as a result of a personal visit to all locations except Sunny Hills. During these visits we observed all bulk plant properties, the general area being developed, your field offices and certain underground tank systems.

Prior to beginning our visit, we met with D. E. Middleton and A. L. Atkisson for a brief overview of the gas operations; they were knowledgeable of the business and most cooperative in answering our inquiries. Mr. Middleton accompanied us to the North Tampa locations (Marion, Citrus-Pine Ridge and Spring Hill).

Enclosed you will find a summary of our findings, opinions, and recommendations. Also, we are attaching several pages of miscellaneous comparative operating data which may be of assistance to you in dealing with prospective buyer inquiries.

We are in the process of editing video tapes of the various locations. Most of the footage regards the North Tampa properties, which have been committed by letter of intent and will not be much use if this transaction is concluded. The video of Lehigh is minimal since everything is underground. We do have some footage at Marco showing the bulk plant facility.

Yours Truly,

D. E. Hinchman

D. E. Hinchman

deh / gkh
enclosures
a:SSU

3401 Margate Drive • Richmond, Virginia 23235

INTRODUCTION AND BACKGROUND

At the time PSC became actively involved with Minnesota Power regarding the proposed sale of specific retail propane gas operations located in the state of Florida, Minnesota Power had already made the decision to dispose of these properties rather than attempt to develop their full potential as a profitable operating unit.

Our assignment was to review the operating data and to assist in developing a marketing approach for the discovery of prospects and presentation of financial and operating data required by buyers.

At the outset of our activity it became probable that a sale of the North Tampa area operations would be consummated on or before July 15, 1992. These properties represented a substantial portion of the business as follows:

	TOTAL SYSTEM	NORTH TAMPA	NORTH TAMPA % OF TOTAL	OTHER
SALES GALLONS	1,798,580	974,470	54.2	824,110
NUMBER OF CUSTOMERS	7,121	4,804	67.4	2,317
SALES REVENUE	$2,656,339	$1,664,634	62.6	$991,705
COST OF GAS	1,163,768	642,830	55.2	520,938
GROSS PROFIT	1,492,571	1,021,804	68.5	470,767
ASSET INVESTMENT	5,529,450	2,714,378	49.1	2,815,072

As evidenced by the chart above the choice locations will have been removed from the total package. Thus the remainder could have limited appeal to prospective buyers.

PROCEDURE

With the above information, we visited all locations except Sunny Hills for the purpose of actually viewing the properties and talking with key personnel to obtain a general overview. Our primary targets of concern were bulk plant facilities, loss of customers, revenue, and unaccounted for product losses.

OBSERVATION AND COMMENTS

North Tampa

Spring Hill, Marion Oaks, and Citrus Springs/Pine Ridge comprise the North Tampa area. Several comments apply to all locations. These properties are geographically linked in the same general area and are similar in nature of clientele, consumption patterns and should be marketed as a group.

One situation became immediately prominent because of its lack of visibility. There is not and has not been a marketing program designed to gain new business and at the same time supported by capital and operating budget funds. As a result, the entire atmosphere was one of trying to retain existing business and minimize losses. Volumes have been steadily declining for at least eight years. The retail level there appears to be a concern, but no corrective action is being initiated at any level.

In discussing retail pricing with area supervisors, we are of the opinion that the local manager was not aware of current competitive prices. Retail price changes apparently originate from the Apopka office. The propane industry pricing patterns are very volatile and constant monitoring of both wholesale and retail price changes is essential.

Lehigh

Lehigh is made up of basically all 1000 gallon underground tank "block systems" which provide maximum average size deliveries. Deliveries currently are contracted to an outside delivery service. These deliveries could and probably should be handled by Marco Island, where two delivery trucks are stationed. Volumes at Marco Island are very small and the two units could serve the needs of both operations.

Lehigh should be one of the more attractive locations to most retail propane dealers already established in the area. Advantages to buyer are that buyer gets only the customer, volume,and margin, which can all be absorbed into existing truck, plant and office facilities. Incremental operating cost to buyer should be in the range of 10.00 cents per gallon. This, coupled with a 15.00 cpg reduction in cost of goods due to performing deliveries inhouse should allow the buyer a gross profit of 81.00 cpg in addition to adjusted lower operating cost.

Closer attention to pricing practices should be initiated, particularly since approximately 7 or 8 commercial accounts have been lost in recent months; these losses are explained locally as a combination of aggressive competitive solicitation at a lower price and advising customer that SSU is selling their propane business. We were informed that these lost accounts accounted for 8% of the total sales at this location.

Equipment appearance was good; cathodic protection visible at installations. Lehigh is facing a deadline to complete the transition to all metric meters as required by the State of Florida.

Marco Island

Marco Island appears to offer the most attractive potential due to its rapid growth and development into a nationally know resort and meeting area. Sufficient plant capacity exists to allow dramatic growth in volume. Historically sales at Marco have decreased since 1983 from approximately 850,000 gallons to 474,000. Marco offers an excellent market for the sale of pool heaters which generates increased summer sales, a desirable result in the propane industry. Continued development of Marco by any party would provide excellent future financial results. If the system is aggressively promoted, the customer base would increase to a profitable level and continue as a result of low pipeline delivery costs. In event that natural gas availability becomes a factor, then the pipeline system has another value if sold to a natural gas distribution operator. That is, the cost of installing a new system at the then current economics, versus the purchase, modification and upgrading of the present system.

(Since the preparation of the initial draft of this report, Marco Island is acquiring a large commercial pipeline customer who has just switched from electricity to propane. This account is expected to consume 100,000 gallons annually. The approximate capital cost is $20,000 and the estimated gross profit is $19,000 annually.)

__Other__
Product loss either through leaks, slow meters, or improper accounting procedures, was reviewed at some length. Local personnel are in agreement that approximately 5% to 6% is caused by slow meters. A sizable inventory of both new and used meters in operating condition is available to initiate and sustain a replacement program for some time, however, we were advised that available manpower was insufficient to instigate such a program. We also analyzed the monthly inventory procedures and in most cases found them adequate, however, at Lehigh the unaccounted for was simply the difference between actual purchases and actual deliveries, with no consideration for beginning and ending inventory variance.

All locations have a minimum charge for monthly metered service, this is very attractive to prospective buyers. We believe that there is room for some upward adjustment in these rates. Competitors of SSU are aware of SSU's market position and it is probable that lost accounts will continue to be a meaningful factor.

PRODUCTIVITY

In the brief time we spent at the various office locations there appeared to be excessive personnel inactivity in the office and in the plant yard. This observation is based on mid-morning and mid-afternoon visits at which time you would expect to find most service employees away from the office performing revenue-generating activities. Also, there appeared to be considerable inactivity in the offices. We cannot identify that these were gas or water personnel.

CONCLUSION

If management is dedicated to disposing of these properties then these properties should be disposed of as soon as possible, since further erosion of the customer base will noticeably effect the value of the business.

Suggested plan for marketing these properties: As of the date of the preparation of this report, a letter of intent has been executed by Topeka and a buyer, which if concluded, will have disposed of all gas properties excepting Marco, Lehigh, and Sunny Hills. There are logical buyers for the Lehigh and Sunny Hills operations, which are existing retail propane marketers. Since this list will be relatively short, these prospects should be handled by personal contact. The Marco property may require division into two sales, the pipeline system and storage and the individual customer tank installations. These also should be *presented to specific prospects in person. At this state, we do not feel that it is necessary to continue the use of classified ads in the various trade publications advertising the availability of these properties.*

Logical Prospects for these remaining properties would be national, regional, state and local marketers of propane; local oil jobbers desirous of entering into propane marketing; natural gas companies, within the state, that have knowledge, expertise, capital and wish to expand into propane distribution.

The Sunny Hills operation, due to its small size, is unique. A review of the general area indicates that Chipola, a propane marketer, is the logical prospective buyer, but as of this date has no sincere interest.

ALTERNATIVE CONSIDERATION

In event that the sale of the North Tampa properties does not materialize you may wish to consider an entirely different approach which should greatly enhance the value of these operations to any buyer.

Commitment:

Change direction and commit funds, both capital and operating, to aggressively solicit new business specifically tied to existing pipeline systems with the goals of increasing volume, revenue, net customers, margins, and equipment sales and labor income. These goals should not include additional capital for bulk plants, individual storage tanks at customer locations or additional delivery trucks. The overall result desired is maximum utilization of existing assets.

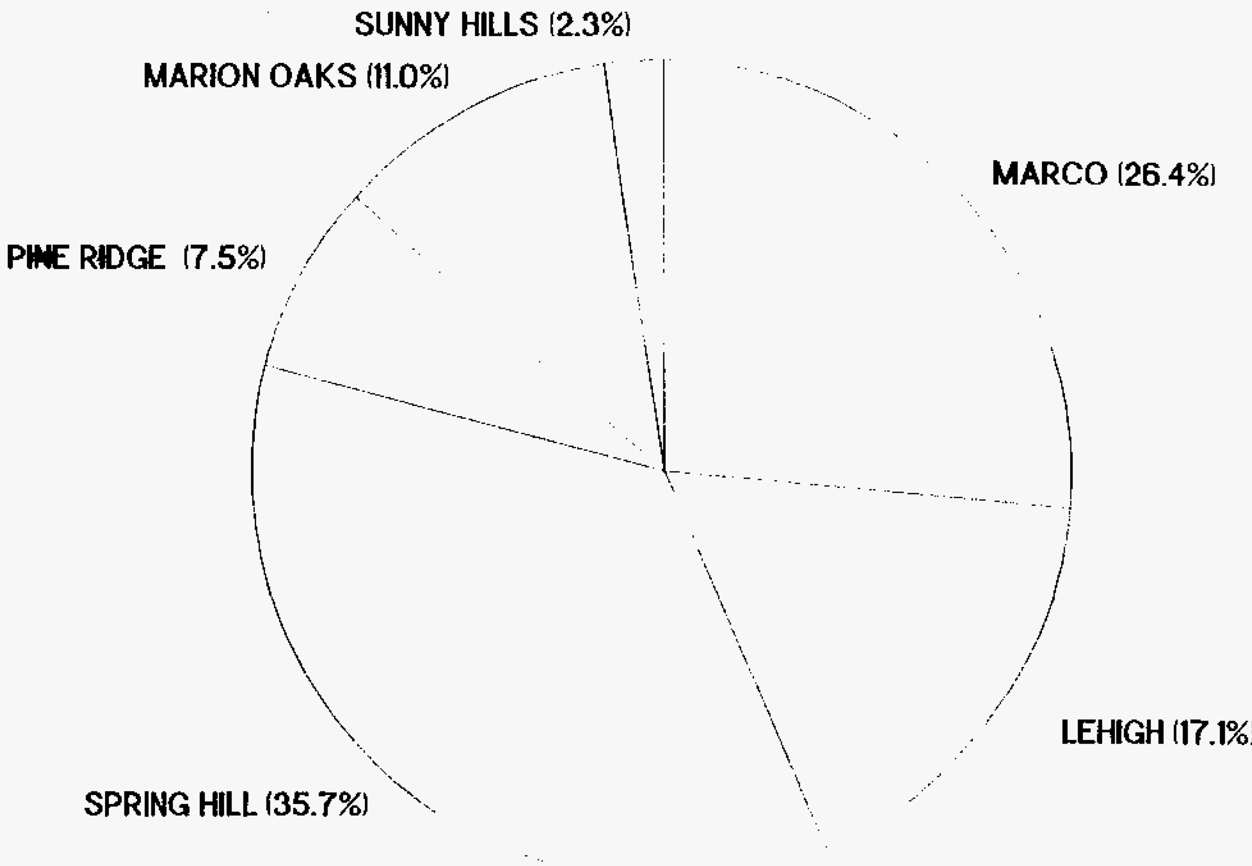
Restructuring:

Once this commitment has been made it would appear reasonable to sell all non-pipeline customers and storage tanks to other retail dealers. This should result in a very low-cost operation where current margins are at their best. The sale of the non-pipeline customers and assets would reduce total investment and generate capital funds.

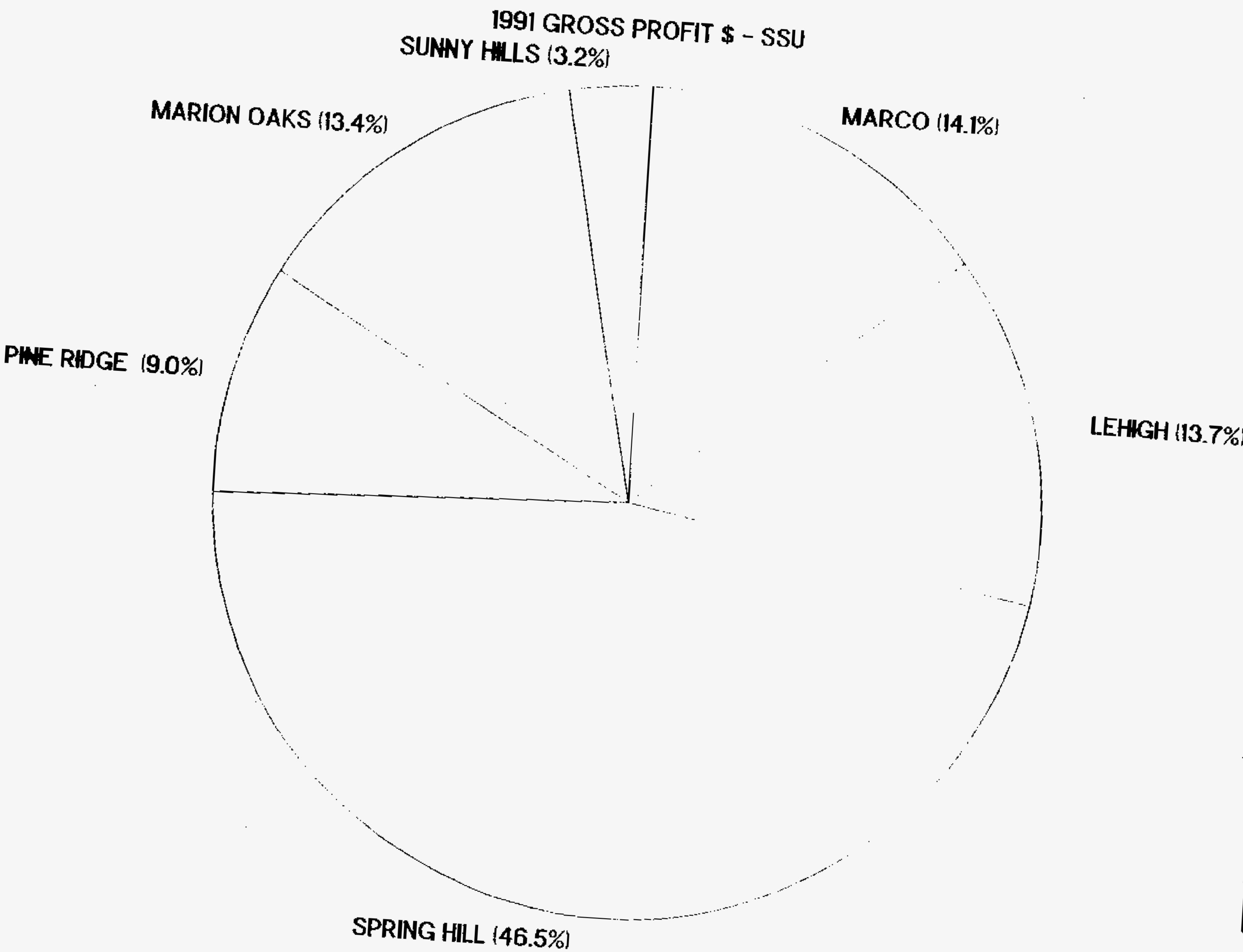
Implementation:

Develop a comprehensive detailed and properly funded sales and advertising program designed to regain both employee and customer confidence and to establish a positive public image.

1991 PROPANE GALLONS SOLD
SOUTHERN STATES UTILITIES

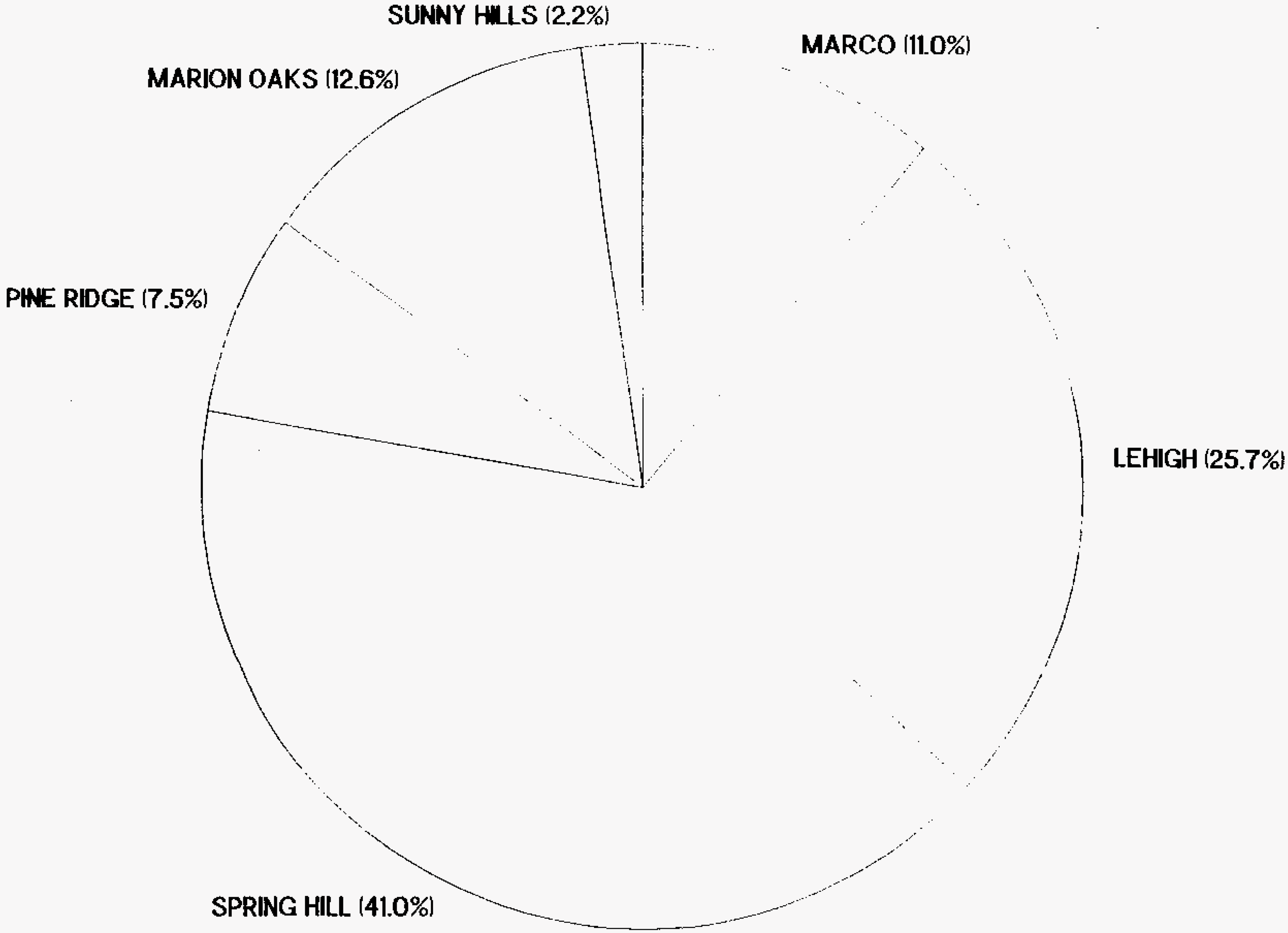


APPENDIX DR 172-A
PAGE 37 OF 129



APPENDIX DR 1(B)-A
PAGE 38 OF 129

1991 NUMBER OF CUSTOMERS - SSU



APPENDIX DR 172-A
PAGE 39 OF 129

PROJECT FLORIDA	1988	1989	89 VS 88	1990	90 VS 89	1991	91 VS 90
OP. REV.	$2,932,891	$2,310,791	-21.21%	$2,583,525	11.80%	$2,656,339	2.82%
COST OF GAS	$1,154,343	$958,713	-16.95%	$1,167,542	21.78%	$1,163,768	-0.32%
OP. EXP. $	$282,119	$322,797	14.42%	$400,895	24.19%	$333,801	-16.74%
OP. EXP. CPG				0.1924		0.1856	0.007
VOLUME SOLD				2083783		1798580	-13.69%
PLANT ASSETS		$5,343,845		$5,476,456	2.48%	$5,529,450	0.97%
ACCUMULATED DEPRECIATION		$1,728,105		$1,764,084	2.08%	$1,907,493	8.13%

CONSOLIDATED SYSTEM-WIDE SELECTED FINANCIAL DATA

SELECTED OPERATING-FINANCIAL-COST-REVENUE-COMPARATIVE RATIOS AND AVERAGES—YEAR 1991

07/11/92 PROJECT: FLORIDA REV: 5/26/92	MARCO	LEHIGH	SPRING HILL	PINE RIDGE	MARION OAKS	SUNNY HILLS	TOTALS
1991 SALES VOLUME	474437	308310	641985	134530	197955	41363	1798580
THRU-PUT PER GAL STORAG	4.40	2.00	2.87	2.30	3.56	1.99	3.27
TOTAL PURCHASES GALLON	511749	369836	721919	152572	221250	48382	2025708
UNACCOUNTED FOR %	7.29%	16.64%	11.07%	11.83%	10.53%	14.51%	11.21%
% OF TOTAL SALES VOLUME	26.38%	17.14%	35.69%	7.48%	11.01%	2.30%	100.00%
INVESTMENT $	1284016	1233185	1483651	521448	709279	297871	5529450
INVESTMENT $PER GAL SOLD	2.71	4.00	2.31	3.88	3.58	7.20	3.07
OPERATING REVENUE $	462685	452589	1103702	224865	336067	76431	2656339
OP REV PER $ INVESTED	2.78	2.72	1.34	2.32	2.11	3.90	2.08
OP REV PER GAL SOLD $	0.98	1.47	1.72	1.67	1.70	1.85	1.48
COST OF GOODS $	253185	248820	413804	91138	137888	28933	1173768
COST OF GOODS CPG $	0.5337	0.8070	0.6446	0.6775	0.6966	0.6995	0.6526
GROSS PROFIT $	209500	203769	689898	133727	198179	47498	1482571
GROSS PROFIT CPG $	0.4416	0.6609	1.0746	0.9940	1.0011	1.1483	0.8243
INVESTMENT PER $ GROSS P	6.1290	6.0519	2.1505	3.8993	3.5790	6.2712	3.7296
AVG SIZE CUSTOMER GPYR	546	152	199	228	200	235	229
OP COST EXC G&A	53000	62000	132000	43916	38576	3864	333356
OP COST CPG EXC G&A	0.1117	0.1307	0.2782	0.0926	0.0813	0.0081	0.1853

Propane Supply Consultants of Virginia, Inc.

FLORIDA

CUSTOMER ACCOUNT DETAIL

LOCATION	MARCO	LEHIGH	CITRUS SPGS. SP.HILL	PINE RDG	MARIAN OAKS	SUNNY HILLS	TOTALS
RESIDENTIAL:							
ACTIVE	720	1527	3033	548	903	154	6885
INACTIVE	99	471	176	34	78	12	870
TOTAL	819	1998	3209	582	981	166	7755
NON P/L	151	2	297	92	98	40	680
P/L	668	1996	2912	490	883	126	7075
TOTAL RESID	819	1998	3209	582	981	166	7755
COMMERCIAL:							
ACTIVE	47	14	17	6	7	10	101
INACTIVE *1	3	10	1	1	0	0	15
TOTAL	50	24	18	7	7	10	116
NON P/L	22	10	14	7	7	10	70
P/L **	28	14	4	0	0	0	46
TOTAL COMM	50	24	18	7	7	10	116
TOTAL ACCTS	869	2022	3227	589	988	176	7871

* METERS LOCKED OFF

** COMMERCIAL INCLUDES 14 MULTI FAMILY COMPLEXES SERVING A TOTAL OF 1992 UNITS

BULK PLANTS:SUMMARY OF STORAGE CAPACITY

MARCO	LEHIGH	SPRING HILL	CITRUS SPG/PINE RIDGE	MARION OAKS	SUNNY HILLS
	144 1000 UG BLOCK	4 30,000 3 SITES	1 30000	1 30,000	9 1000 GAL TANKS
2 30000		1 18000	5 1000 BLOCK SYSTMS		
1 1000		4 1000 BLOCK			

DISTRICT STORAGE DETAIL
INSTALLED IN FIELD

SIZE TANKS/CYL	WC	MARCO	LEHIGH	SPG HILL	PINE RDG	MARION OAKS	SUNNY HILLS	TOTALS	INVENTORY AT PLANT QUANTITY
420#	100	10	0	2	0	0	0	12	11
120 GAL	120	8	3	0	1	1	0	13	2
120 GAL UG	120	1	0	5	0	0	0	6	
250 GAL UG	250	143	2	64	89	81	45	424	38
250 GAL AG	250	0	0	0	0	2	0	2	
500 GAL AG	500	2	0	0	0	0	0	2	5
500 GAL UG	500	5	4	16	2	0	1	28	
1000 GAL UG	1000	6	7	0	0	0	0	13	12
200 GAL	200	2	0	0	0	0	0	2	
100 # CYL	24	1	0	400	0	14	0	415	
150 GAL UG	150	0	0	1	0	16	0	17	
200#	47			16				16	16
TOTAL		178	16	504	92	114	46	950	84

SIZE GALLON	#	WC
120	13	1560
250	424	106000
200	2	400
500	2	1000
23	415	9545
1000	13	13000
120	6	720
500	28	14000
250	2	500
100	12	1200
150	17	2550
47	16	752
TOTAL		151227

THRU-PUT= TOTAL VOLUME SOLD DIVIDED BY TOTAL STORAGE WC.

STORAGE AT BULK PLANTS	SIZE	NO.	TOTAL W C
TANKS BLOCKS	1000	162	162000
TANKS PLANT	18000	1	18000
TANKS PLANT	30000	8	240000
TANKS FIELD			151227
TOTAL W C ALL			571227
AVG THRU-PUT		3.15	

Propane Supply Consultants of Virginia, Inc.

APPENDIX DR 172-A
PAGE 43 OF 129

Form No. 729 1/82

APPENDIX DR 172-A

PAGE 44 OF 129

minnesota power
intra company correspondence

February 7, 1992

MEMORANDUM TO FILE

RE: Justification for Capital Expenditure to Purchase Bulk Storage Equipment for the Gas Operations at Spring Hill and Marion Oaks

Background

For the Spring Hill and Marion Oaks propane gas systems, the bulk storage equipment and a portion of the customer storage tanks are currently being leased from Suburban Propane (Suburban) under year-to-year contracts. In return for the use of the equipment, SSU buys its propane requirements for Spring Hill and Marion Oaks from Suburban at a 5 cent per gallon premium.

The Suburban contracts are automatically renewed annually on May 31 unless either party gives 60 days prior notice of termination. Under the termination provisions, the non-terminating party has the option to buy/sell the leased equipment at a depreciated value specified in the contracts. The option price in the contract for the equipment at Spring Hill is $125,188; however, additional equipment has been installed by Suburban since the June 1980 contract date. As a result, we estimate the actual option price would be approximately $150,000. At Marion Oaks, the contact price is $53,375; including equipment additions the actual price would be about $58,000.

Recommendation

SSU is currently in the process of divesting the propane gas operations at Spring Hill and Marion Oaks. As part of this activity, we recommend that SSU purchase the leased equipment from Suburban for the following reasons:

(a) A buyer for the gas systems may require SSU to transfer title to the storage equipment under the sales contract terms.

To date, we have received two offers for the Spring Hill and Marion Oaks gas systems. Both offers were contingent upon SSU transferring bulk storage equipment ownership. We feel that if SSU fails to purchase the equipment now, either outright or through the contract option, SSU may have to acquire the equipment later at a possible premium and under time constraints.

(b) Owning the equipment would make the gas systems more marketable and make the logistics of a sale of the systems easier.

If the leasing arrangement with Suburban is eliminated, a buyer of the gas systems would have competitive supply alternatives, which could result in an overall reduction in operating costs. In addition, the buyer would have full ownership of the gas system assets making it easier to obtain financing.

(c) Used, replacement equipment purchased on the open market would be more expensive.

We obtained quotes as to the cost of replacing the leased equipment. Used equipment, fully installed with no interruption of service, would cost \$318,000 at Spring Hill and \$92,000 at Marion Oaks for a combined cost of \$376,000. This amount is significantly more than the combined Suburban contract option price of \$208,000.

(d) The cost to purchase the equipment from Suburban should be recoverable in the sale price of the gas systems.

We hope to negotiate a purchase of the equipment from Suburban for a total combined price of between \$180,000 and \$210,000.

Laurie Holquist

Laura Holquist

LAH:mkw

cc: B. T. Phillips
J. R. McDonald
D. R. Crandell
D. Middleton
B. Atkisson

APPENDIX DR 172-A

PAGE 46 OF 129

SOUTHERN STATES UTILITY SERVICES, INC.

Selected Information
for Propane Gas Division

April 1992

TABLE OF CONTENTS

BACKGROUND SUMMARY

Southern States Utility Services, Inc. (SSU) is entertaining proposals for the purchase of the assets of its propane gas division. Selected operating, financial and facility information is contained in this circular, detailed by operating location.

The following provides an overview of the project.

1. SSU Is A Wholly-Owned Subsidiary Of Topeka Group Incorporated (Topeka).

- Topeka is a subsidiary of Minnesota Power, a diversified electric utility headquartered in Duluth, Minnesota.
- SSU is a management company for various Florida water and wastewater utility subsidiaries also owned by Topeka. These utilities include:
  - Deltona Utilities, Inc. (DUI)
  - Lehigh Utilities, Inc. (LUI)
  - Southern States Utilities, Inc.
  - United Florida Utilities Corporation (UFUC)
- The gas operations were obtained through the acquisition of DUI and UFUC in 1989 and LUI in 1991. The selling entities will include DUI, UFUC, and LUI.

APPENDIX DR 172-A
PAGE 49 OF 129

2. Propane Gas Operations Constitute A Small Segment Of SSU's Total Business.

- SSU's primary business is operating water and wastewater utilities. The Florida operations consist of:

  - 160 plants serving 60 Florida communities; 7 communities have gas operations.
  - 165,000 customer accounts; 8,000 are gas accounts.
  - $41 million in consolidated annual revenues; $2.7 million are gas related.
  - $258 million of pre-depreciation utility plant; $5.5 million is gas plant.

- The gas operations are being sold as they do not fit within the regulated nature of the primary business, and the systems cannot be incorporated separately due to Public Utilities Holding Company Act restrictions.

3. The SSU Gas Division Is Comprised Of Seven Geographically Separate Systems.

Florida Location	Community System	Total Accounts	12 Months Ended 12/31/91 Gallons Sold
South	Marco Island	869	474,437
	Lehigh	2,022	308,310
Central	Spring Hill	3,227	641,985
	Citrus Springs/ Pine Ridge	589	134,530
	Marion Oaks	988	197,955
North	Sunny Hills	176	41,363
		7,871	1,798,580

4. Systems Are Primarily Pipeline Distribution On A Metered Basis.

APPENDIX DR 172-A
PAGE 56 OF 124

- All systems were constructed by respective community developers in an effort to provide a complete infra-structure of utility services to lot and home purchasers.

- With the exception of Lehigh, pipeline distribution was installed in anticipation of natural gas service and was built to those specifications.

- Over 90 percent of SSU gas accounts are served by pipeline.

  - Bobtail delivery to customer tanks is provided by outside contract services in all communities except Marco Island.

5. Gas Operations Are Integrated As Part Of SSU's Water Utility Organization.

- There are 11 full-time gas employees assigned to field operations.

- Service personnel, facilities, equipment and plant sites are shared with water and wastewater utility operations at the communities. Accordingly, gas division systems do not have:

  - Standalone customer service, dispatch or business office facilities and operations.
  - Dedicated service vehicles, except for bobtail trucks in Marco Island.
  - Assigned maintenance equipment.

- Easements are available for gas plant and distribution system sites.

- Gas appliances are sold at community customer service offices, and all inventory in-stock is available for purchase with the gas operations.

6. **Administrative Functions Are Handled Centrally By The SSU Corporate Services Organization.**

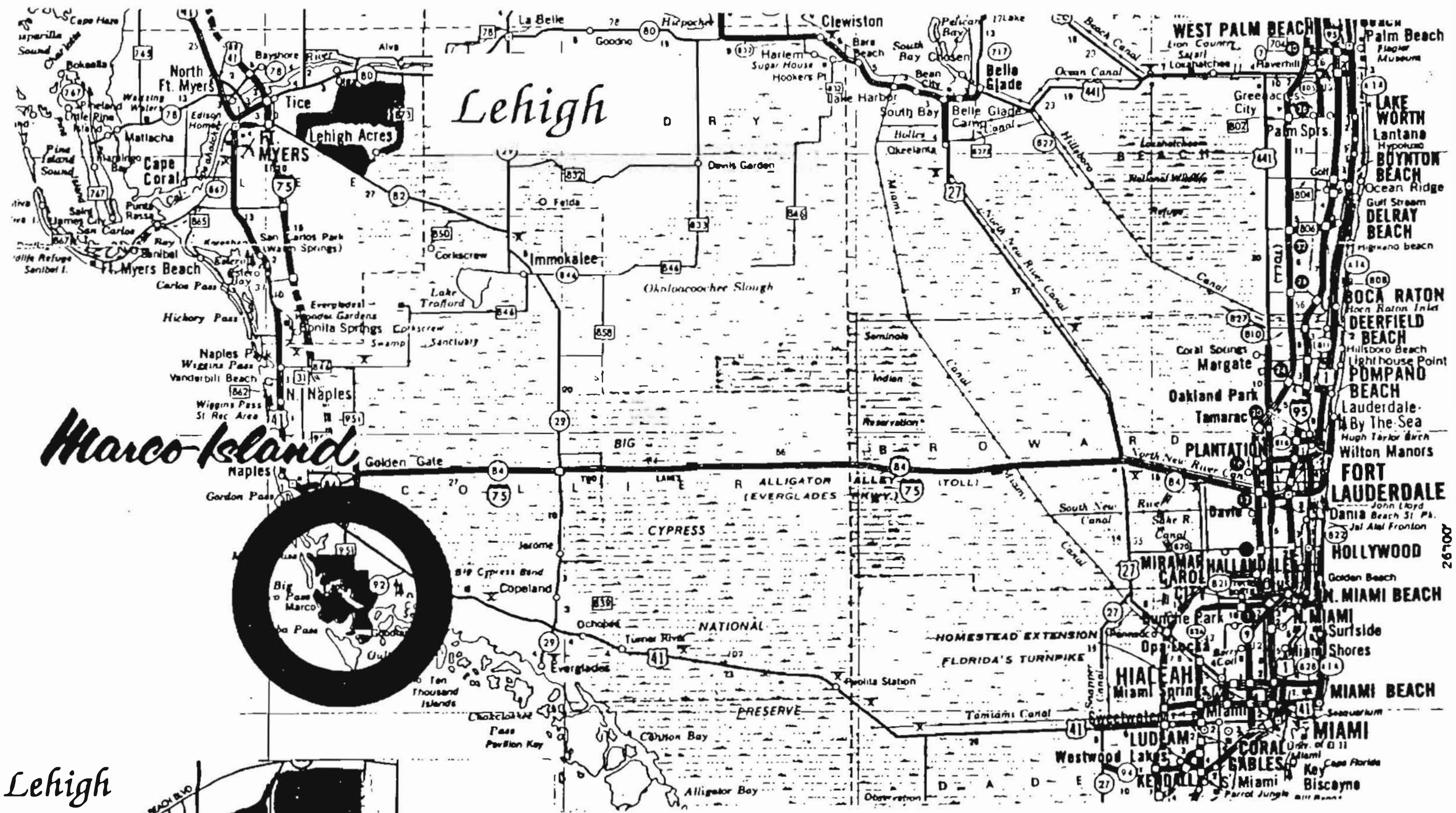
- All administrative support functions related to billing, accounting, payroll, data processing, and insurance are carried out through the SSU general office in Apopka, Florida.
  - No dedicated administrative staff for gas.
- Gas insurance coverage is integrated with SSU's consolidated umbrella policy.
- Interim billing and associated services could be continued on a contract basis.

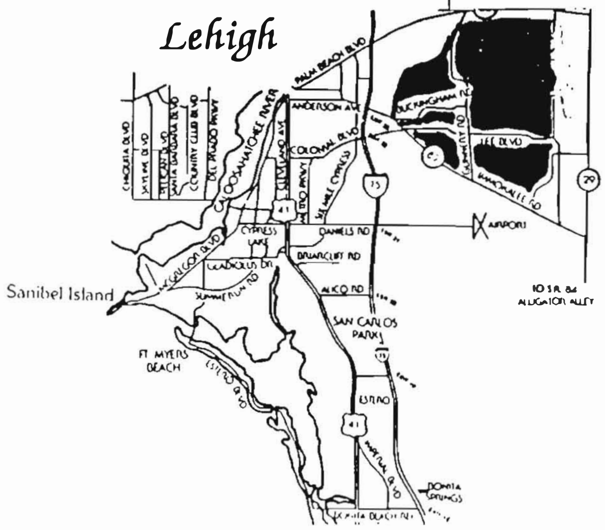
7. **Separate Financial Statements Are Not Maintained For The SSU Gas Division.**

- Detail account information is available for plant assets, inventories, customer deposits, revenues, cost of gas, and operations & maintenance expenses.
- Expenses related to administrative & general functions, income taxes and debt service are allocated rather than charged directly.
- There is no debt specifically encumbering the properties.

SSU GAS DIVISION

SSU GAS DIVISION
South Florida Locations



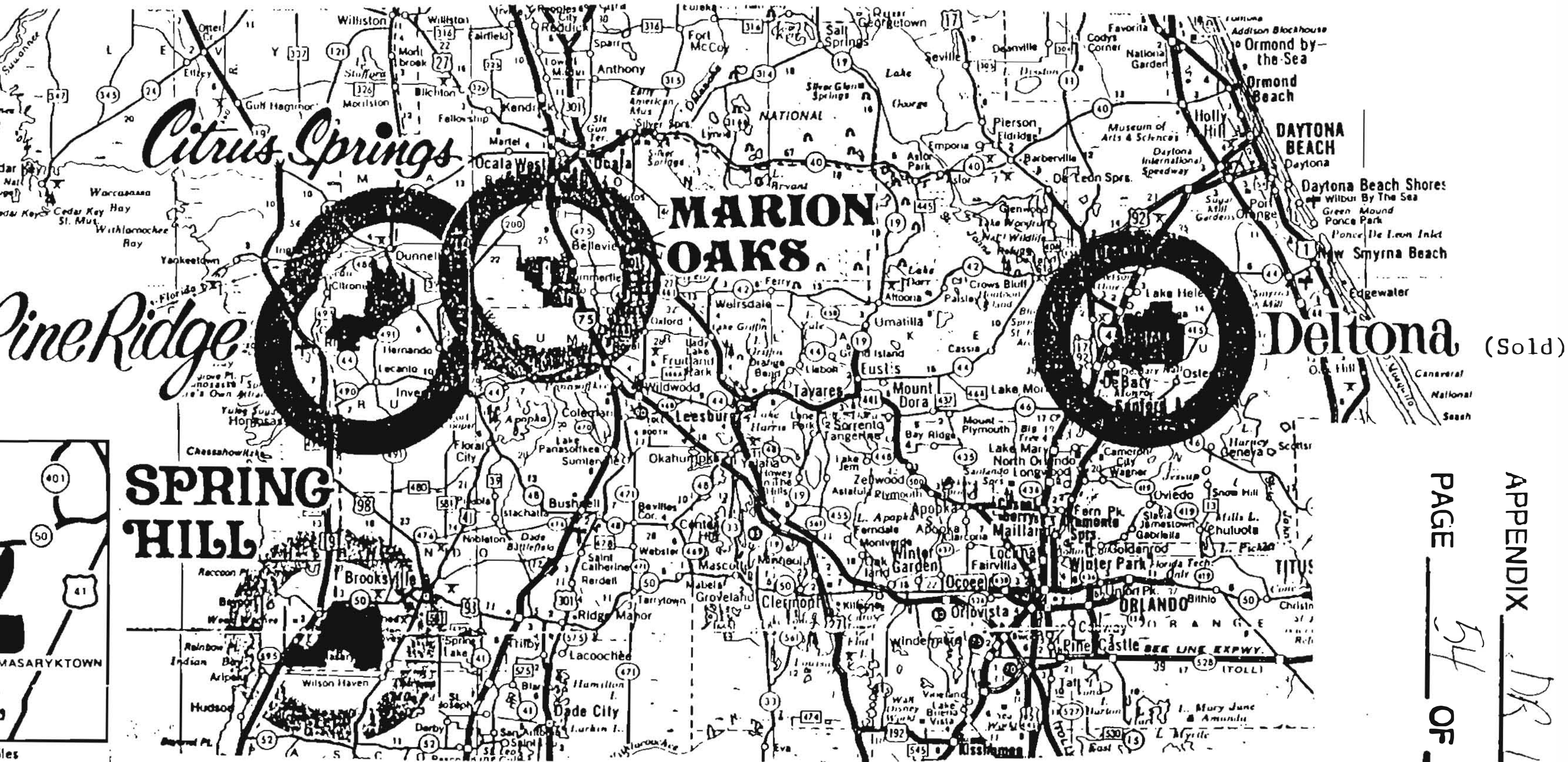


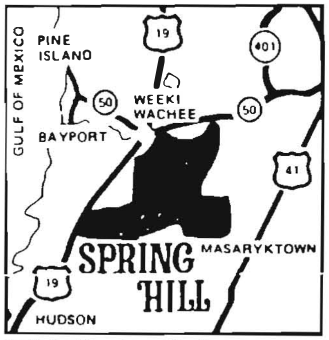
SCALE: 1" = about 5 4 miles

- 9 -

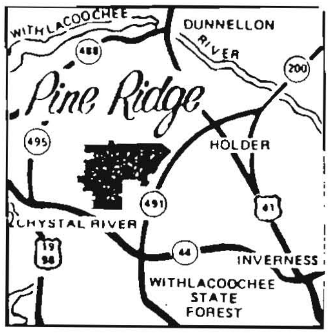
APPENDIX DC 17.3.4
PAGE 53 OF 139

SSU GAS DIVISION
Central Florida Locations

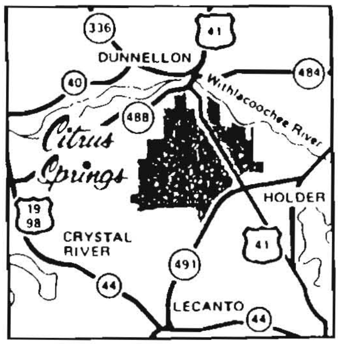




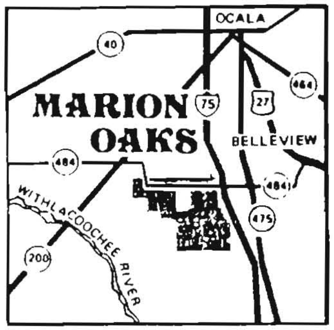
SCALE: 1" = about 11 miles



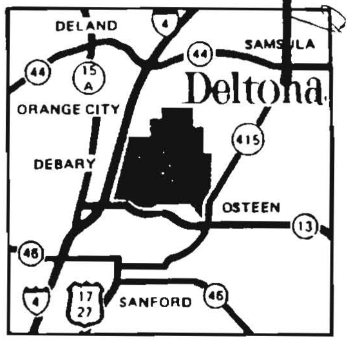
SCALE: 1" = about 11.5 miles



SCALE: 1" = about 9 miles



SCALE: 1" = about 14 miles



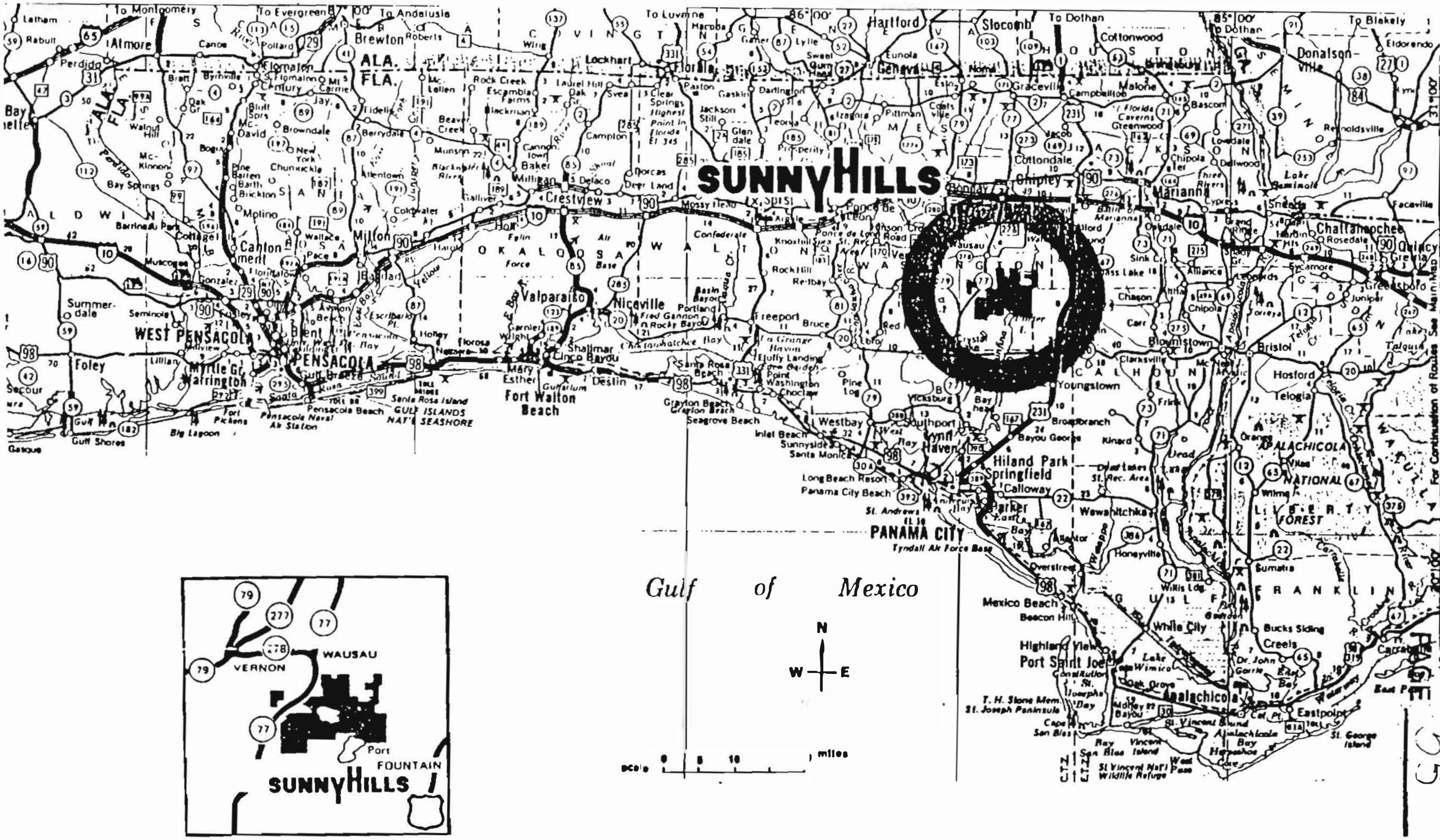
SCALE: 1" = about 14 miles

- 7 -

APPENDIX

PAGE 54 OF 123

SSU GAS DIVISION
North Florida Location



SCALE: 1" = about 18.5 miles

SSU GAS DIVISION
System-Wide Customer Accounts

System	Total Accounts	Tank	Cylinder	Distribution: Current	Distribution: Potential Additions
Marco Island	869	172	1	696	714
Lehigh	2,022	12	--	2,010	*
Spring Hill	3,227	100	211	2,916	1,821
Citrus Springs Pine Ridge	589	94	5	490	1,020
Marion Oaks	988	99	6	883	1,047
Sunny Hills	176	50	--	126	467
Totals	7,871	527	223	7,121	5,069

*Data not available

SSU GAS DIVISION
System-Wide Consumption

System	12 Months Ending 12/31/90 Gallons Sold	12 Months Ending 12/31/91 Gallons Sold
Marco Island	563,318*	474,437
Lehigh	345,754	308,310
Spring Hill	767,233	641,985
Citrus Springs Pine Ridge	152,407	134,530
Marion Oaks	211,575	197,955
Sunny Hills	43,496	41,363
TOTALS	2,083,783	1,798,580

*Due to a billing system changeover, there is insufficient data to adequately reflect gallons sold; figure represents gallons purchased for indicated period.

SSU GAS DIVISION
System-Wide Financial Information

SELECTED INCOME STATEMENT DATA (fiscal years ending December 31):

	1988	1989	1990	1991
Operating Revenue	$2,932,891	$2,310,791	$2,583,525	$2,656,339
Cost of Gas	1,154,343	958,713	1,167,542	1,163,768
Oper. & Maint. Expense	282,119	322,797	400,895	333,801

SELECTED BALANCE SHEET DATA:

	12/31/89	12/31/90	12/31/91
Plant Assets	$5,343,845	$5,476,456	$5,529,450*
Accumulated Depreciation	(1,728,105)	(1,764,084)	(1,907,493)
Inventories	307,985	345,511	269,973
Customer Deposits, net	(247,900)	(248,349)	(264,721)

*On March 31, 1992, SSU purchased storage tanks and equipment totaling $200,300, increasing Plant Assets to $5,729,750. The tanks and equipment had previously been leased.

MARCO ISLAND
Customer Account Information

	Residential	Commercial	Total
Active @6/30/91	720	47	767
Inactive(1) @6/30/91	99	3	102
Total Accounts	819	50	869
Distribution Accounts	668	28(2)	696
Tank	150	22	172
Cylinder	1	--	1
Total Accounts	819	50	869
Metered	668	30	698
Unmetered	151	20	171
Total Accounts	819	50	869

Comments

(1) Inactive accounts have meter sets that are locked and off.

(2)Commerical accounts include 14 multi-family complexes that serve a total of 1,992 units.

MARCO ISLAND
Consumption Profile

Year	Month	Gallons Purchased	Average Price/ Gallon ($)	Gallons Sold
1990	Jan.	84,849	.5416	*
	Feb.	69,587	.5972	*
	Mar.	65,208	.4905	*
	Apr.	65,718	.4210	*
	May	40,225	.3874	*
	Jun.	31,999	.3758	*
	Jul.	26,665	.3730	24,029
	Aug.	23,390	.3858	21,361
	Sept.	25,649	.4483	21,481
	Oct.	25,524	.5032	19,253
	Nov.	41,399	.5790	41,359
	Dec.	63,105	*	51,743
		563,318		
1991	Jan.	57,757	.5484	58,699
	Feb.	68,271	.4974	66,395
	Mar.	66,373	.4560	73,279
	Apr.	54,806	.4499	48,582
	May	32,650	.4542	30,053
	Jun.	27,440	.4596	26,414
	Jul.	27,064	.4386	22,878
	Aug.	25,790	.4294	20,621
	Sept.	27,363	.4383	21,840
	Oct.	20,183	.4757	18,092
	Nov.	46,730	.5254	34,982
	Dec.	57,322	.5550	50,612
			100 lb. cylinders	1,990
		511,749		474,437

*Insufficient data

MARCO ISLAND
Historical Financial Information

SELECTED INCOME STATEMENT DATA:

	1988	1989	1990	1991
Operating Revenue	$504,043	$387,470	$478,255	$462,685
Cost of Gas	216,944	155,021	280,734	253,185
Operations	66,291	80,589	67,476	38,664
Maintenance	9,099	12,373	11,023	14,085
Taxes (other than income)	9,683	13,710	10,226	8,583

SELECTED BALANCE SHEET DATA:

	12/31/89	12/31/90	12/31/91
Plant Assets	$1,181,650	$1,271,088	$1,284,016
Accumulated Depreciation	(442,249)	(481,629)	(524,392)
Inventories	87,712	49,982	37,094
Customer Deposits, net	(27,522)	(16,077)	(18,751)

MARCO ISLAND
Asset Information

Asset	Size	Quantity	Year	Manufacturer
Bulk Plant & Major Equipment				
Windward Drive:				
Tank*	29,271 gal.	1	1971	Am. Welding & Tank
Tank*	29,271 gal.	1	1969	Plant City Steel
Regulators*	2"	4	1970-71	Rockwell 441 Pilot
Vaporizer*	500,000BTU/H	1(1)	1968	Black Sinalls Bryson
Vaporizer*	1,500,000 BTU/H	1(1)	1971	Black Sinalls Bryson
Filters	4"	2		Singer
Meters	AL-5000	2		American Gas Meters
Meter (Bobtail Fill)	1-1/2"	1		Neptune Liquid
Meter (Cylinder Fill)	1"	1		L.C. (Liquid Control)
Liquid Pump (Bobtail Fill)	2"	1		Stationary Corken
Liquid Pump (Cylinder Fill)	1-1/2"	1		Stationary Corken
Scale (Cylinder)		1		
Truck*	LN700	1	1979	Ford
with Tank	2,600 gal.	1	1979	Arrow Tank
Truck*	LN700	1	1978	Ford
with Tank	1,800 gal.	1	1978	American Tank & Weld
Bald Eagle Drive:				
Tank	1,000 gal.	1		

(1)Needs repair

Tanks - In Field	
420 lb. above-ground	10
120 gal. above-ground	8
120 gal. under-ground	1
250 gal. under-ground	143
500 gal. above-ground	2
500 gal. under-ground	5
1,000 gal. under-ground	6
200 gal.	2
100 lb. cylinders	1
Tanks - In Inventory	
420 lb.	1 new
120 gal.	1 new
250 gal.	7 new
100 lb. cylinder	2 new
120 gal.	1 used
1,000 gal.	1 used

*Photograph included following this schedule.

Asset	Size	Quantity	Year	Manufacturer
Meters - In Field				
Standard Index	175	523	1972-89	American
Standard Index	175	26	1970-72	Rockwell
Standard Index	415	1	Unknown	Rockwell
Pressure Comp. Index	250	132	1989-current	American
Standard Index	425	5	1972-current	American
	800	5(1)	1972-current	American
	1,000	4(2)	1972-current	American
	1,400	1	1972-current	American
	2,300	1(3)	1989	American

(1) Includes one high pressure meter with an American BPI-CI (Base Pressure Index-Continuous Integrator) index.

(2) Includes three high pressure meters with American BPI-CI.

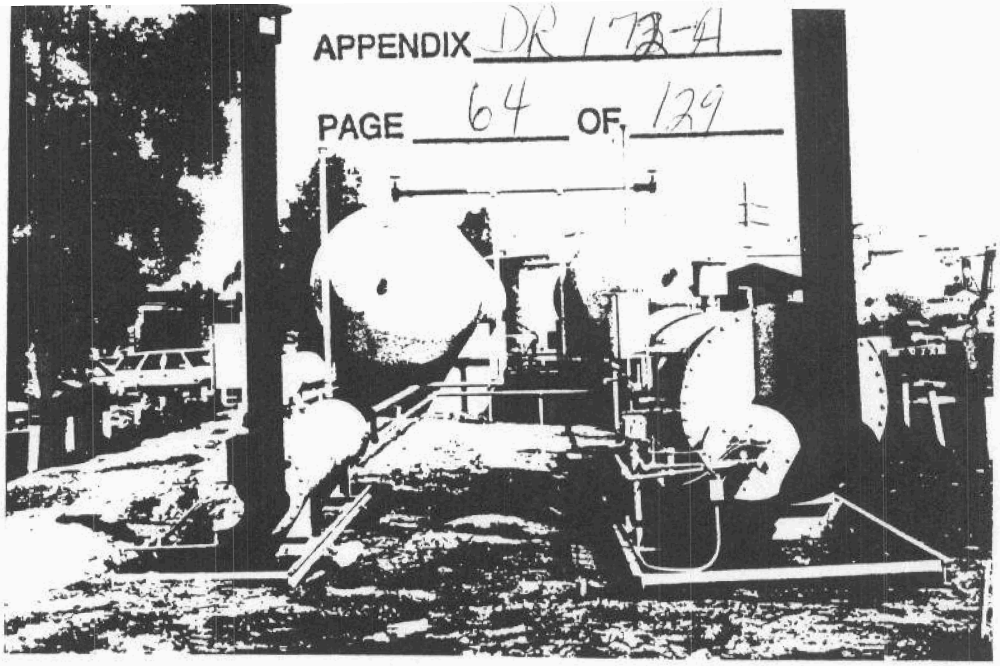
(3) High pressure meter with an American Elsa (Electronic State of the Art) digital computer Index.

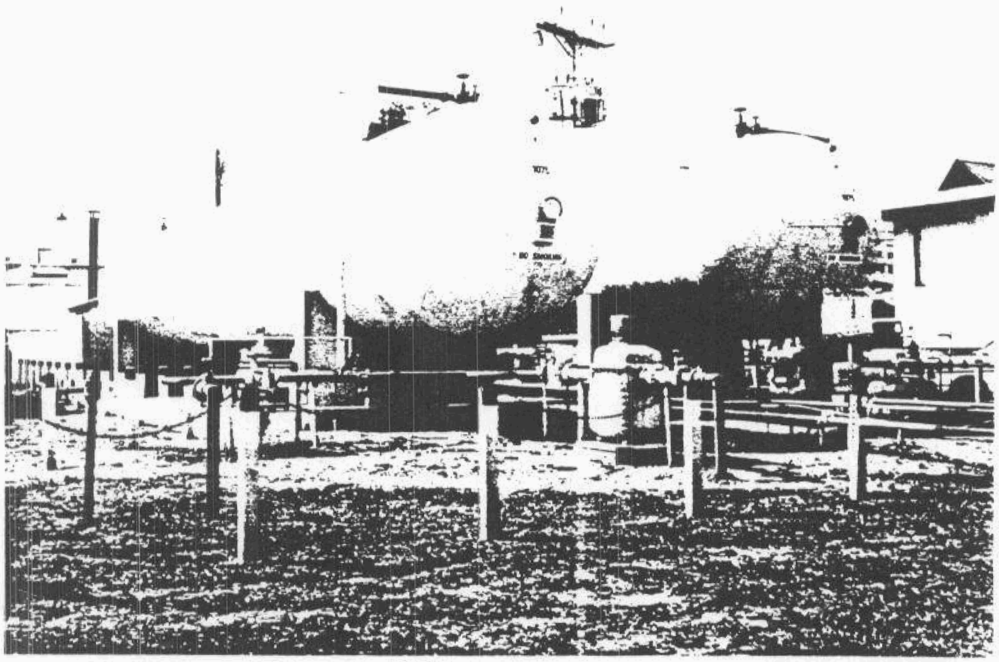
Asset	Size	Quantity	Year	Manufacturer
Meters - In Inventory				
Standard Index	175	74 used	1970-85	American
Standard Index	175	7 repair	1970-85	American
Temp/Press. Comp. Index	175	40 used	1983-84	American
Pressure Comp. Index	250	151 new	1989	American
Pressure Comp. Index	250	14 used	1989	American
Pressure Comp. Index	250	8 repair	1989	American
Turbine Meter (BVI Index)	GT4	2 used		American
Services on Distribution System				
Ex-Trube	1/2"	559	1969-79	
Poly	1/2" cts	117	1979-current	
Poly	1"	1	1979-current	
Poly	1-1/4"	4	1979-current	
Poly	2"	10	1979-current	
C&W Steel	1-1/4"	7	1970-79	

MARCO ISLAND
Asset Photographs

APPENDIX DR 172-4
PAGE 64 OF 129

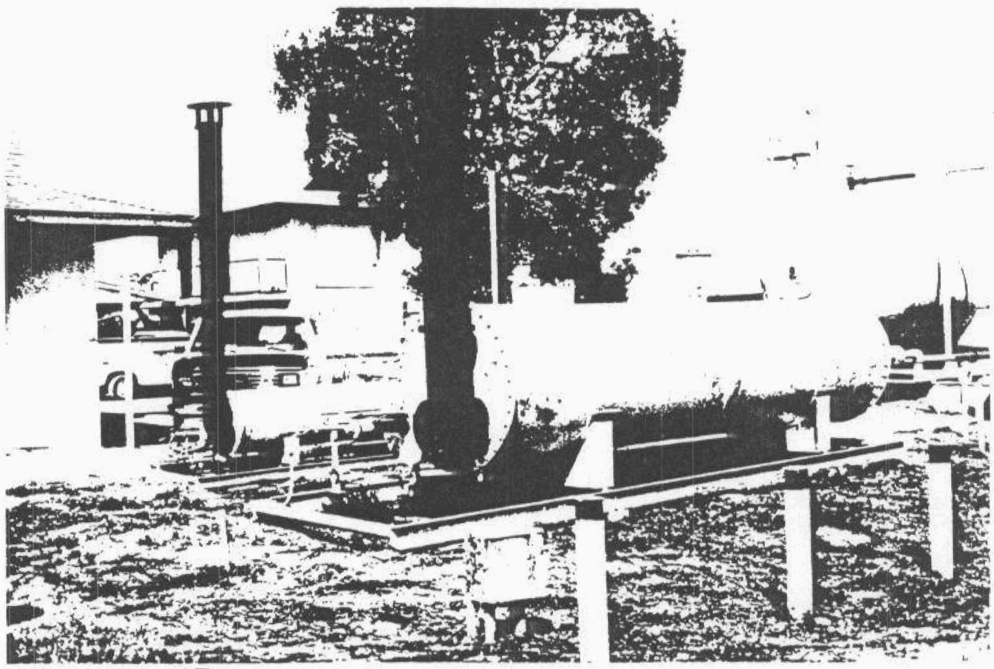
Bulk Plant Site

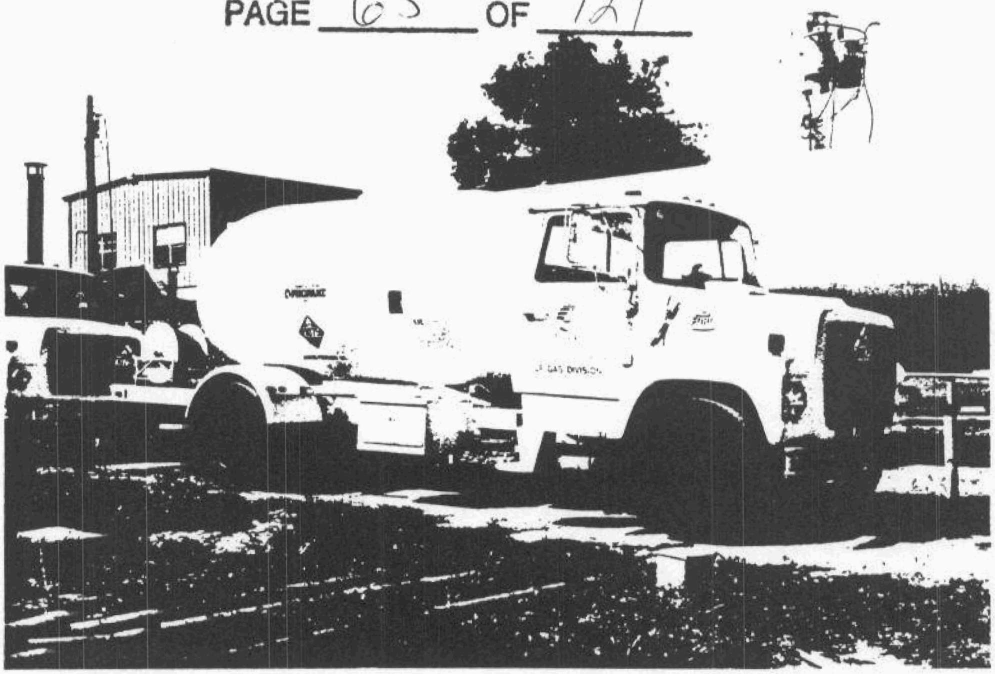




29,271 Gal. Tanks and Regulators

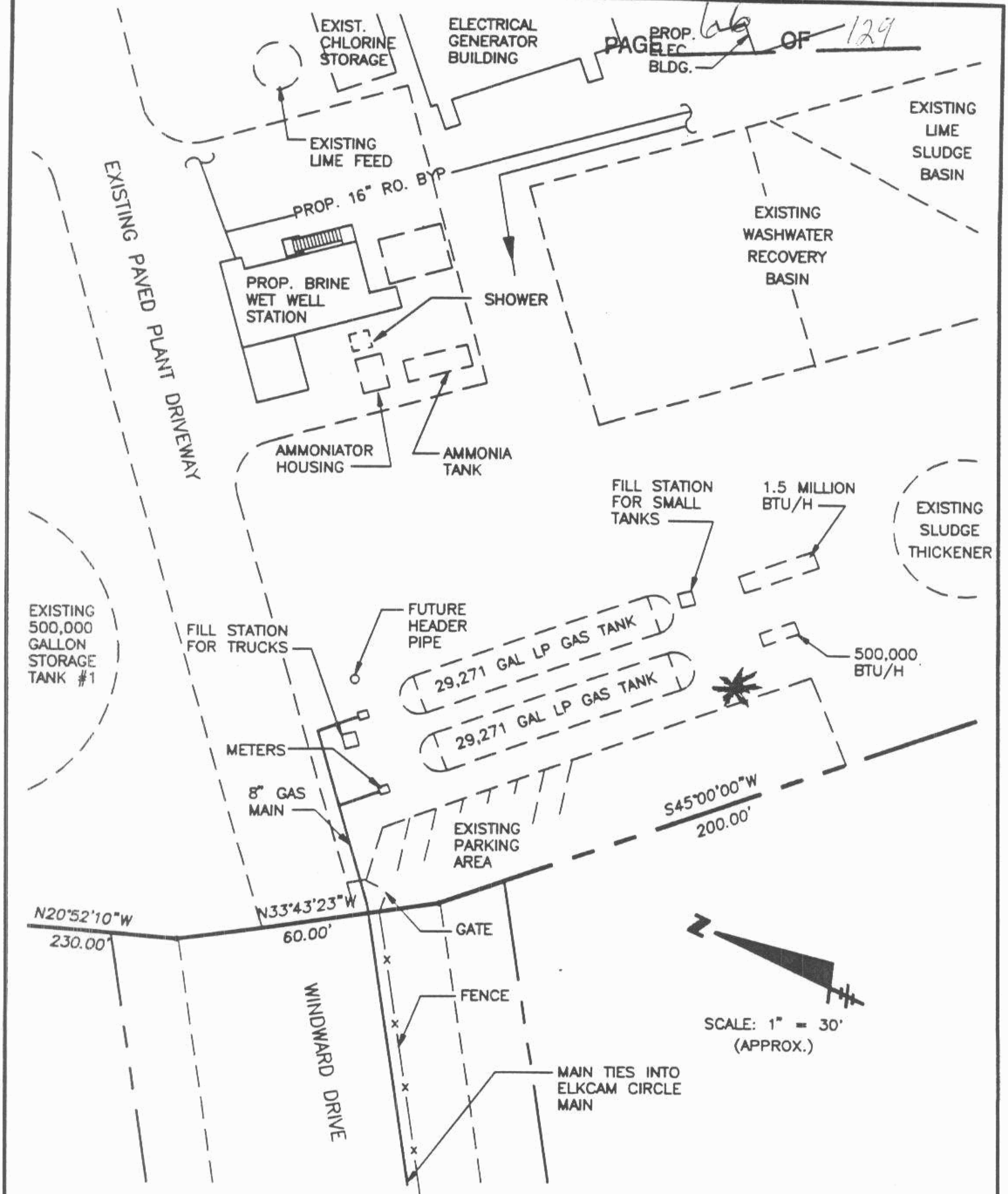
Vaporizors





Bobtail Truck
2,600 - gallon

Bobtail Truck
1,800 - gallon



SSU SERVICES ENGINEERING
1000 Color Place
Apopka, Florida, 32703
(407)-880-0058

2 - 29,271 GALLON LP GAS TANKS

MARCO ISLAND WTP/WWTP SITE

MARCO ISLAND
Main Distribution System

Type	Size	Quantity (ft.)	Years Installed
C&W Steel	1-1/4"	32,740	1970 to present
C&W Steel	2"	38,710	1970 to present
C&W Steel	3"	1,950	1970 to present
C&W Steel	4"	8,895	1970 to present
C&W Steel	6"	3,200	1970 to present
C&W Steel	8"	13,350	1970 to present
Poly	1-1/4"	2,950	1980 to present
Poly	2"	1,245	1980 to present
Poly	3"	1,000	1981 to present
Poly	6"	950	1986 to present

Comments:

(1) Total Footage

Poly	6,145
Steel	98,845
	104,990

Total Miles

Poly + Steel 19.9

(2) Cathodic Protection -Galvanic
(3) Steel Mains - Welded Joints
(4) Poly Mains - Heat Fused

LEHIGH
Customer Account Information

	Residential	Commercial	Total
Active @6/30/91	1,527	14	1,541
Inactive[(1)] @6/30/91	471	10	487
Total Accounts	1,998	24	2,022
Distribution Accounts	1,996	14	2,010
Tank	2	10	12
Cylinder	--	--	--
Total Accounts	1,998	24	2,022
Metered	1,997	15	2,012
Unmetered	1	9	10
Total Accounts	1,998	24	2,022

Comments

(1) Inactive accounts have meter sets that are locked and off.

LEHIGH
Consumption Profile

Year	Month	Gallons Purchased	Average Price/ Gallon ($)	Gallons Sold
1990	Jan.	52,208	0.77	56,550
	Feb.	38,979	0.75	36,894
	Mar.	36,554	0.67	34,096
	Apr.	35,755	0.60	31,133
	May	28,908	0.57	25,879
	Jun.	23,220	0.57	22,193
	Jul.	27,154	0.57	21,588
	Aug.	24,085	0.60	18,792
	Sept.	21,659	0.65	19,573
	Oct.	28,367	0.78	20,785
	Nov.	29,950	0.83	24,031
	Dec.	41,038	0.79	34,240
		387,877		345,754
1991	Jan.	42,833	0.79	38,287
	Feb.	43,218	0.75	36,803
	Mar.	36,412	0.70	36,003
	Apr.	30,044	0.68	29,054
	May	29,197	0.67	24,031
	Jun.	21,381	0.65	19,110
	Jul.	25,029	0.525	18,758
	Aug.	20,472	0.525	16,871
	Sept.	20,453	0.599	16,853
	Oct.	26,854	0.671	19,511
	Nov.	32,492	0.708	22,098
	Dec.	41,451	0.681	30,931
		369,836		308,310

LEHIGH
Historical Financial Information

SELECTED INCOME STATEMENT DATA:

	1988	1989	1990	1991
Operating Revenue	$535,493	$453,524	$454,726	$452,589
Cost of Gas	251,371	234,502	261,661	248,820
Operations & Maintenance	60,901	68,077	79,627	62,393

SELECTED BALANCE SHEET DATA:

	12/31/89	12/31/90	12/31/91
Plant Assets	$1,327,552	$1,217,594	$1,233,185
Accumulated Depreciation	(471,259)	(381,901)	(414,898)
Inventories and Other	54,199	61,341	75,459
Customer Deposits, net	(4,535)	(4,755)	–

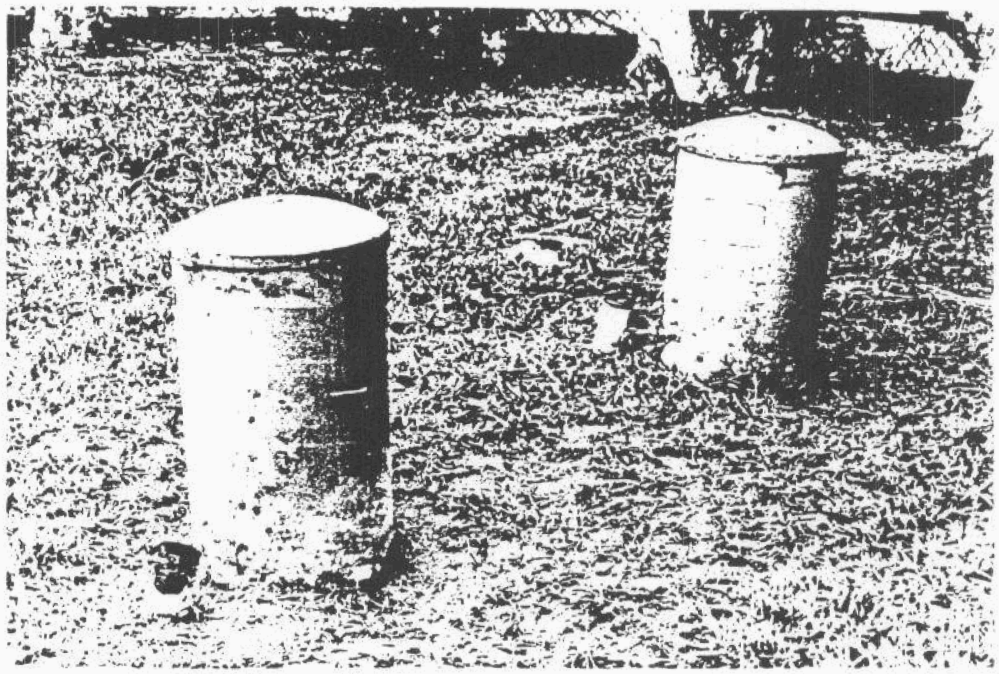
LEHIGH
Asset Information

Asset	Size	Quantity	Year	Manufacturer
Tanks - For Distribution				
1,000 gal. under-ground*		144		
Tanks - In Field				
120 gal. above-ground		3		
250 gal. under-ground		2		
500 gal. under-ground		4		
1,000 gal. under-ground		7		
Tanks - In Inventory				
1,000 gal.		8		
Meters - In Field(1)				
Standard Index	1/2 meter	990	1965-75	Rockwell n66,67
Standard Index	1/2 meter	800	1975-85	Rockwell s110,120
Standard Index	3/4 meter	216	1985-91	Rockwell s200
Standard Index	top-mount	6	Various	Rockwell 250-750

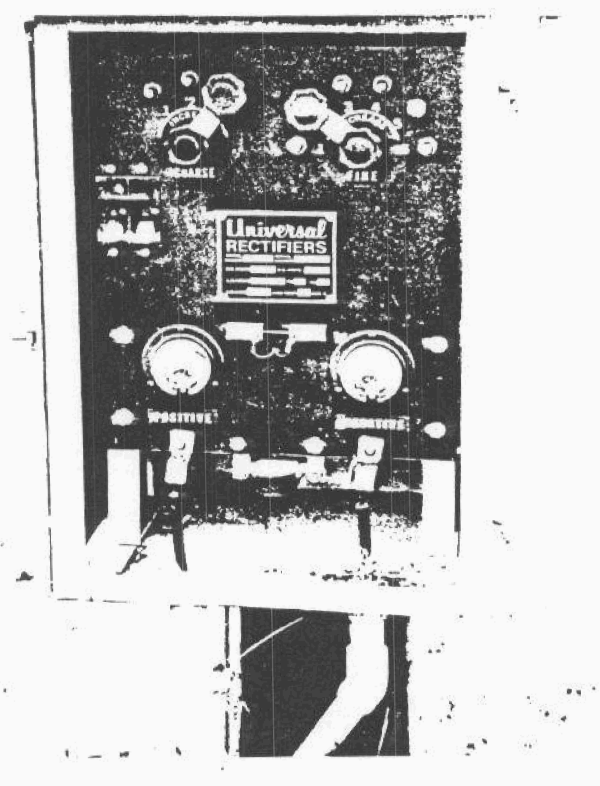
(1)The pound indexes on 938 meter sets in the field must be changed before July 1992 for federal compliance.

Asset	Size	Quantity	Year	Manufacturer
Meters - In Inventory				
Standard Index	1/2 meter	3 used	1975-85	Rockwell s110
Standard Index	top-mount	2 used	1970,88	Rockwell
Services on Distribution System				
Ex-Trube	1/2"	1,000	20 yrs. old	
Galvanized	1/2"	272	20+ yrs. old	
Poly	1/2"	740	3-10 yrs. old	
Rectifier*		1		Universal

*Photograph included following this schedule.



2-1,000 gallon Under-ground Distribution Tanks (Typical)



Rectifier

LEHIGH
Main Distribution System

Type	Size	Quantity (ft.)	Age
Ex-Trube	1" - 1-1/2"	121,440	20 yrs. +
Galvanized	1" - 2"	31,680	20 yrs. +
Poly	1-1/4"	73,920	5 yrs. +
C&W Steel	1-1/4" - 2"	10,560	20 yrs.

Comments:

(1)

Total Footage	Total Miles
237,600	45

(2) Ex-Trube Mains - Flodar Compression Fittings
(3) Galvanized Mains - Threaded
(4) Poly Mains - Heat Fused
(5) Steel Mains - Welded Joints
(6) Cathodic Protection - Galvanic and Rectifier. Approximately three miles of galvanized main not under cathodic protection; leak surveys and visual inspections are done for state compliance.

SPRING HILL
Customer Account Information

	Residential	Commercial	Total
Active @1/31/92	3,033	17	3,050
Inactive(1) @1/31/92	176	1	177
Total Accounts	3,209	18	3,227
Distribution Accounts	2,912	4	2,916
Tank	89	11	100
Cylinder	208	3	211
Total Accounts	3,209	18	3,227
Metered	2,991	6	2,997
Unmetered	218	12	230
Total Accounts	3,209	18	3,227

Comments

(1) Inactive accounts have meter sets that are locked and off.

SPRING HILL
Consumption Profile

Year	Month	Gallons Purchased	Average Price/ Gallon($)	Gallons Sold
1990	Jan.	204,645	.4502	67,095*
	Feb.	83,134	.6308	78,602*
	Mar.	69,164	.5624	217,685*
	Apr.	55,938	.5157	58,839
	May	41,143	.4903	43,105
	Jun.	31,111	.4687	64,080
	Jul.	42,185	.4520	32,689
	Aug.	34,776	.4529	26,262
	Sept.	35,709	.4634	32,752
	Oct.	37,019	.5259	32,204
	Nov.	42,293	.5962	33,052
	Dec.	68,674	.6126	58,329
		745,791		744,694
			100 lb. cylinders	22,539
				767,233
1991	Jan.	86,463	.6055	76,036
	Feb.	100,849	.5867	84,953
	Mar.	108,394	.5329	92,154
	Apr.	75,184	.5130	69,062
	May	46,054	.5090	39,835
	Jun.	37,796	.5109	32,914
	Jul.	37,338	.5039	30,852
	Aug.	33,924	.4912	30,462
	Sept.	33,265	.4832	29,457
	Oct.	33,543	.4987	27,257
	Nov.	39,114	.5289	35,199
	Dec.	89,995	.5800	70,934
		721,919		619,115
			100 lb. cylinders	22,870
				641,985

SPRING HILL
Historical Financial Information

SELECTED INCOME STATEMENT DATA:

	1988	1989	1990	1991
Operating Revenue	$1,197,281	$947,012	$1,032,879	$1,103,702
Cost of Gas	429,490	383,914	358,344	413,804
Operations	82,375	93,933	132,659	109,665
Maintenance	4,849	1,366	15,227	22,638
Taxes (other than income)	15,032	16,329	17,866	13,417

SELECTED BALANCE SHEET DATA:

	12/31/89	12/31/90	12/31/91
Plant Assets	$1,440,074	$1,482,274	$1,483,651*
Accumulated Depreciation	(445,130)	(489,743)	(518,340)
Inventories	57,632	103,657	63,787
Customer Deposits, net	(154,813)	(163,312)	(176,771)

*On March 31, 1992, SSU purchased storage tanks and equipment totaling $140,723, increasing Plant Assets to $1,624,374. The tanks and equipment had previously been leased.

SPRING HILL
Asset Information

Asset	Size	Quantity	Year	Manufacturer
Bulk Plant & Major Equipment				
1st Housing Area:				
Tank*	30,000 gal.	1	1973	Trinity
Tank*	30,000 gal.	1	1968	Plant City Steel
Standby Generator*		1		
Regulators*	2"	2		Fisher
Regulators*	2"	5		Fisher 289
Vaporizers*	800V	2		Algas
Rectifier*				
2nd Housing Area:				
Tank*	30,000 gal.	1	1978	Delta Tank
Tank*	18,000 gal.	1	1948	Chicago Tank
Standby Generator*		1		
Liquid Pump	1"	1		
Regulators*	2"	5		Fisher 99
Vaporizers*	200V	2		Algas
3rd Housing Area:				
Tank*	30,000 gal.	1	1973	Mississippi Tank
Regulators*	2"	5		Fisher 1098
Vaporizers*	200V	2		Algas
Block System				
Buried Tanks	1,000 gal.	3		
Dispensing Unit*	1,000 gal.	1		
Tanks - In Field				
420 lb. above-ground		2		
50 gal. above-ground		2		
120 gal. above-ground		5		
150 gal. under-ground		1		
250 gal. under-ground		64		
500 gal. under-ground		16		
100 lb. cylinders		400		
Tanks - In Inventory				
100 lb. cylinders		55		
200 lb. cylinders		16		
250 gal.		5		
500 gal.		4		
1,000 gal.		2		

*Photograph included following this schedule.

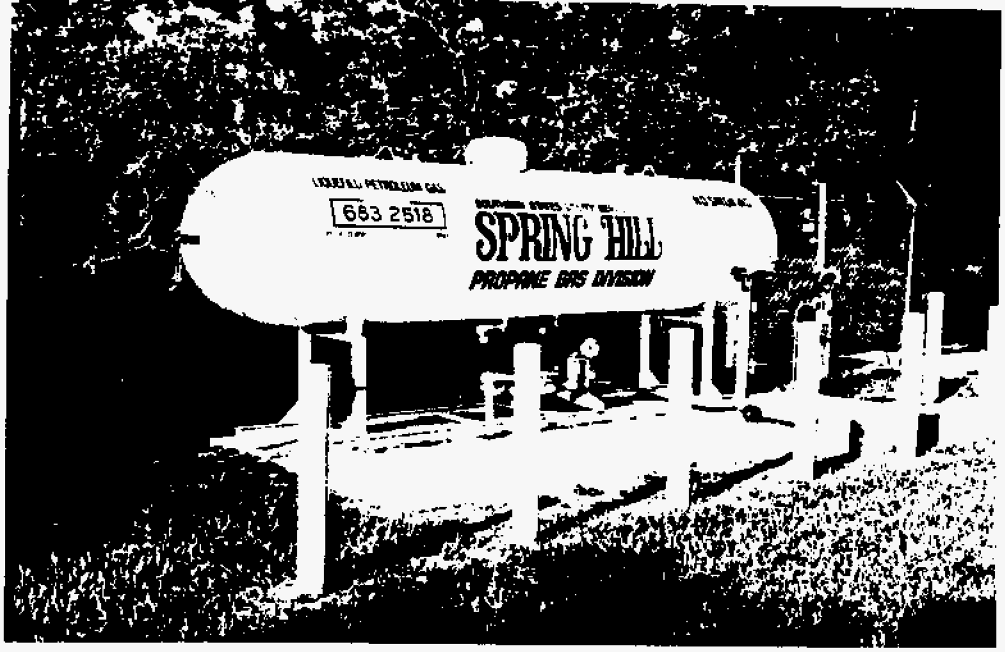
Asset	Size	Quantity	Year	Manufacturer
Meters - In Field				
Standard Index	175	2,785	1969-89	American
Pressure Comp. Index	250	212	1989	American
Meters - In Inventory				
Standard Index	175	18 used	1969-89	American
Pressure Comp. Index	250	8 new	1989	American
Pressure Comp. Index	250	9 used	1969-89	American
Services on Distribution System				
Ex-Trube	1/2"	1,876	1967-78	
Poly	1/2" cts	1,040	1978-current	

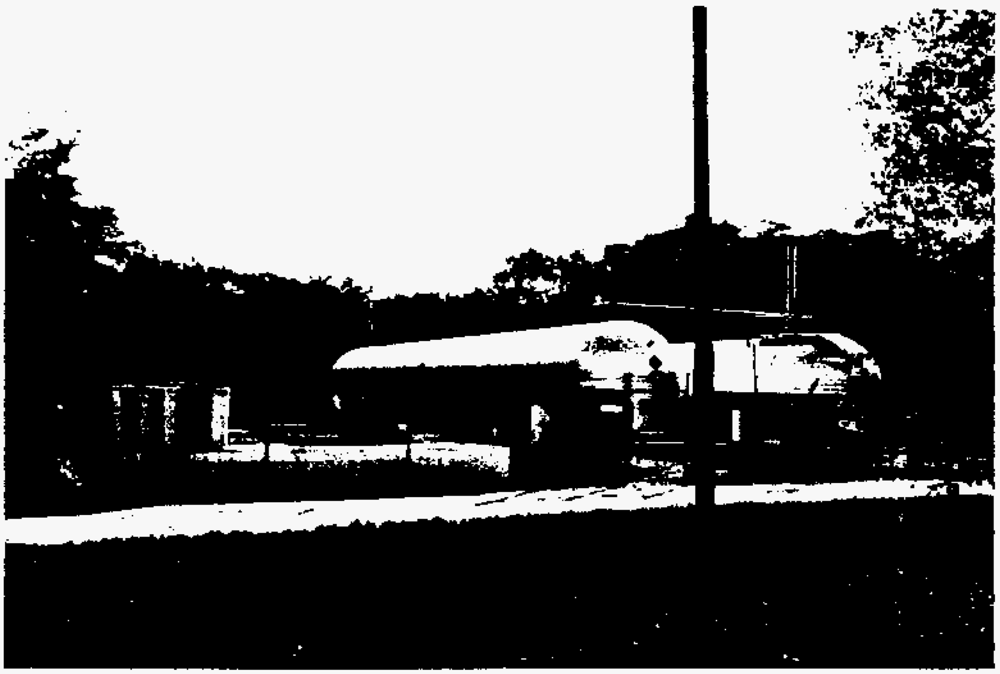
SPRING HILL
Asset Photographs

APPENDIX DR 172-A

PAGE 79 OF 129

Dispensing Unit



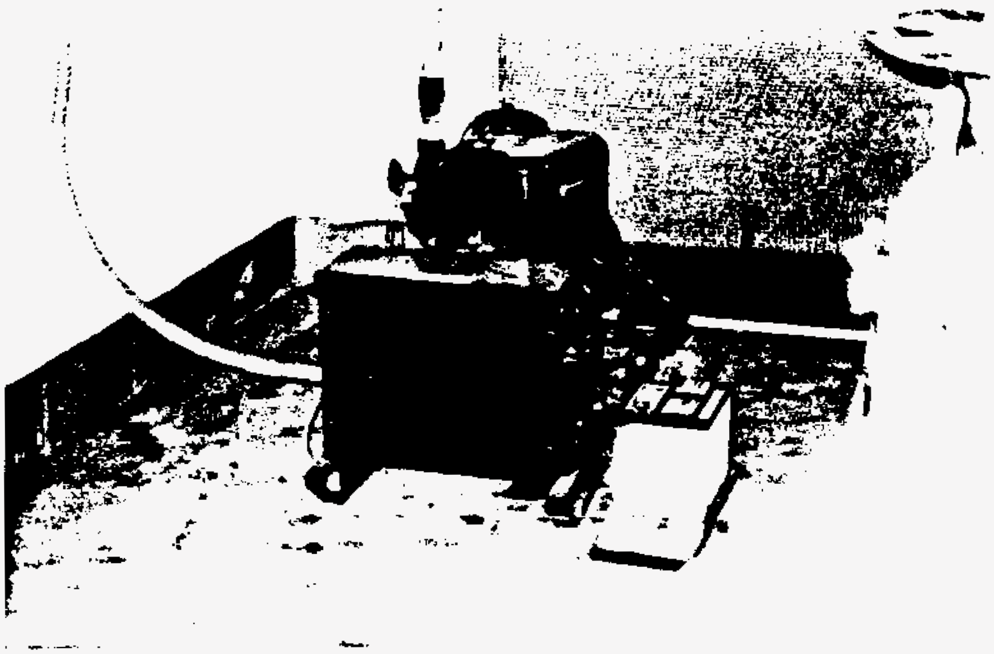


1st Housing Area

2-30,000 gal. Tanks

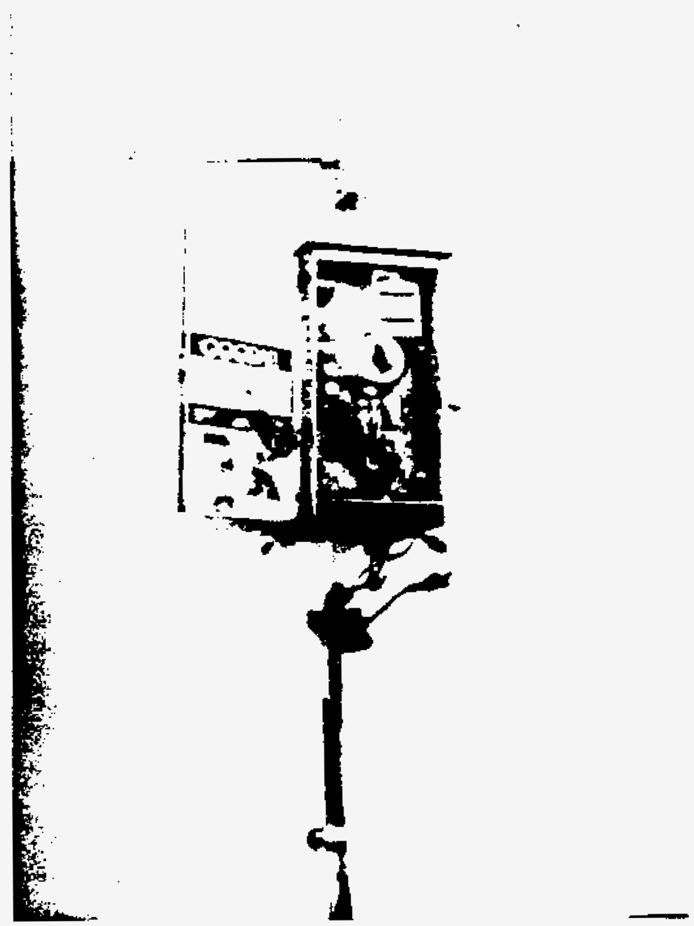
1st Housing Area

Vaporizers & Regulators



1st Housing Area

Standby Generator



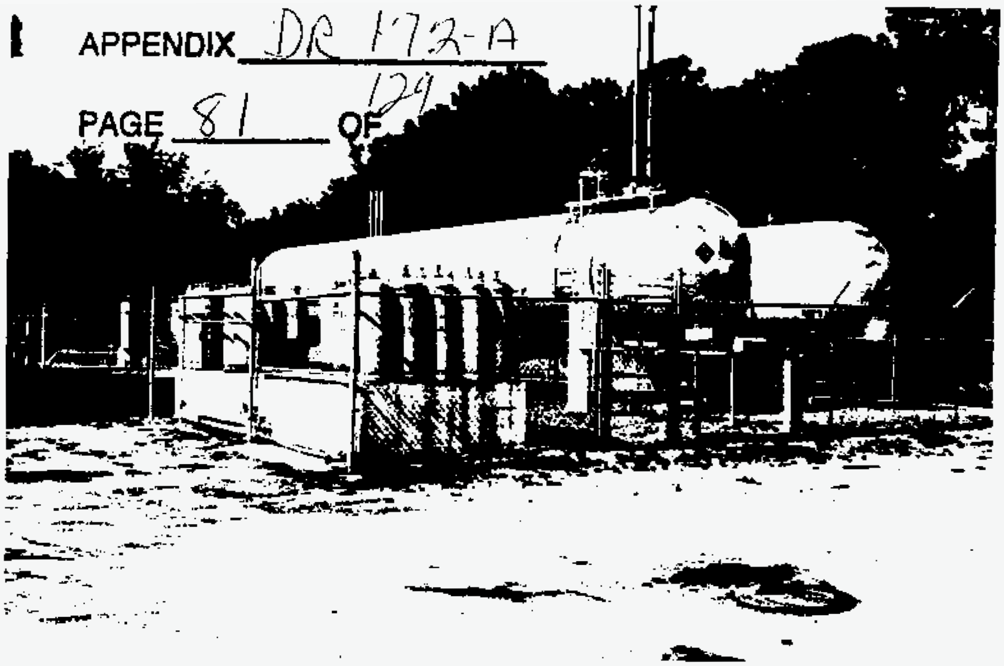
1st Housing Area

Rectifier in Lift Station

SPRING HILL
Asset Photographs

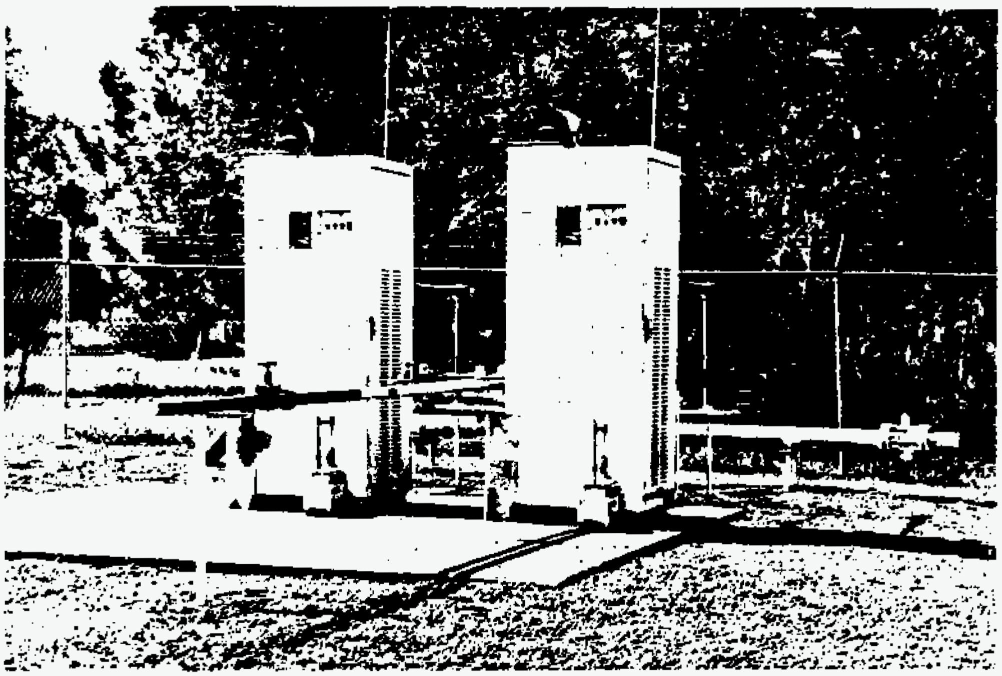
APPENDIX DR 172-A

PAGE 81 OF 129



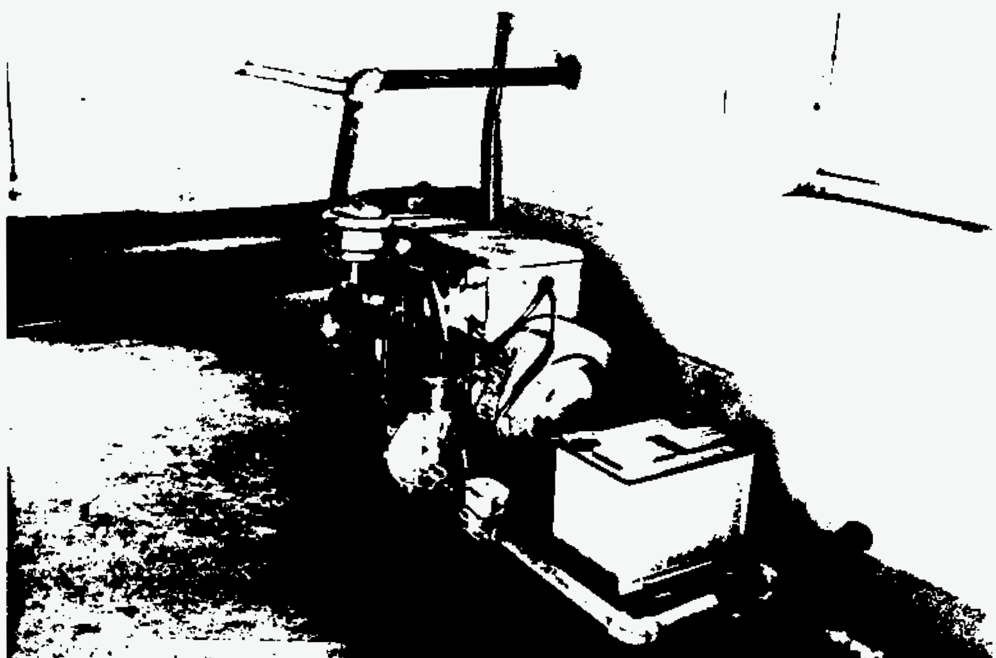
2nd Housing Area

Tanks and Cylinder Fill Station



2nd Housing Area

Vaporizers & Regulators

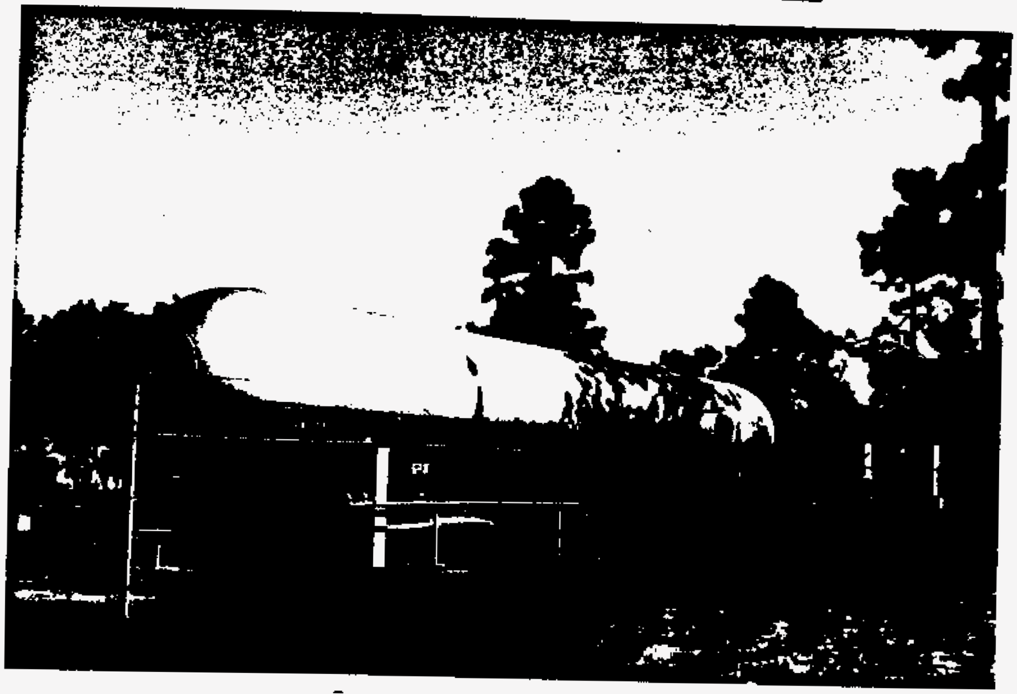


2nd Housing Area

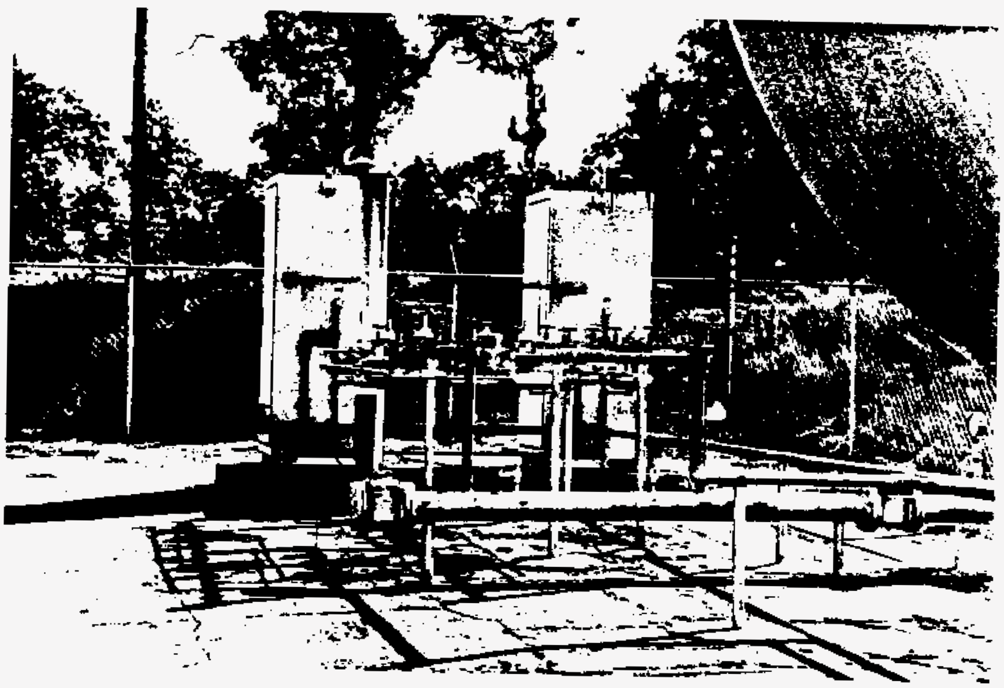
Standby Generator in Pump House

SSU GAS DIVISION
Supplier Profile at May 1, 1992

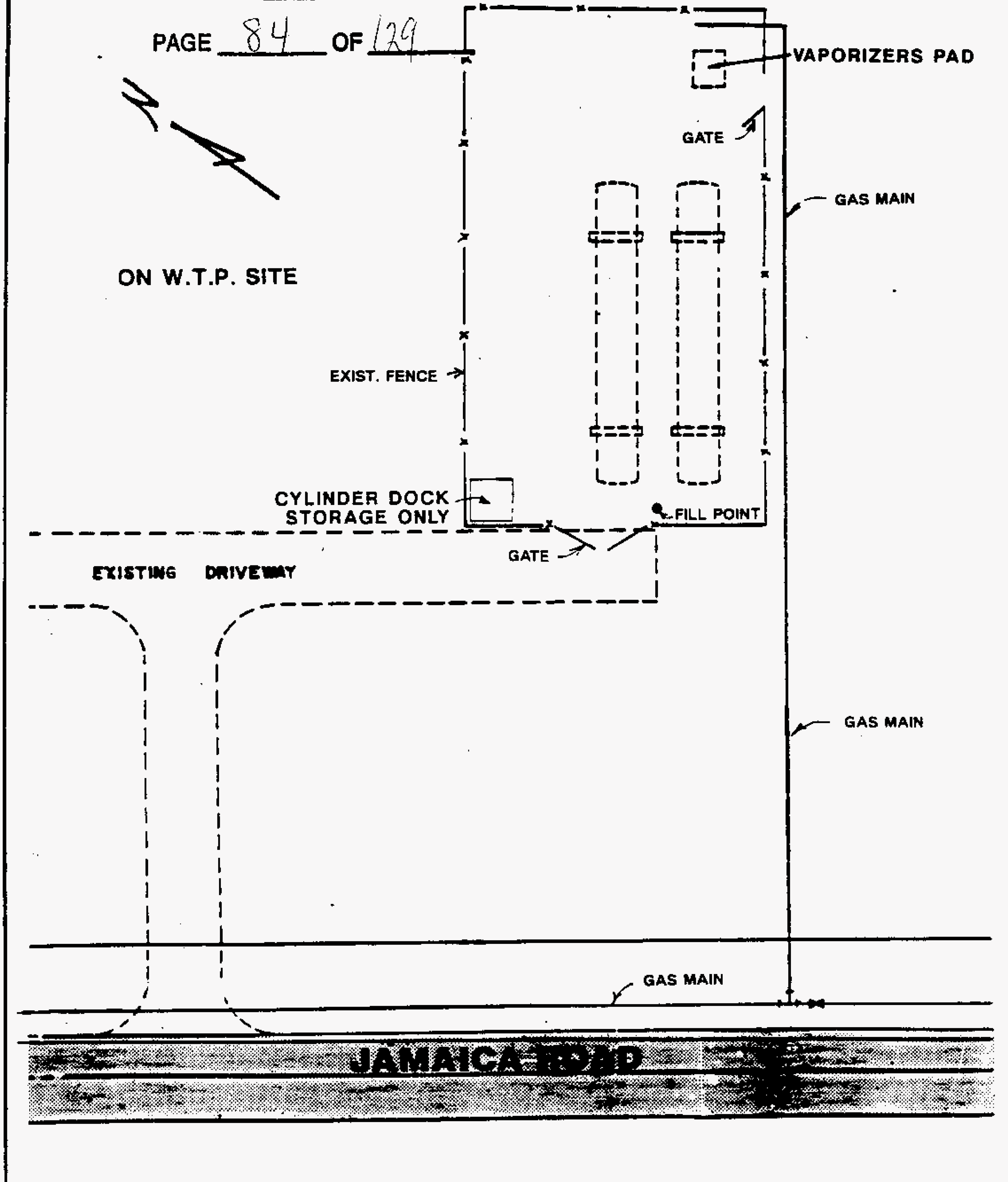
System	Supplier	Premium Over Layed-In Cost		Comments
Marco Island	Warren Petroleum	None		Price changes faxed on daily basis.
Lehigh	Petrolane	Bobtail	15.0¢	Price fluctuates with market.
Spring Hill Citrus Springs/ Pine Ridge Marion Oaks	Ferrell Gas	Transport Bobtail	5.5¢ 20.0¢	Price confirmation due by 10th of month. Layed-in cost based on Dixie Pipeline postings at Alma, Georgia.
Sunny Hills	Amerigas	Bobtail	14.5¢	Layed-in cost equal to the average posting in Hattisburg listed in BPN's Weekly Newsletter.



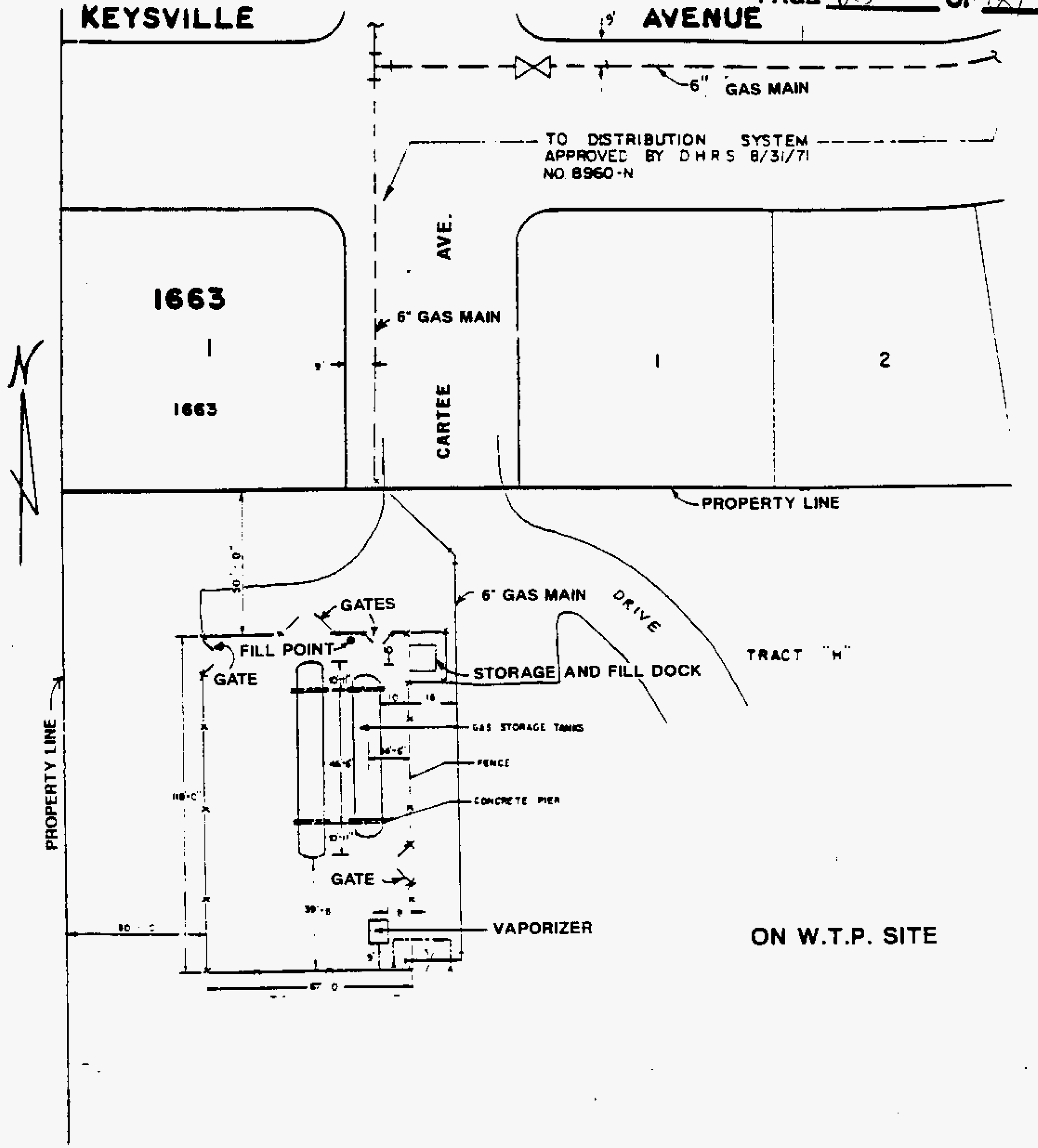
3rd Housing Area
30,000 gallon Tank



3rd Housing Area
Vaporizers and Regulators



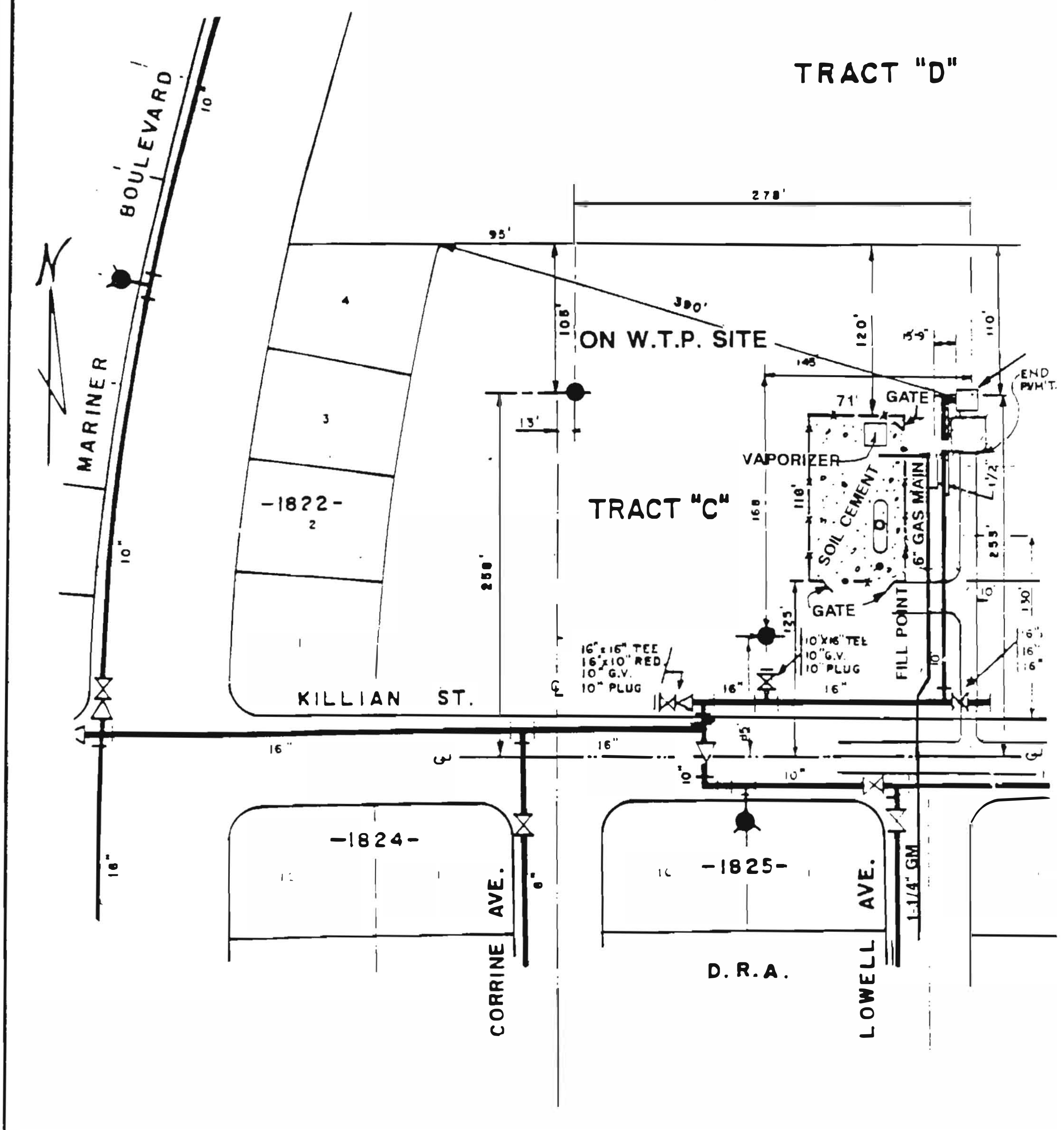
SSU SERVICES ENGINEERING 1000 Color Place Apopka, Florida 32703 (407) 880-0058	2-30,000 GAL TANKS SCALE 1"=30' (APPROX.)	SPRING HILL UNIT ONE TRACT "L" TANK #2



SSU SERVICES ENGINEERING 1000 Color Place Apopka, Florida 32703 (407) 880-0058	1-30,000 GAL. TANK 1-18,000 GAL. TANK SCALE 1"=50' (APPROX.)	SPRING HILL UNIT 25 TRACT "H" TANKS #1&1A

APPENDIX DR 172-A

PAGE 86 OF 129



SSU SERVICES ENGINEERING
1000 Color Place
Apopka, Florida 32703
(407) 880-0058

1 - 30,000 GAL. TANK

SCALE 1"=100' (APPROX.)

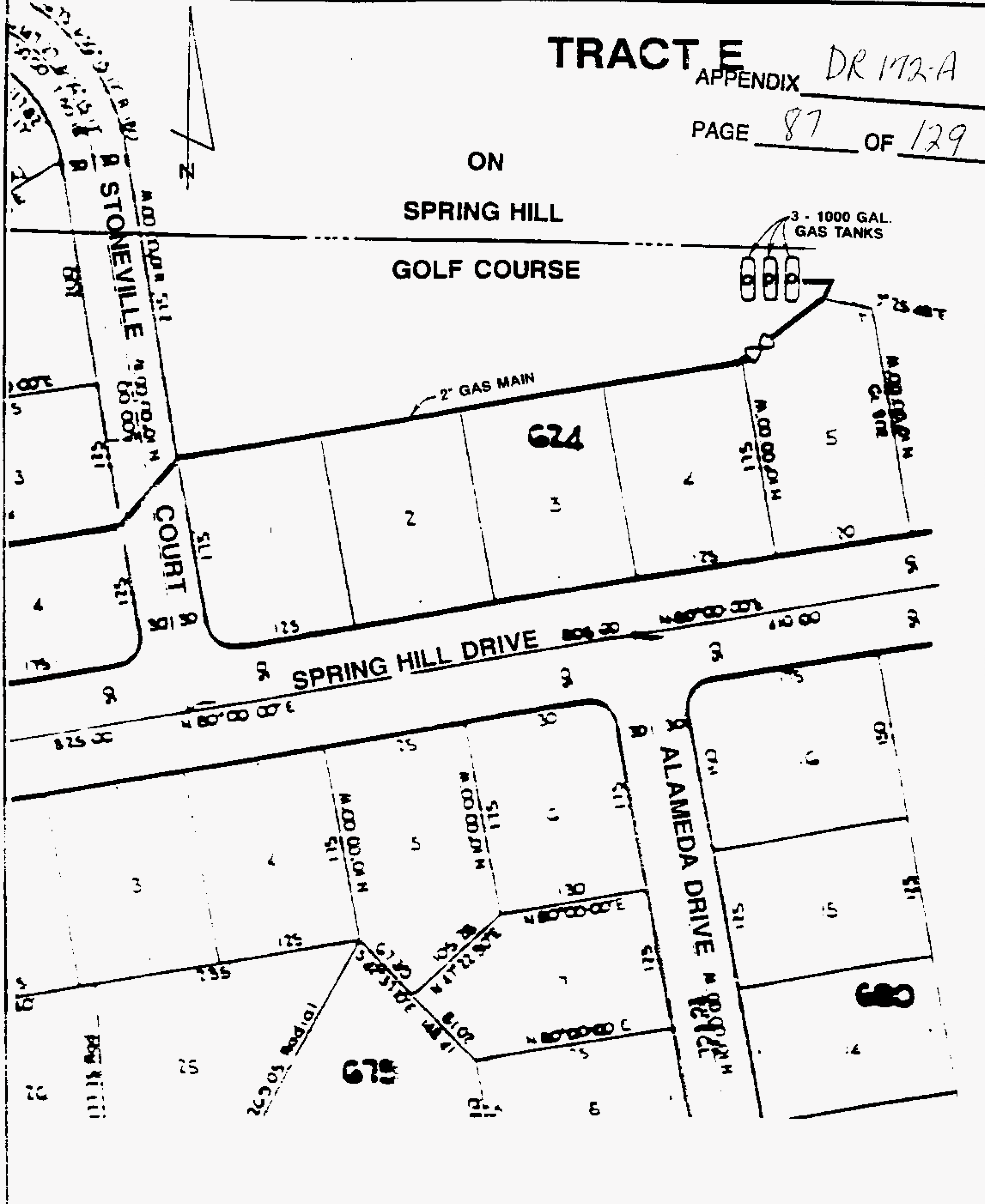
SPRING HILL
UNIT 19
TRACT "C"

TANK #3

TRACT E

APPENDIX DR 172-A

PAGE 87 OF 129



SSU SERVICES ENGINEERING

3-1,000 GAL. TANKS

SCALE 1"=100
(APPROX.)

SPRING HILL
UNIT 10
TRACT "E"

TANK #4

SPRING HILL
Main Distribution System
Total System

Type	Size	Quantity (ft.)	Years Installed
C&W Steel	1-1/4"	62,030	1967-78
C&W Steel	2"	73,140	1967-78
C&W Steel	3"	18,825	1967-78
C&W Steel	4"	21,100	1967-78
C&W Steel	6"	10,230	1967-78
C&W Steel	8"	7,800	1967-78
Poly	1-1/4"	22,410	1978-80
Poly	2"	20,325	1978-80
Poly	3"	4,425	1978-80
Poly	4"	7,575	1978-80
Poly	6"	300	1978-80

Comments:

(1) Total Footage

Poly	55,035
Steel	193,125
	248,160

Total Miles

Poly + Steel 47.0

SPRING HILL
Main Distribution System
1st Housing Area

Type	Size	Quantity (ft.)
C&W Steel	1-1/4"	26,480
C&W Steel	2"	53,565
C&W Steel	3"	6,375
C&W Steel	4"	16,225
C&W Steel	6"	6,930
C&W Steel	8"	2,850
Poly	1-1/4"	1,425

Comments:

(1) Total Footage

Poly	1,425
Steel	112,425
	113,850

Total Miles

Poly + Steel 21.56

(2) Cathodic Protection - Rectifier
(3) Steel Mains - Welded Joints
(4) Poly Mains - Heat Fused

SPRING HILL
Main Distribution System
2nd Housing Area

Type	Size	Quantity (ft.)
C&W Steel	1-1/4"	35,550
C&W Steel	2"	19,575
C&W Steel	3"	12,450
C&W Steel	4"	4,875
C&W Steel	6"	3,300
C&W Steel	8"	4,950
Poly	1-1/4"	2,175
Poly	2"	1,275

Comments:

(1) Total Footage

Poly	3,450
Steel	80,700
	84,150

Total Miles

Poly + Steel 15.93

(2) Cathodic Protection - Galvanic
(3) Steel Mains - Welded Joints
(4) Poly Mains - Heat Fused

SPRING HILL
Main Distribution System
3rd Housing Area

Type	Size	Quantity (ft.)
Poly	1-1/4"	18,810
Poly	2"	19,050
Poly	3"	4,425
Poly	4"	7,575
Poly	6"	300

Comments:

(1)

Total Footage		Total Miles	
Poly	50,160	Poly	9.5

(2) Cathodic Protection - Individual steel valves protected by 1 lb. anodes
(3) Poly Mains - Heat Fused

CITRUS SPRINGS/PINE RIDGE
Customer Account Information

	Residential	Commercial	Total
Active @1/31/92	548	6	554
Inactive(1) @1/31/92	34	1	35
Total Accounts	582	7	589
Distribution Accounts	490	--	490
Tank	87	7	94
Cylinder	5	--	5
Total Accounts	582	7	589
Metered	564	4	568
Unmetered	18	3	21
Total Accounts	582	7	589

Comments

(1) Inactive accounts have meter sets that are locked and off.

CITRUS SPRINGS
Consumption Profile

Year	Month	Gallons Purchased	Average Price/ Gallon($)	Gallons Sold
1990	Jan.	23,511	.4428	21,479
	Feb.	43,931	.6665	37,998
	Mar.	13,697	.6933	15,479
	Apr.	12,553	.6223	11,715
	May	9,850	.6182	9,292
	Jun.	8,472	.5888	7,703
	Jul.	5,870	.5684	5,966
	Aug.	5,136	.5694	5,427
	Sept.	7,612	.5525	6,164
	Oct.	6,101	.5653	5,480
	Nov.	6,467	.6431	5,946
	Dec.	12,561	.6537	11,351
		155,761		144,000
1991	Jan.	19,960	.6294	17,403
	Feb.	21,823	.6083	19,783
	Mar.	18,509	.5617	16,989
	Apr.	17,062	.5479	15,409
	May	9,442	.5353	7,490
	Jun.	8,034	.5333	7,243
	Jul.	5,968	.5311	5,413
	Aug.	5,417	.5135	4,862
	Sept.	5,650	.5172	4,829
	Oct.	7,424	.5265	5,594
	Nov.	8,169	.5195	7,069
	Dec.	15,581	.5699	14,631
		143,039		126,715

PINE RIDGE
Consumption Profile

Year	Month	Gallons Purchased	Average Price/ Gallon($)	Gallons Sold
1990	Jan.	1,277	.4639	1,200*
	Feb.	2,312	.5810	2,037
	Mar.	1,150	.6366	957
	Apr.	652	.6237	624
	May	561	.6140	518
	Jun.	571	.6057	493
	Jul.	353	.6072	327
	Aug.	439	.6049	317
	Sept.	413	.5954	322
	Oct.	527	.6074	385
	Nov.	436	.6060	334
	Dec.	904	.6166	893
		9,595		8,407
1991	Jan.	1,246	.6503	1,101
	Feb.	1,333	.6498	1,172
	Mar.	1,121	.6401	1,002
	Apr.	953	.6230	836
	May	970	.6151	409
	Jun.	342	.6151	483
	Jul.	373	.6147	337
	Aug.	326	.6081	258
	Sept.	650	.5927	460
	Oct.	542	.5968	489
	Nov.	560	.6084	394
	Dec.	1,117	.6321	874
		9,533		7,815

*Estimated

CITRUS SPRINGS/PINE RIDGE
Historical Financial Information

SELECTED INCOME STATEMENT DATA:

	1988	1989	1990	1991
Operating Revenue	$268,468	$194,474	$228,237	$224,865
Cost of Gas	101,731	74,530	94,398	91,138
Operations	22,965	31,293	32,151	28,860
Maintenance	1,302	4,888	7,135	15,056
Taxes (other than income)	4,508	5,867	13,859	10,358

SELECTED BALANCE SHEET DATA:

	12/31/89	12/31/90	12/31/91
Plant Assets	$463,326	$507,943	$521,448
Accumulated Depreciation	(157,988)	(172,797)	(187,346)
Inventories	67,334	66,793	35,216
Customer Deposits, net	(23,824)	(24,350)	(24,809)

CITRUS SPRINGS/PINE RIDGE

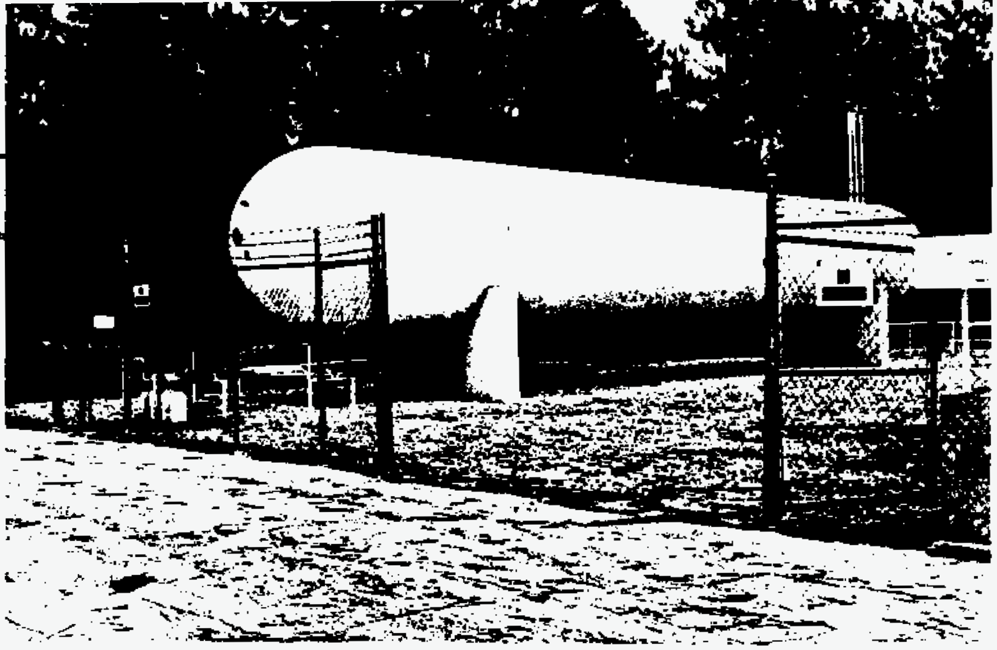
Asset Information

Asset	Size	Quantity	Year	Manufacturer
Bulk Plant & Major Equipment				
Plant				
Tank 1*	30,000 gal.	1	1972	Trinity Industry
Regulators*	2"	4		Fisher 99
Vaporizers*	80/40	4(1)		Algas
Standby Buried Tank	1,000 gal.	1		American Tank & Weld
Block Systems				
Tank 1A & 1B*	1,000 gal. ug	2		American Tank & Weld
Tank 2	1,000 gal. ug	1		American Tank & Weld
Tank 3	1,000 gal. ug	1		American Tank & Weld

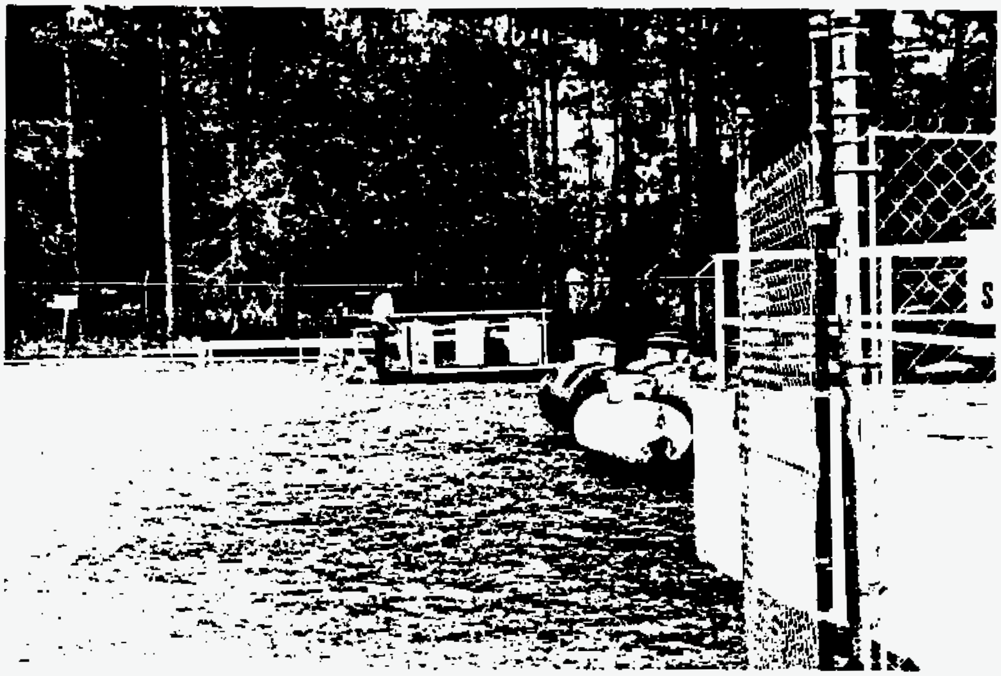
(1)Two vaporizers are inoperative; one of which will be replaced in 1991.

Asset	Size	Quantity	Year	Manufacturer
Tanks - In Field				
120 gal. above-ground		1		
250 gal. under-ground		89		
500 gal. under-ground		2		
Tanks - In Inventory				
120 gal		1		
250 gal.		18		
1,000 gal.		1		
Meters - In Field				
Standard Index	175	325	1970-89	American
Pressure Comp. Index	250	267	1989	American
Meters - In Inventory				
Standard Index	175	237 used	1970-79	American
Pressure Comp. Index	250	15 new	1989	American
Services on Distribution System				
Ex-Trube	1/2"	428	1970-79	
Poly	1/2" cts	104	1979-90	

*Photograph included following this schedule.



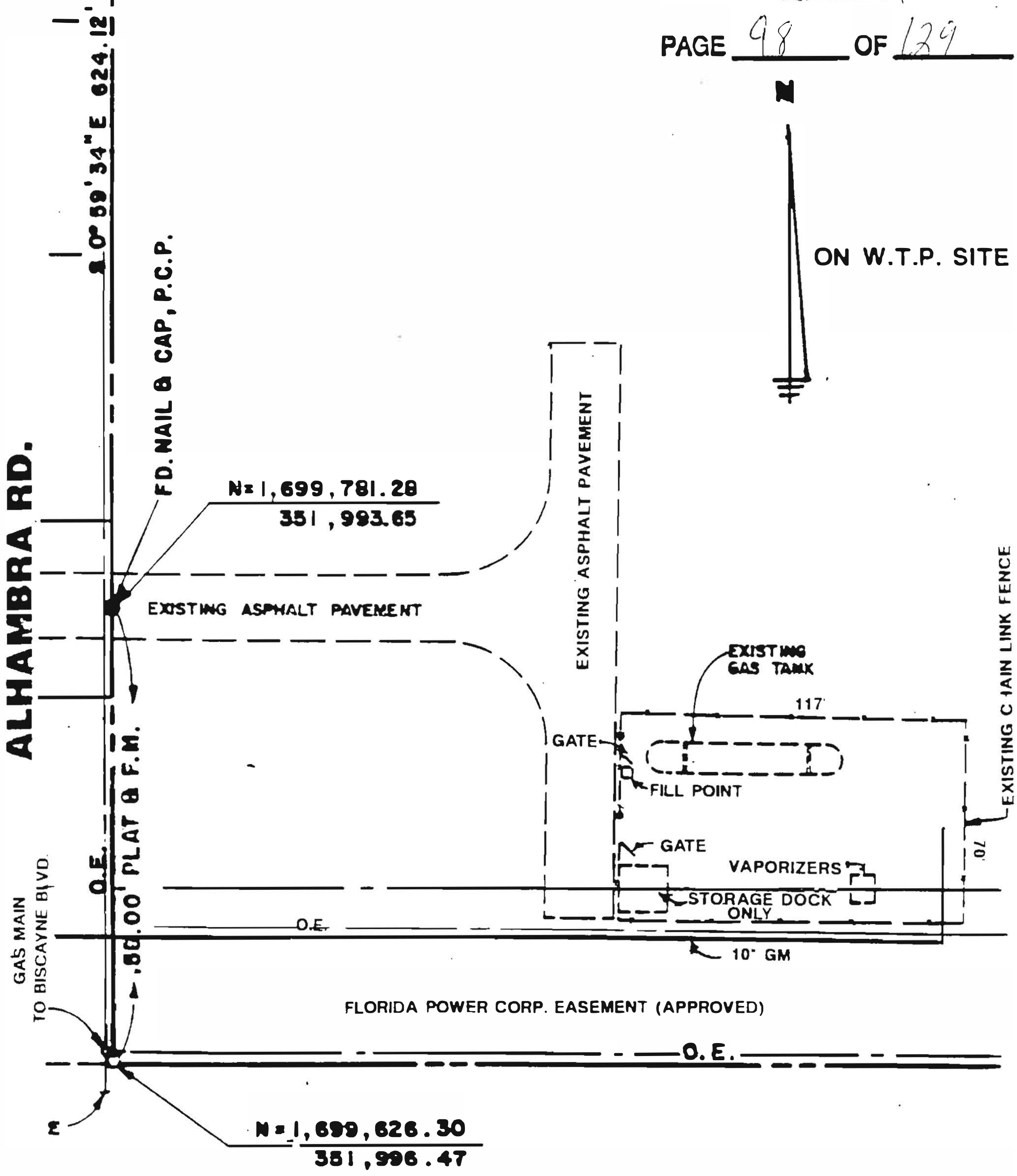
30,000 gallon Tank



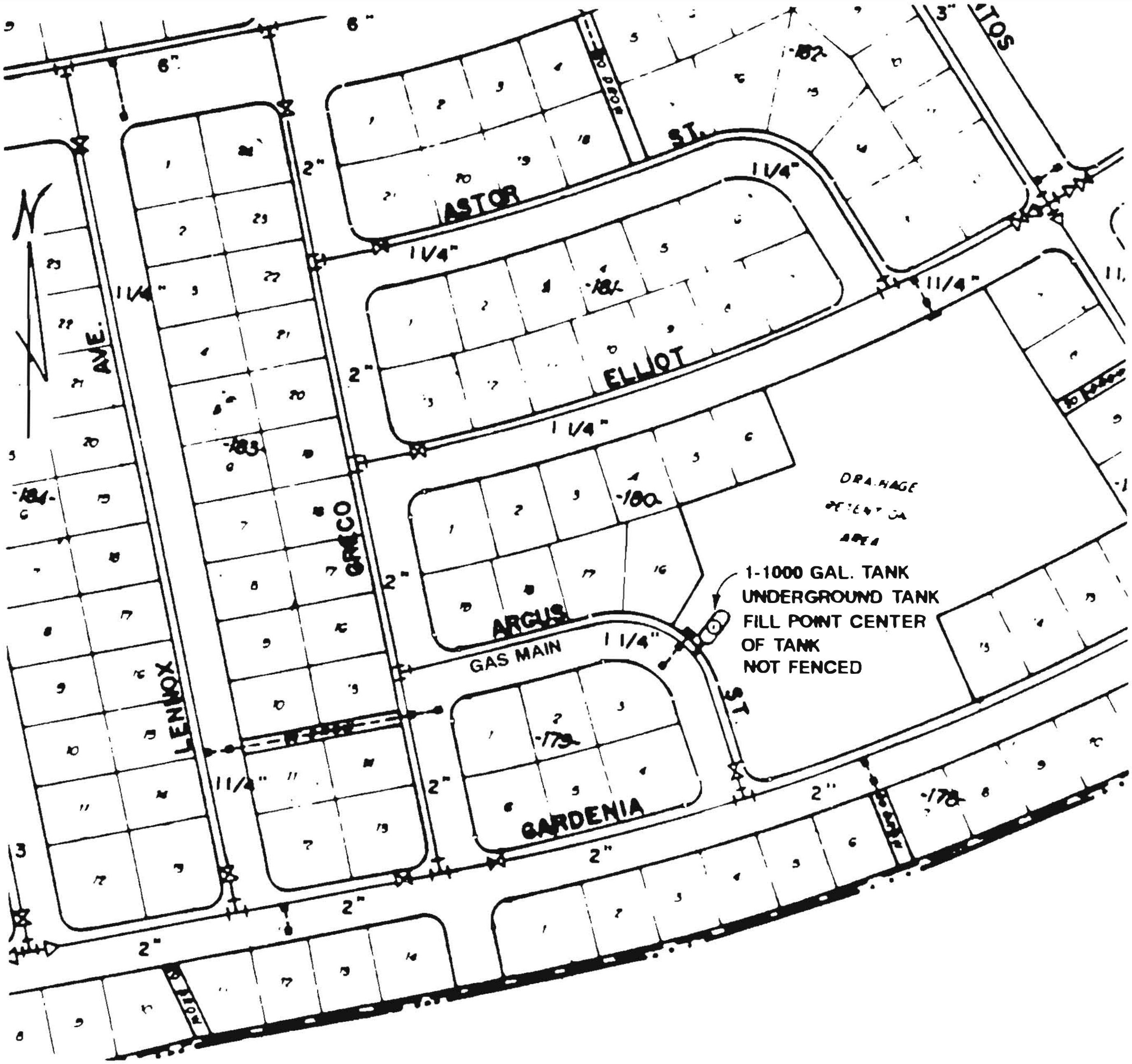
Regulators & Vaporizers

Block System

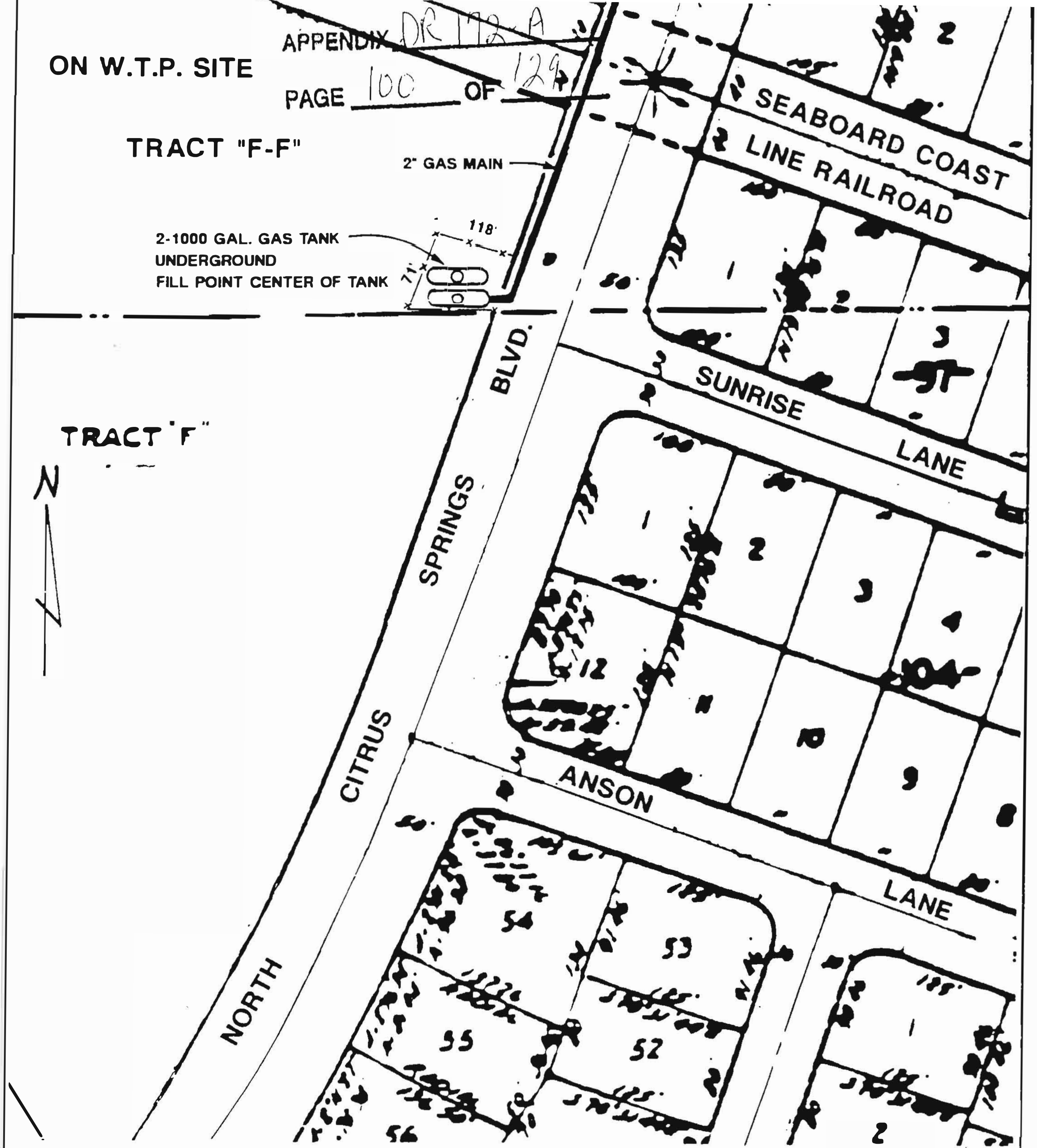
Tanks 1A and 1B



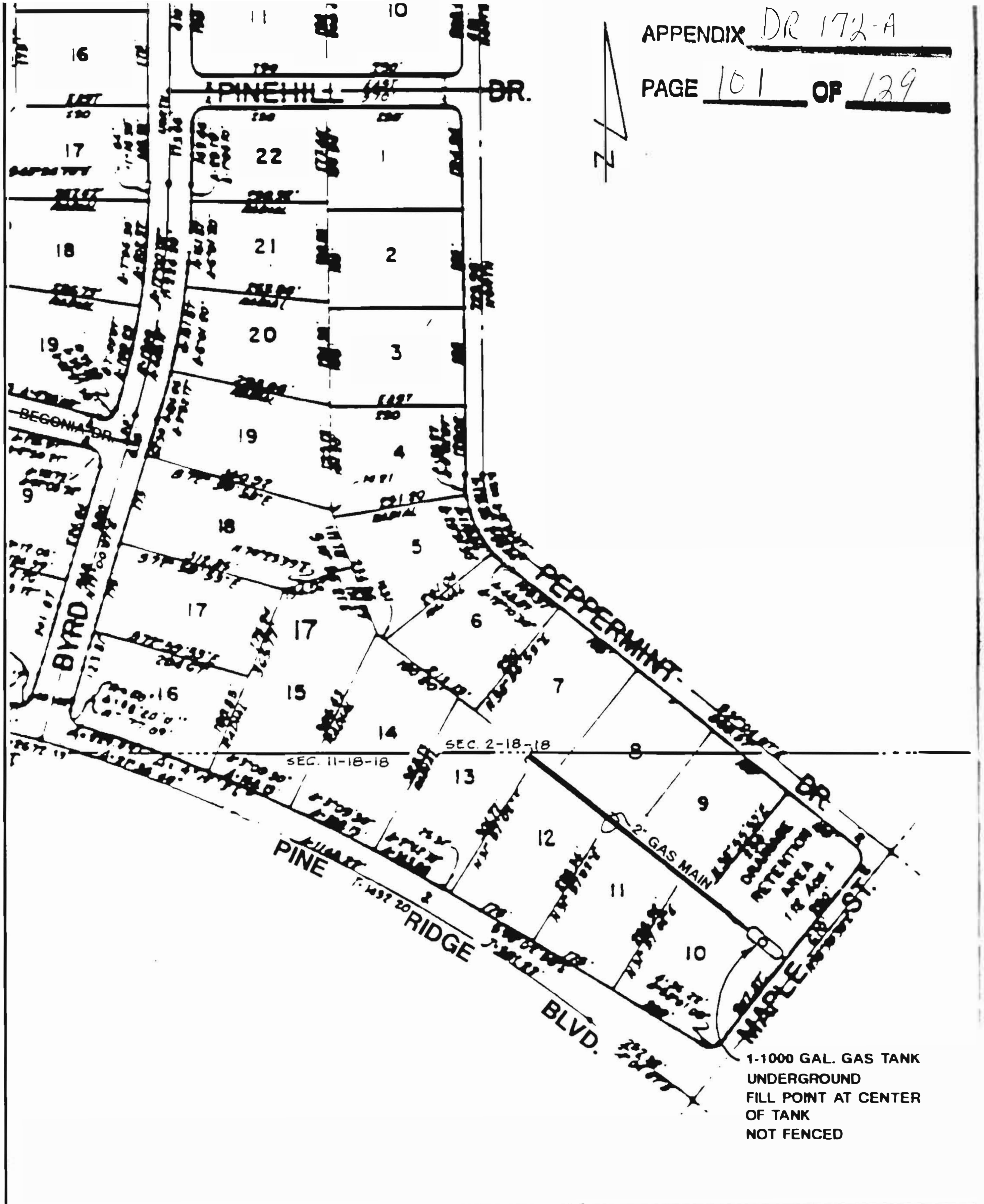
SSU SERVICES ENGINEERING 1000 Color Place Apopka, Florida 32703 (407) 880-0058	1-30,000 GAL. TANK SCALE: 1" = 50' (APPROX.)	CITRUS SPRINGS UNIT ONE TRACT "D" TANK #1



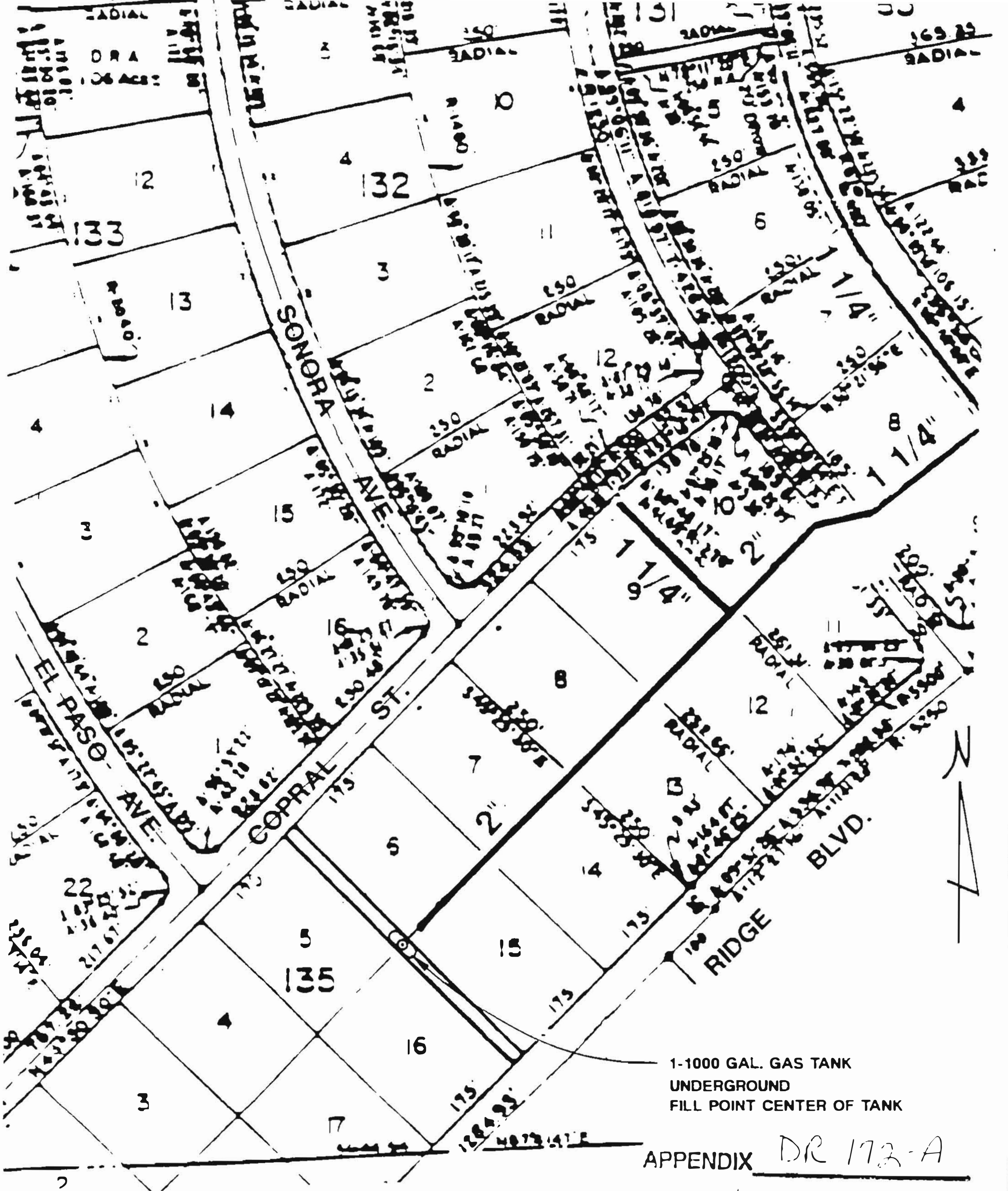
SSU SERVICES ENGINEERING 000 Color Place Apopka, Florida 32703 (407) 880-0058	1-1000 GAL. TANK SCALE 1"=200' (APPROX.)	CITRUS SPRINGS UNIT TWO AREA ONE TRACT D.R.A. TANK #



SSU SERVICES ENGINEERING 1000 Color Place Apopka, Florida 32703 (407) 880-0058	2-1000 GAL. TANKS SCALE: 1" = 100' (APPROX.)	CITRUS SPRINGS UNIT ONE TRACT "F-F" TANK #1A TANK #1B



SSU SERVICES ENGINEERING 1000 Color Place Apopka, Florida 32703 (407) 880-0058	1-1000 GAL. TANK SCALE 1"=200' (APPROX.)	PINE RIDGE UNIT THREE TANK #2



APPENDIX DR 172-A

PAGE 103 OF 129

SSU SERVICES ENGINEERING 1000 Color Place Apopka, Florida 32703 (407) 880-0058	1-1000 GAL. TANK SCALE 1"=200' (APPROX.)	PINE RIDGE UNIT ONE TRACT 20' D.R.A. EASEMENT (APPROVED) TANK #3

CITRUS SPRINGS/PINE RIDGE
Main Distribution System

Type	Size	Quantity (ft.)	Years Installed
Citrus Springs			
C&W Steel	1-1/4"	21,485	1970-79
C&W Steel	2"	21,320	1970-79
C&W Steel	3"	13,626	1970-79
C&W Steel	4"	2,787	1970-79
C&W Steel	6"	2,486	1970-79
C&W Steel	8"	2,223	1970-79
C&W Steel	10"	4,426	1970-79
Poly	1-1/4"	2,450	1979-85
Poly	3"	860	1979-85
Pine Ridge			
C&W Steel	1-1/4"	1,340	1974
C&W Steel	2"	930	1974
Poly	2"	550	1982

Comments:

(1) Total Footage

Poly	3,860
Steel	70,623
	74,483

Total Miles

Poly + Steel	14.11

(2) Cathodic Protection - Galvanic
(3) Steel Mains - Welded Joints
(4) Poly Mains - Heat Fused

MARION OAKS
Customer Account Information

	Residential	Commercial	Total
Active @1/31/92	903	7	910
Inactive(1) @1/31/92	78	--	78
Total Accounts	981	7	988
Distribution Accounts	883	--	883
Tank	92	7	99
Cylinder	6	--	6
Total Accounts	981	7	988
Metered	954	1	955
Unmetered	27	6	33
Total Accounts	981	7	988

Comments

(1) Inactive accounts have meter sets that are locked and off.

MARION OAKS
Consumption Profile

Year	Month	Gallons Purchased	Average Price/ Gallon($)	Gallons Sold
1990	Jan.	52,478	.4224	48,883
	Feb.	41,260	.6730	37,192
	Mar.	21,098	.5769	19,149
	Apr.	18,784	.5476	15,519
	May	15,890	.4943	13,460
	Jun.	12,668	.4661	10,482
	Jul.	12,203	.4533	10,171
	Aug.	10,533	.4469	9,146
	Sept.	11,875	.4659	10,257
	Oct.	11,849	.5240	10,082
	Nov.	11,615	.5727	9,837
	Dec.	19,571	.6257	17,397
		239,824		211,575
1991	Jan.	30,561	.6241	27,038
	Feb.	31,340	.6003	28,335
	Mar.	30,373	.5420	27,434
	Apr.	25,990	.5003	23,285
	May	14,562	.4989	12,566
	Jun.	12,926	.5033	11,147
	Jul.	10,307	.5041	9,278
	Aug.	10,349	.5040	9,582
	Sept.	11,518	.5040	9,180
	Oct.	10,832	.5175	9,135
	Nov.	11,777	.5405	10,564
	Dec.	20,715	.5798	20,411
		221,250		197,955

MARION OAKS
Historical Financial Information

SELECTED INCOME STATEMENT DATA:

	1988	1989	1990	1991
Operating Revenue	$353,698	$260,549	$325,298	$336,067
Cost of Gas	129,200	87,730	128,656	127,888
Operations	15,452	19,846	42,217	29,142
Maintenance	575	487	6,968	9,434
Taxes (other than income)	7,459	8,579	11,392	9,866

SELECTED BALANCE SHEET DATA:

	12/31/89	12/31/90	12/31/91
Plant Assets	$639,937	$699,685	$709,279*
Accumulated Depreciation	(147,804)	(166,186)	(182,491)
Inventories	21,215	46,431	41,816
Customer Deposits, net	(32,318)	(34,570)	(38,709)

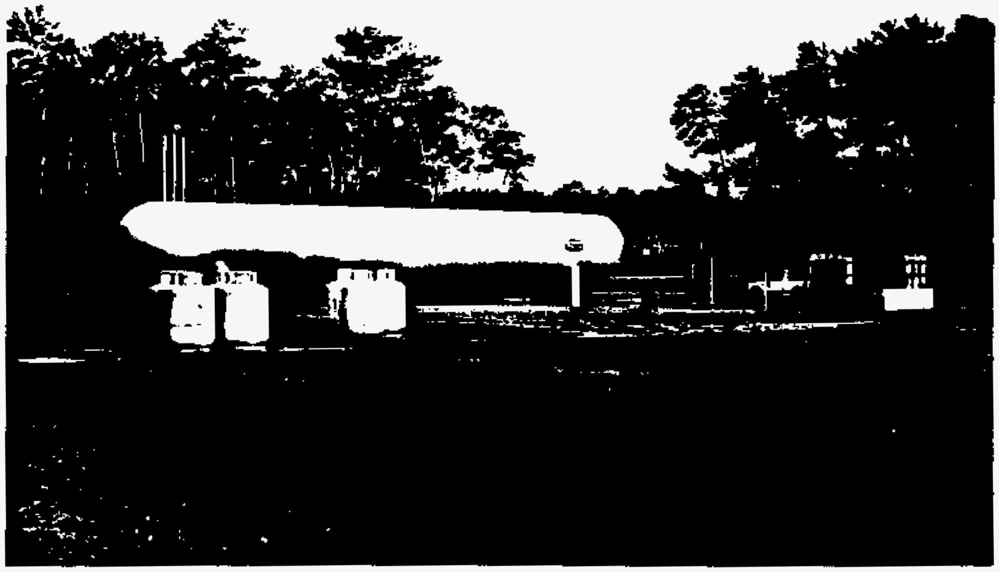
*On March 31, 1992, SSU purchased storage tanks and equipment totaling $59,578, increasing the total Plant Assets to $768,857. The tanks and equipment had previously been leased.

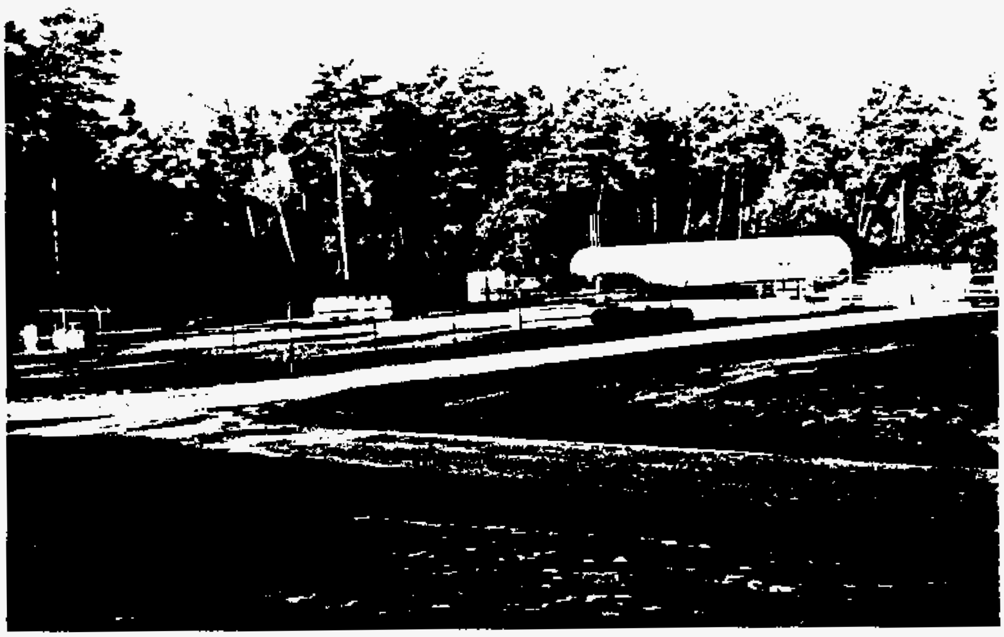
MARION OAKS
Asset Information

Asset	Size	Quantity	Year	Manufacturer
Bulk Plant*	30,000 gal.	1	1978	Delta Tank
Major Equipment*				
Vaporizers	200V	2		Algas
Regulators	2"	2		Fisher 99
Regulators	2"	3		Rockwell 441
Regulator	2"	1		Fisher 630
Tanks - In Field				
120 gal. above-ground		1		
150 gal. under-ground		16		
250 gal. above-ground		2		
250 gal. under-ground		81		
100 lb. cylinders		14		
Tanks - In Inventory				
420 lb.		9		
250 gal		3		
500 gal.		1		
100 lb. cylinders		11		
Meters - In Field				
Standard Index	175	577	1972-80	American
Pressure Comp. Index	250	378	1989	American
Meters - In Inventory				
Standard Index	175	377 used	1972-80	American
Pressure Comp. Index	250	50 new	1989	American
Services on Distribution System				
Ex-Trube	1/2"	181	1970-78	
Poly	1/2" cts	702	1979-present	

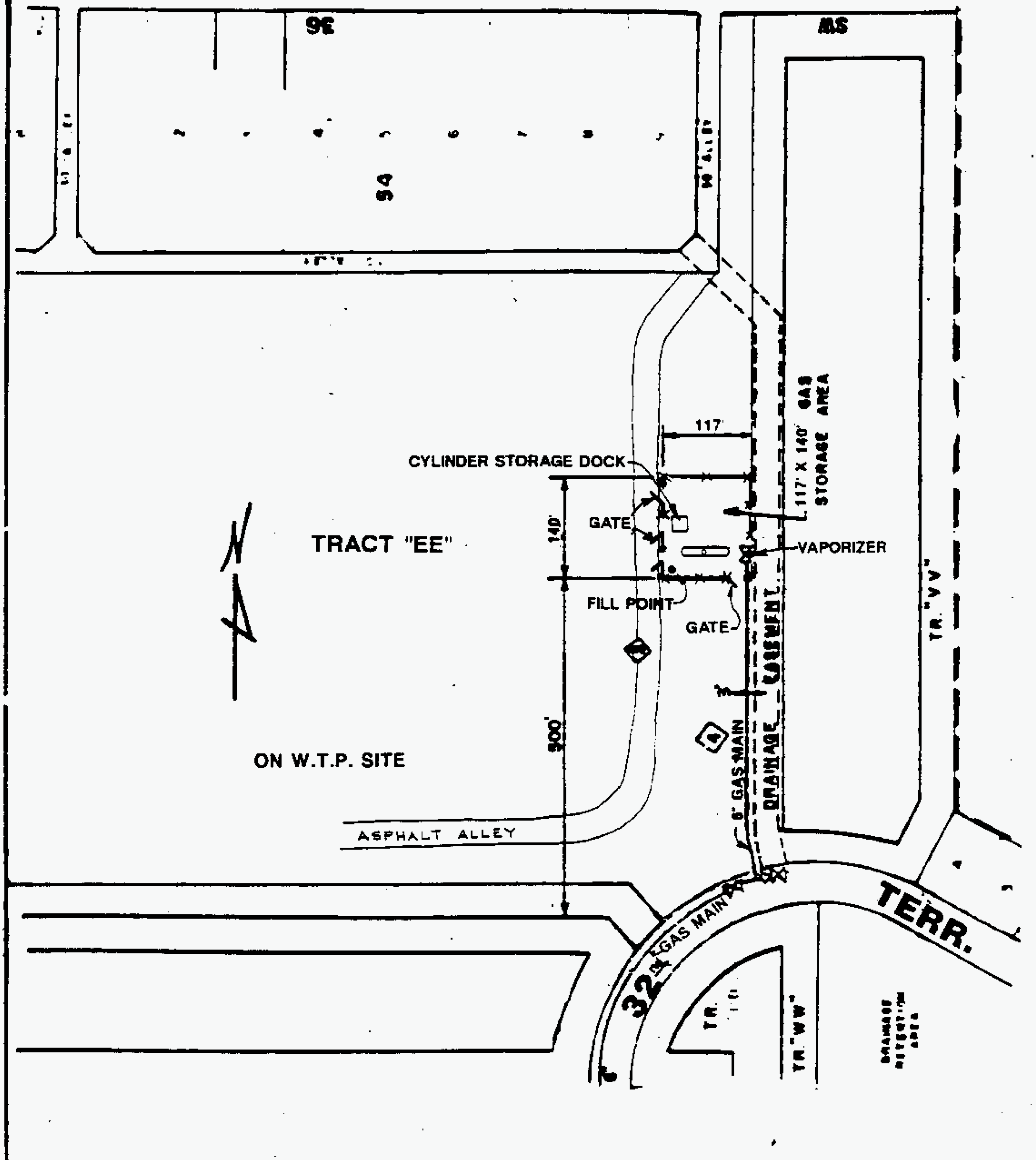
*Photograph included following this schedule.

30,000 gal. Tank





Bulk Plant Site



SSU SERVICES ENGINEERING 1000 Color Place Apopka, Florida 32703 (407) 880-0058	1-30,000 GAL. TANK SCALE 1"=200' (APPROX.)	MARION OAKS UNIT TWO TRACT "EE" TANK # 1

MARION OAKS
Main Distribution System

Type	Size	Quantity (ft.)	Years Installed
C&W Steel	1-1/4"	18,181	1970 - 79
C&W Steel	2"	17,677	1970 - 79
C&W Steel	3"	10,888	1970 - 79
C&W Steel	4"	2,490	1970 - 79
Poly	1-1/4"	13,800	1979 - 83
Poly	2"	10,800	1979 - 83
Poly	3"	5,800	1979 - 83
Poly	4"	2,700	1979 - 83
Poly	6"	2,400	1979 - 83

Comments:

(1) Total Footage

Poly	35,500
Steel	49,236
	84,736

Total Miles

Poly + Steel	16.1

(2) Cathodic Protection - Galvanic
(3) Steel Mains - Welded Joints
(4) Poly Mains - Heat Fused

SUNNY HILLS
Customer Account Information

	Residential	Commercial	Total
Active @1/31/92	154	10	164
Inactive(1) @1/31/92	12	--	12
Total Accounts	166	10	176

	Residential	Commercial	Total
Distribution Accounts	126	--	126
Tank	40	10	50
Cylinder	--	--	--
Total Accounts	166	10	176

	Residential	Commercial	Total
Metered	156	1	157
Unmetered	10	9	19
Total Accounts	166	10	176

Comments

(1) Inactive accounts have meter sets that are locked and off.

SUNNY HILLS
Consumption Profile

Year	Month	Gallons Purchased	Average Price/ Gallon ($)	Gallons Sold
1990	Jan.	14,854	.5517	13,9464
	Feb.	7,324	.6964	7,0398
	Mar.	4,434	.7541	4,0809
	Apr.	3,160	.7628	2,5936
	May	2,641	.7317	2,4845
	Jun.	1,702	.7005	1,5054
	Jul.	2,405	.6783	2,1396
	Aug.	1,780	.6538	1,5169
	Sept.	2,261	.6310	1,5276
	Oct.	2,429	.6417	1,4597
	Nov.	2,269	.6623	1,5834
	Dec.	4,231	.6878	3,6256
		49,490		43,496
1991	Jan.	6,715	.6787	6,1433
	Feb.	8,653	.6790	8,3856
	Mar.	6,365	.6370	5,3325
	Apr.	3,935	.6132	3,5798
	May	2,886	.6092	2,5553
	Jun.	1,990	.6092	1,4629
	Jul.	1,634	.6092	1,294
	Aug.	2,311	.6049	1,717
	Sept.	1,980	.5938	1,470
	Oct.	1,515	.5706	1,030
	Nov.	3,487	.6031	2,314
	Dec.	6,911	.6520	6,082
		48,382		41,363

SUNNY HILLS
Historical Financial Information

SELECTED INCOME STATEMENT DATA:

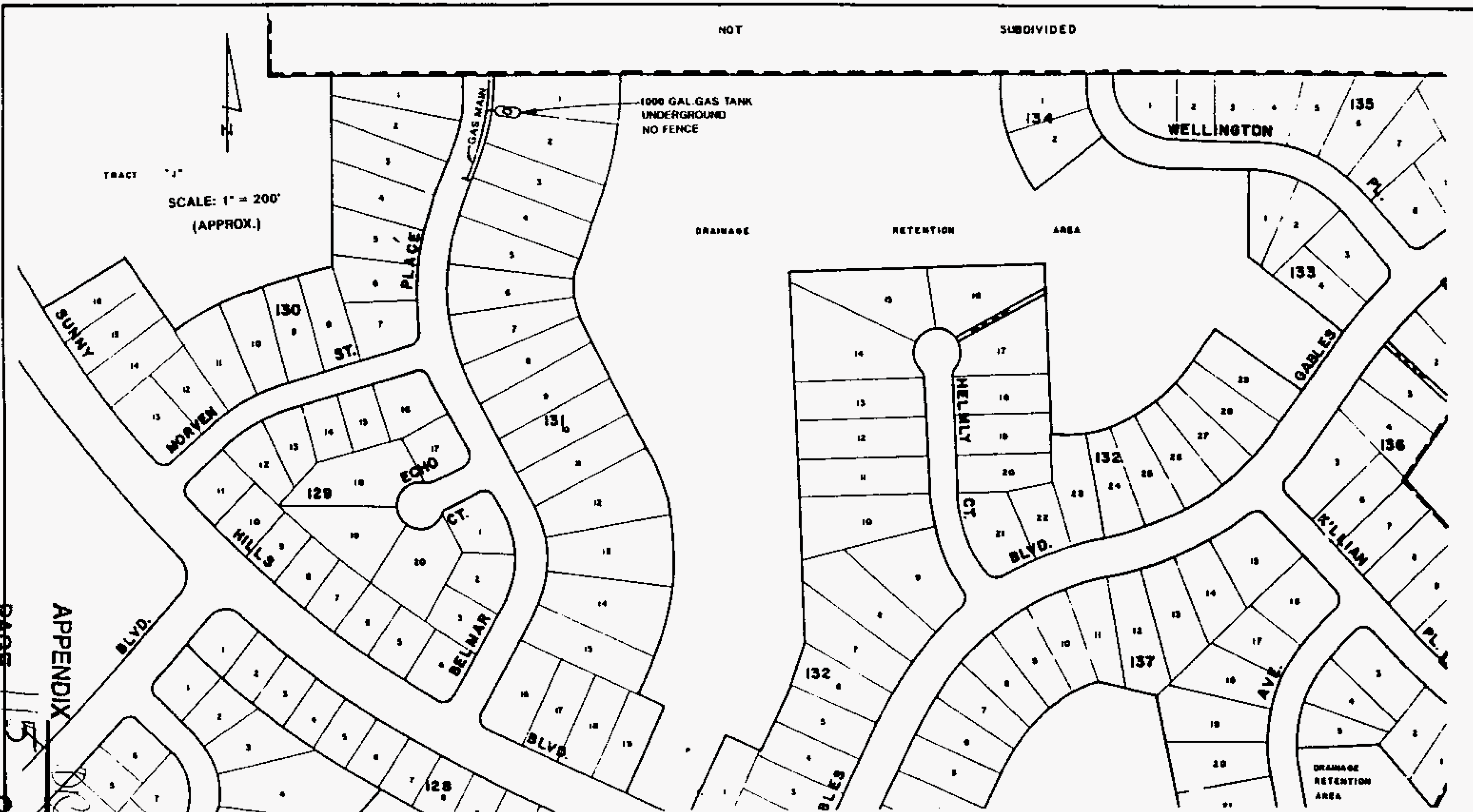
	1988	1989	1990	1991
Operating Revenue	$73,908	$67,762	$64,130	$76,431
Cost of Gas	25,607	23,016	43,749	28,933
Operations	17,982	9,376	4,944	3,197
Maintenance	325	569	1,468	667
Taxes (other than income)	3,397	3,657	3,694	2,175

SELECTED BALANCE SHEET DATA:

	12/31/89	12/31/90	12/31/91
Plant Assets	$291,306	$297,872	$297,871
Accumulated Depreciation	(63,675)	(71,828)	(80,026)
Inventories	19,893	17,307	16,601
Customer Deposits, net	(4,888)	(5,285)	(5,681)

SUNNY HILLS
Asset Information

Asset	Size	Quantity	Year	Manufacturer
Bulk Plant & Major Equipment				
Block Systems				
Belmar Street	1,000 gal. ug	1		
Sunny Hills Blvd.	1,000 gal. ug	2		
Salem Street	1,000 gal. ag	4		
Salem Street	1,000 gal. ug	2		
Tanks - In Field				
250 gal. under-ground		45		
500 gal. under-ground		1		
Tanks - In Inventory				
250 gal		5		
Meters - In Field				
Temp./Press. Comp. Index	250	160	1985-86	American
Meters - In Inventory				
Temperature Comp. Index	175	24 new	1980	American
Temp./Press. Comp. Index	250	33 used	1985	American
Services on Distribution System				
Ex-Trube	1/2"	84	1971-79	
Poly	1/2" cts	50	1979-current	



SUNNY HILLS - UNIT ONE

WASHINGTON COUNTY, FLORIDA

THE DELTONA CORPORATION — UTILITIES DIVISION

1-1000 GAL. TANK

LOTS 1&2

BLK. 131

TANK #1

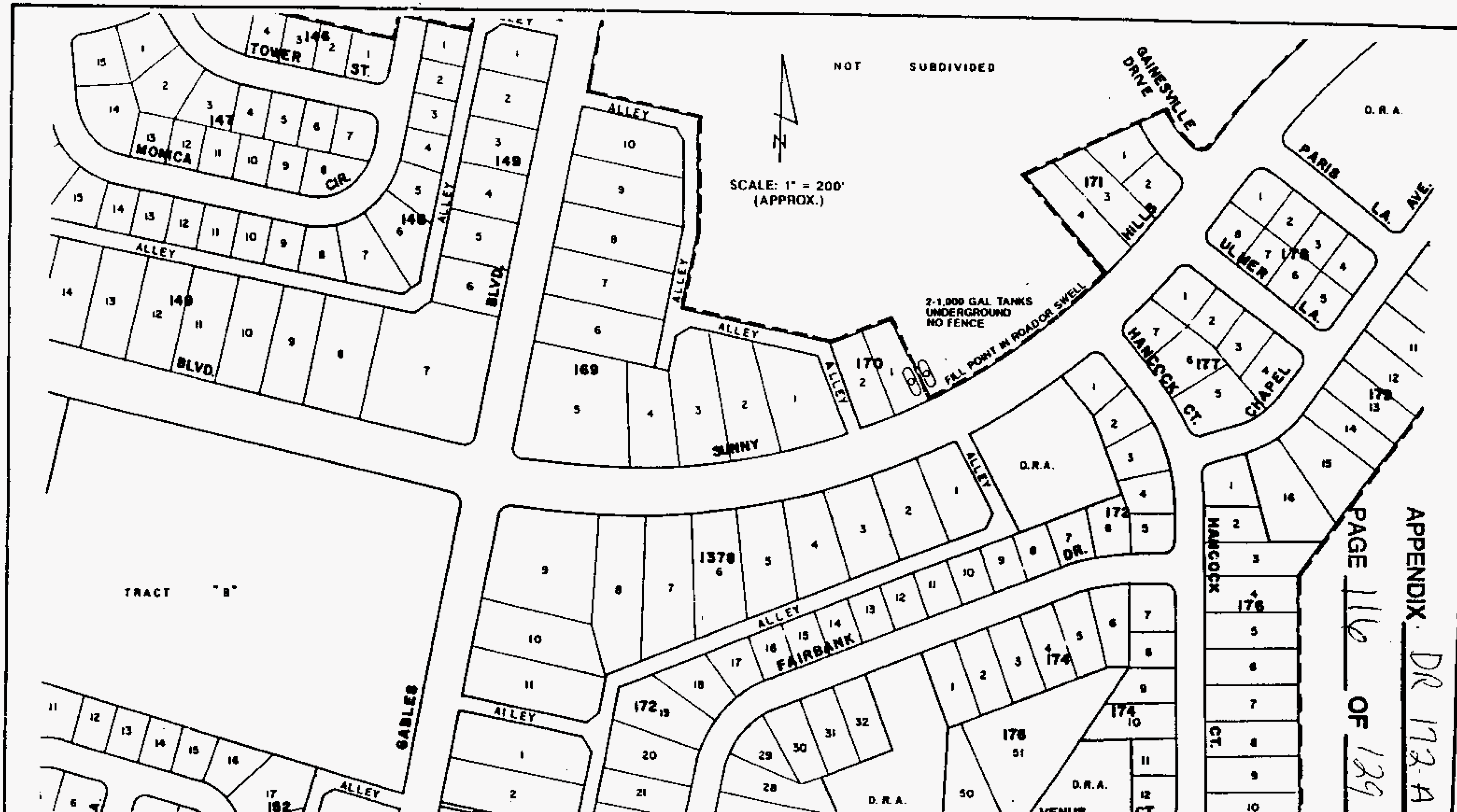
SSU SERVICES

ENGINEERING DEPARTMENT

APPENDIX

PAGE 115 OF 129

DOC 17224



APPENDIX

PAGE 116 OF 129

DR 173-A

SUNNY HILLS - UNIT FOUR

WASHINGTON COUNTY, FLORIDA

THE DELTONA CORPORATION — UTILITIES DIVISION

2 - 1,000 GAL. TANKS

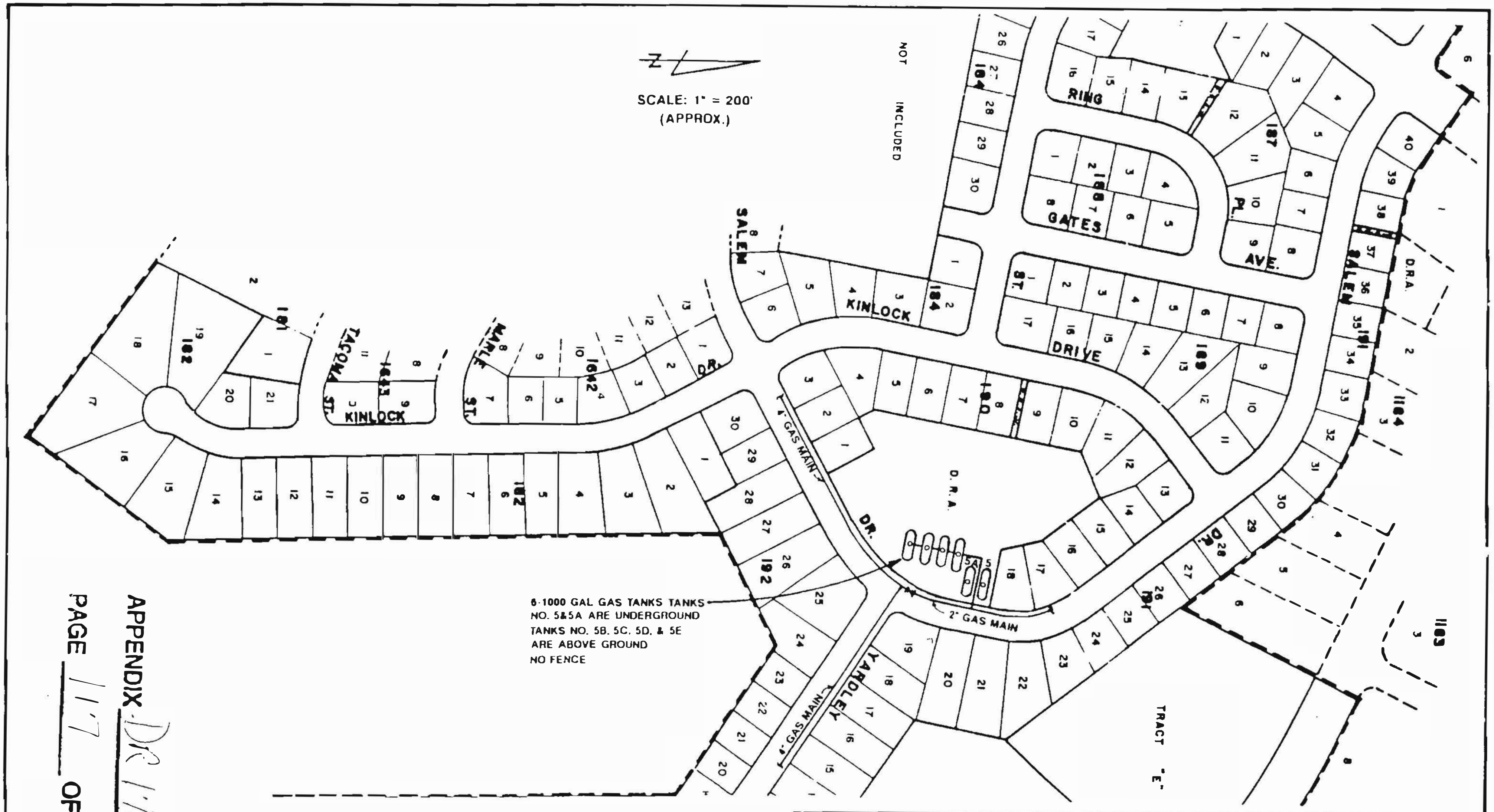
LOTS 1&2

BLK. 170

TANK NO. #2
TANK NO. #2A

SSU SERVICES

ENGINEERING DEPARTMENT



- 69 -

APPENDIX DR118-A

PAGE 117 OF 129

SUNNY HILLS - UNIT FOUR

WASHINGTON COUNTY, FLORIDA

THE DELTONA CORPORATION — UTILITIES DIVISION

6 - 1000 GAL. TANKS

D.R.A. AREA

BLK. 190

TANKS # 5,5A,5B,5C,5D,5E

SSU SERVICES

ENGINEERING DEPARTMENT

SUNNY HILLS
Main Distribution System

Type	Size	Quantity (ft.)	Years Installed
C&W Steel	1-1/4"	12,125	1971-75
C&W Steel	2"	13,050	1971-75
C&W Steel	3"	1,750	1971-75
C&W Steel	4"	6,300	1971-75
C&W Steel	6"	2,325	1971-75

Comments:

(1) Total Footage

Steel 35,550

Total Miles

Steel 6.7

(2) Cathodic Protection - Galvanic
(3) Steel Mains - Welded Joints

SSU GAS DIVISION
Community Market Profile

System	Current Gas Customers	4 Year Avg. Customer Growth	Current* Community Households	4 Year Avg.* Household Growth
Marco Island	869	2.0%	13,471	16.8%
Lehigh	2,022	(1.5%)	7,812	3.1%
Spring Hill	3,227	(1.4%)	22,868	9.5%
Citrus Springs/ Pine Ridge	589	(2.3%)	2,043	11.5%
Marion Oaks	988	(0.1%)	2,333	13.3%
Sunny Hills	176	(0.03%)	432	4.3%
TOTAL	7,871	(1.27%)	48,959	10.1%

*Based on water utility customer account data.

SSU GAS DIVISION
Competition Summary

SPRING HILL

Suburban/Petrolane

Suburban has local offices in Hudson and Brooksville which service Spring Hill. The company has an active builder program in place in the area, and it actively solicits new customers.

Bay City

Bay City is a small, family-owned company serving Pasco County. The business office is located in Hudson. They offer low margin rates and no security deposit or tank rental fee.

Blossman Gas

Blossman is a fast growing propane company with offices in Brooksville. The company has been successful with a free gas water heater installation promotion.

MARCO ISLAND

Balgas

Balgas is a family-owned energy company located in Ft. Myers and Naples. It has large gas storage facilities in the port of Ft. Myers that allows it to purchase propane on the spot market. They offer low margin rates to commercial customers based on fixed term and volume gas purchase agreements. Balgas has been actively soliciting business in the Marco Island area for the past five years.

Ferrell Gas

Ferrell Gas is a national propane company with offices in Naples. The company offers competitive rates and services in the Naples and Marco Island areas and has been actively soliciting business on Marco Island for several years.

Suburban/Petrolane

Suburban has local offices in Ft. Myers and Naples, and they actively solicit new customers.

CITRUS SPRINGS

Tru-Gas

Tru-Gas is a propane company which has been active in the Levy, Citrus, and Taylor County areas for the past five years. The company has solicited residential customers in Citrus Springs. They offer volume discount rates based on the number of gas appliances, no security deposit, no installation charges, and no tank rental fee for the first year.

Spitz Gas

Located in Dunnellon, Spitz provides cylinder service in the Citrus Springs area.

SUNNY HILLS

Gulf Power

Gulf Power is a rural electric company with local offices in the Chipley area. This utility offers residential customers 5% interest rate loans to convert to electric appliances and cash back incentives to local builders for all-electric homes.

AmeriGas

A large, national propane company with a local office in Chipley.

SSU GAS DIVISION
Employee Information

System	Employee Name	Position	Years of Service	License
General	Donald Middleton	Gas Operations Mgr.	(resume attached)	
	Arthur Atkisson	Gas Marketing Mgr.	(resume attached)	
Marco Island	Thomas Ziegler	Service Techician	3 yrs.	FLA 601 Qualifiers CDL Class A, x Endorse
Lehigh	David Schroeder	Gas Operations Supvr.	16 yrs.	FLA 601 Qualifiers
Spring Hill	Frank Farrell	Service Techician	3 yrs. 9 mos.	FLA 601 Qualifiers
	Wesley Hoch	Service Techician	4 yrs. 2 mos.	FLA 601 Qualifiers
	Timothy Mincevich	Maintenance Techician	3 yrs. 10 mos.	FLA 601 Qualifiers
	Norbert Przerova	Maintenance Techician	4 yrs. 11 mos.	FLA 601 Qualifiers
	Frank Volpe	Service Techician	5 yrs. 2 mos.	FLA 601 Qualifiers
Citrus Springs	Raymond Johnson	Service Techician	3 yrs. 10 mos.	FLA 601 Qualifiers
Marion Oaks	Anthony Bouvier	Service Techician	4 yrs. 9 mos.	FLA 601 Qualifiers

Comments

(1) Detail wage data omitted at this time. The average wage of a service technician is $9.50/Hr., a maintenance technician is $7.50/Hr., and an operations supervisor is $25,000/Yr.

DONALD E. MIDDLETON
1350 Trollman Ave.
Deltona, FL 32738
(407) 574-9116 (Home)
(407) 574-6691 (Work)

CAREER OBJECTIVES

To obtain a position with an organization where my extensive background in the propane industry can be utilized and further expanded.

EMPLOYMENT HISTORY

Southern States Utility Services, Inc.
(formerly Deltona Utility Consultants, Inc.)
255 Enterprise Road, P. O. Box 5309
Deltona, Florida 32728

December 1974 - Present

Gas Operations Manager

Oversees the operations, construction and maintenance of state-wide propane gas systems. Conducts training and supervision of personnel in construction, cathodic protection, maintenance and operations of approximately 170 miles of steel gas mains serving 7,500 customers. Performs annual regulator inspections at all bulk plants. Prepares a variety of reports including Unaccounted for Gas, the annual Department of Transportation (DOT) Report for Pipeline Operations and assists in the preparation of the Business Plan for LP Gas Division. Submits written responses to inquiries and citations from the Florida Division of LP Gas and works with local managers to ensure compliance with 49 CFR (parts 40, 190, 191 and 192). Develops, analyzes, monitors and submits reports on budget.

EDUCATION

National Association of Corrosion Engineers, "Corrosion Technician" License #3009

Division of L.P. Gas, "601 Qualifier" License

Daytona Beach Community College
Daytona Beach, Florida

40 semester hours toward a degree in engineering

Florida Gas Training Center:

- Corrosion Control, 1976
- Gas Distribution Mechanic, 1976
- Gas Measurement, 1986
- Regulators, 1988
- Codes and Standards, 1991
- Emergency Gas Handling, 1976
- Supervisor's Seminar, 1985
- Basic Serviceman, 1987
- Advanced Gas Distribution, 1990

University of Texas - L.P. Gas Training Course
L.P. Gas Training Course, Parts I-IV, 1978 - 1979

Resume for Donald E. Middleton - continued

West Virginia University
- Appalachian Underground Corrosion Intermediate Course, 1979
- Appalachian Underground Corrosion Advanced Course, 1980

National Association of Corrosion Engineers
- NACE Basic Corrosion Course, 1981
- NACE Corrosion Prevention by Cathodic Protection, 1983

University of Florida (TREEO)
- Corrosion Seminar, 1980

Florida Division of L.P. Gas
- L.P. Gas Safety Workshop, 1981
- L.P. Gas Seminar, 1983
- L.P. Gas Safety, 1985

Florida Propane Gas Association
- Florida Propane Safety Workshop, 1985
- Financial Seminar, 1986
- D.O.T. Safety Training Program, 1989

KNOWLEDGE AND SKILLS

- Cathodic Protection
- Gas Leak Detection
- Meter Testing
- Poly Heat Fusion
- Bulk Plants
- Bulk Plant Regulators
- Pipeline and Service Maintenance
- Personnel Training
- Meter Sizing
- Regulator Sizing
- Pipeline Construction
- Service Installation
- Tank Installation
- Line Locating
- State and Federal Regulations

EQUIPMENT KNOWLEDGE

- Combustible Gas Indicator
- Flame Ionization Unit
- Rectifiers
- Short Locator (Tinker & Razor)
- C.O. Detector (Gas-Tech)
- Manometer
- Back-Hoe
- Trencher (Ditch-Witch)
- 5' Bell Prover
- VOLT/AMP Meter
- Collins Rod
- Vibro-Ground
- Pipe Locator
- Pipe Threader
- T.D. Williams Hot Tap Unit
- T.D. Williams Plugging Unit

MEMBERSHIPS / ASSOCIATIONS

Florida Propane Gas Association
National Association of Corrosion Engineers
Southern Building Code Congress International

ARTHUR L. ATKISSON
2179 E. Semoran Blvd.
Suite 178
Apopka, FL 32703
Home: 407-396-2015
Office: 407-880-0058 (X176)

OBJECTIVE

Seeking a responsible position contributing to corporate success in the management of LP gas operations or marketing.

EMPLOYMENT HISTORY

Southern States Utility Services, Inc.
(formerly Deltona Utility Consultants, Inc.)
255 Enterprise Road
P. O. Box 5309
Deltona, Florida 32728

October 11, 1984 to Present

Position: Gas Division Manager/Gas Marketing

During the first 2 years, primary responsibilities concerned the implementation of a new billing system for 60,000 customers in 9 divisions and included equipment installation, conversion, testing, training and personnel adjustments. In the last 3 years, responsible for the management, design, implementation and evaluation of all LP gas marketing and promotion activities throughout the state. Perform daily reviews of gas price adjustment factors, monthly review of operating statements and variance analysis of capital and operations budget.

Southern States Utilities, Inc.
750 W. Colonial Drive
Orlando, Florida 32804

July 1, 1981 to October 11, 1984

Position: Rate Director

Prepared all rate work in-house involving all areas of utility accounting, operations, customer service and developer activity. Actively involved in the evaluation, analysis and acquisition of many water and wastewater companies in the Central Florida area.

Florida Public Service Commission
Suite 503, 400 W. Robinson Street
Orlando, Florida 32801

October 1, 1972 to July 1, 1981

Position: Field Rate Analyst

Duties were entirely related to auditing the records of water and sewer utilities requesting increases in rates. After the audit was completed, an audit report was prepared and sent to Tallahassee. Attended public rate hearings and entered report into the formal record of the proceedings. Recognized as an expert witness concerning utility rates and rate design.

Florida Gas Transmission Company
600 W. Robinson Street
Orlando, Florida 32891

March 1961 - September 28, 1972

Position: Assistant Commercial Office Supervisor

Awarded 3 promotions in 11 years. Duties primarily involved customer accounting, computerized billing systems and customer service. Served as Project Leader in the analysis, development and implementation of a centralized billing system. Supervised, trained, cross-trained and evaluated 5 subordinates.

EDUCATION

Miami Dade College Miami, Florida & Seminole Community College Sanford, Florida	Accounting and Finance Major 120 Credit Hours
University of South Florida St. Petersburg, Florida	Three N.A.R.U.C. Water Regulation & Utility Rate Design Seminars
Central Florida Community College Ocala, Florida May 1987	Liquified Gas Examination 0601 Dealers License - State of Florida

REFERENCES

Personal references will be furnished upon request.

SSU GAS DIVISION EMPLOYEE BENEFITS

BENEFIT	WAITING PERIOD	BENEFIT DESCRIPTION	COST TO EMPLOYEE
Medical Insurance	First of month following 30 days of employment.	Employees receive both a Preferred Patient Plan (PPP) and a traditional Indemnity Plan. The Preferred Patient Option offers benefits with minimal out-of-pocket expense. There are limitations on the physicians and facilities the insured may use. Under the Indemnity Plan, employees pay a deductible of $100 per person ($300 per family) per calendar year. The insurance pays 80% of covered expenses after the deductible is met.	Varies depending on length of service and number of insured family members. Current costs are: Employee only - $18/mo. Employee+1 - $60/mo. Employee+2 - $85/mo. Employee+3 or more - $110/mo.
Dental Insurance	Same as above	Dental insurance is included as part of the Health Insurance program. Insurance pays 100% of expenses for preventative care. Restorative care is covered at 80% after the deductible. Major care is covered at 50% after the deductible.	Included in cost of health benefits.
Life Insurance	Same as above	Employees are eligible for $20,000 worth of life insurance plus $5,000 for spouse and $2,500 for each child.	None.
Additional Life Insurance	Same as above	Employees can purchase additional $10,000 increments of life insurance up to a maximum of $100,000.	Varies depending on amount of coverage and age of participant.
Vacation	One year service	Employees are eligible for vacation after one year service as follows: 10 days - after one year of service 15 days - after six years of service 20 days - after 12 years of service Employees may take the first five (5) days of their vacation after six (6) months of service. If an employee terminates prior to completing 12 months of service, any vacation taken must be re-paid to the company.	None
Holidays	Immediately	Employees receive the following paid holidays: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, day after Thanksgiving, Christmas Eve (1/2 day) and Christmas Day.	None
Personal Holidays	After 90 days.	Employees will receive 3 personal days each year.	None

APPENDIX DR 172-A
PAGE 127 OF 129

SSU GAS DIVISION EMPLOYEE BENEFITS

BENEFIT	WAITING PERIOD	BENEFIT DESCRIPTION	COST TO EMPLOYEE
401(k) - Employee Savings Plan	One year, age 21. Employee must work at least 1,000 hours in their first year of employment.	Employees may contribute up to 15% of their salary on a tax-deferred basis. The company matches this contribution 25 cents for each $1 contributed, up to 6% of salary. Employees are offered various investment options.	1-15% of salary
Mandated Benefits	As required by law.	Employees are eligible for Unemployment Insurance, Worker's Compensation Insurance, and the employer's contribution to Social Security Insurance and Medicare.	None

NOTE: The above information is a brief description of benefits. Benefits are governed by specific policy statements and plan documents. If there is any discrepancy between this summary and the policy statement, the policy statement will govern.