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REBUTTAL TESTIMONY OF WILLIAM (DAVE) DENNY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ON BEHALF OF

SOUTHERN STATES UTILITIES, INC.

DOCKET NO. 950495-WS

DOCUMENT NUMBER-DATE
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FPSC-RECORDS/REPORTING

Q. WHAT IS YOUR NAME AND BUSINESS ADDRESS?

A. My name is William (Dave) Denny and my business address is 1000 Color Place, Apopka, Florida 32703.

Q. ARE YOU THE SAME DAVE DENNY WHO SUBMITTED PRE-FILED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes, I am.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of my rebuttal testimony is to identify actual 1995 plant in service investments in renewal and replacement items, meters, and water service lines; to rebut the proposals of the Office of Public Counsel witnesses Mr. Ted Biddy and Ms. Kimberly Dismukes and a statement of Sugarmill Woods Civic Association witness Mr. Buddy Hansen regarding unaccounted-for water; to rebut Mr. Hansen's testimony that Southern States Utilities is not a single, functionally related system; to rebut certain quality of service complaints from testimony of customers given at the customer service hearings; and to rebut certain statements of the representatives of the Department of Environmental Protection and the various county health units which appear in the testimony offered by the Commission staff.

Q. THE PARTIES AND SEVERAL CUSTOMERS TESTIFYING AT THE

CUSTOMER SERVICE HEARINGS HAVE SUGGESTED THAT SSU'S BUDGETED NUMBERS ARE INFLATED. COULD YOU PLEASE DESCRIBE SSU'S ACTUAL 1995 INVESTMENTS IN METERS, REPAIR AND REPLACEMENT ITEMS, AND WATER SERVICE LINES?

A. Yes. Exhibit _____ (WDD-4) is SSU's response to OPC Interrogatory No. 161 which explains how SSU projected the 1995 investment in meters. It also shows the actuals through September 29, 1995. The year end December 31, 1995 actuals (total company) are 7,910 meters changed out and a total dollar amount of $615,661. Exhibit _____ (WDD-5) is SSU's response to OPC Interrogatory No. 168 which explains renewal and replacement items and shows actual costs through August 31, 1995. The year end December 31, 1995 actuals (total company) for renewal and replacement items is $592,891. The year-end December 31, 1995 actual for water service line installations (total company) is $208,205.

Q. CAN YOU EXPLAIN ANY VARIANCES BETWEEN THE 1995 BUDGETED AMOUNTS AND ACTUAL EXPENDITURES FOR THE ABOVE ITEMS?

A. The budget dollars for meter installations and replacements in 1995 was based on a meter change out program of 7% of all meters and a growth rate

of 3.5%. The variance was caused by the growth not being what was anticipated and the size of meters installed and/or replaced not being exactly as budgeted. Since the cost of a meter varies with the size of the meter, a partial variance will result when meters installed or replaced are not as predicted.

SSU was over budget for 1995 renewals and replacements. The budget dollars for renewal and replacements are to provide a source of funds for unanticipated emergency repairs and/or equipment/facility replacements or additions. The 1995 budget to actual variance was caused by having more emergency repairs and/or equipment replacements than anticipated. In my experience, it is very difficult to anticipate every emergency that you may encounter during a year. Failure to make these emergency repairs/replacements could lead to regulatory non-compliance or disruption of service to our customers, so they must be done.

The budget dollars for water service installations in 1995 was based on a growth rate of 3.5% in those areas where service line installations are required. The variance was caused by growth not being what was anticipated and

some of the growth taking place in the distribution areas where water service lines were already installed by SSU.

Q. DO YOU AGREE WITH MR. BIDDY'S TESTIMONY REGARDING UNACCOUNTED-FOR WATER INSOFAR AS HE RECOMMENDS THE COMMISSION LOOK AT UNACCOUNTED-FOR WATER ON A PLANT BY PLANT BASIS?

A. No, the Commission should look at SSU's on a single utility system basis. Contrary to Mr. Biddy's assertion, it is not SSU's proposal to "shelter" high UFW percentages at certain plants, but rather, SSU's proposal is to look at UFW on a total system basis because water is a statewide resource which is most effectively preserved on a statewide basis where a utility system such as SSU's is involved. OPC's proposal of a plant-by-plant UFW evaluation, and resulting UFW expense and used and useful adjustments, encourage SSU to incur costs to lower a high UFW percentage in a low use service area rather than lower an already acceptable UFW percentage in a high use service area without regard to the fact that 1% reduction to UFW in the high use service area may represent a much greater water savings than a 10% reduction to UFW in a low use service area.

Q. DO YOU AGREE WITH MR. BIDDY'S AND MS. DISMUKES' SUGGESTION THAT THE COMMISSION REDUCE PURCHASED POWER, CHEMICAL, AND PURCHASED WATER COSTS AND REDUCE USED AND USEFUL FOR EACH SSU PLANT BY THE AMOUNT OF UFW AT EACH PLANT GREATER THAN 10%?

A. No. There are three basic reasons why I disagree. The first I have already explained. The higher priority for the utility should be protecting and preserving Florida's water resources. By making the adjustments OPC proposes, the Commission puts the utility in the position of choosing between: (1) addressing UFW at every single plant and (2) protecting water resources in a cost-effective manner, but being penalized for doing so.

The second reason I disagree with OPC's proposal ties to the nature of UFW, how it is calculated, and my understanding of the basic reason why the Commission has adjusted expenses for "excessive" UFW in the past. Consider first what exactly UFW is. UFW is the difference between the amount of water produced or purchased and the sum of the amount billed to all customers, metered for other uses, and otherwise accounted for such as from linebreaks. UFW typically includes the total of all of the following: underground leakage;

unauthorized use; unavoidable leakage; inaccurate master; industrial; commercial and domestic meters and unusual causes. A one month balance of UFW is not very useful because billing cycles may vary and often do not occur simultaneous to the readings of the plant flow meter. A longer period of UFW data collection is needed to balance out any problems which arise from these concerns and to allow you to track trends. Because of the nature of the causes for UFW, a portion of total UFW is not wasted water leaching into the ground, but simply water not measured accurately. As I understand it, the theory supporting adjustments to expenses and used and useful for "excessive" UFW is that if adjustments were not made, the customers would pay for water which is presumed wasted and which the utility is presumed to have had the power to avoid wasting. The error in this theory is that all or at least some of the UFW is being used by the customers but is not being measured accurately. In such cases where a high UFW figure is explained by inaccurate metering, unauthorized use or a billing cycle discrepancy which skews the average, UFW adjustments are unjustified and punitive. It appears from the testimony that OPC made no effort

to explore whether such explanations existed for UFW percentages in excess of 10%.

The third reason I disagree with OPC's proposed adjustment concerns the 10% level at which OPC considers UFW excessive. As explained in the direct testimony of Mr. Gagnon, which I have adopted as my own, the Commission should not accept the absolute minimum of the range of acceptable UFW that is stated in AWWA Manual M8. 12.5% is a much more reasonable figure. Further, I note that in the Commission staff's draft used and useful rules of May 1995, staff proposes that UFW greater than 12.5%, without explanation should be considered excessive. These draft rules are attached to the testimony of SSU rebuttal witness Harvey as Exhibit _____ (RMH-3).

SSU concentrates on doing as good a job as possible and exercises a great deal of effort to accurately track and reduce UFW on a service area basis, but with a focus on cost-effective reductions to total water lost.

Q. DO YOU BELIEVE THAT EXPENSE AND USED AND USEFUL ADJUSTMENTS SHOULD BE MADE FOR UFW PERCENTAGES OVER 12.5% AT ANY OF SSU'S SERVICE AREAS?

A. Even if the Commission examines UFW on a plant-by-

plant basis, OPC's proposed UFW adjustments should not be allowed for the following plants: Amelia Island, Beechers Point, Woodmere, Lehigh, and Valencia Terrace. At Amelia Island, the two well meters were replaced in May 1995 and since that time UFW has been at 4.8%. At Beechers Point, since April 1994 we have purchased water from the town of Welaka and the UFW has been 5.7%, which would indicate a metering problem had existed at SSU's plant. At Woodmere, in June 1995 we installed meters on both wells and the UFW since then has been 5.3%. At Lehigh, the water plant distribution meter was calibrated in July 1995 and UFW has been 1.7%. At Valencia Terrace, upon investigating the cause for the high UFW, SSU discovered that several landscaped strips belonging to a homeowners association were found to be unmetered. The Commission should recall that SSU acquired the Valencia Terrace plant in 1995. All the landscaped areas are now metered, customer accounts are set up, and the meters are read on a monthly basis. This unmetered use represented a significant amount of water and I am hopeful UFW will be reduced. At this time, not enough information has been compiled to check results.

In all these cases, the UFW problem was a metering problem, not a waste problem. The same approximate amount of water is being pumped currently as was before; the only difference is that now the water is being captured by proper metering. I also note that SSU closed on its purchase of the BVL facilities in December and has not had sufficient date to assess any UFW problems.

Q. DO YOU AGREE WITH MR. BIDDY'S TESTIMONY THAT A SINGLE MAXIMUM DAY SHOULD NOT BE CONSIDERED IN THE USED AND USEFUL CALCULATIONS BECAUSE CERTAIN WATER LOSSES ARE DIFFICULT TO PRECISELY MEASURE?

A. No. Based on my over twenty years of experience in water utility operations, I believe that SSU's practices and policies for tracking water losses for line breaks, plant use, flushing and reading plant meters at regular intervals are good and SSU's water records reliable. We meter line flushing. We estimate line breaks considering the system pressure, size of the line and the severity of the break. Plant use is also metered and accounted for.

Q. WHAT COMMENTS DO YOU HAVE REGARDING MR. HANSEN'S TESTIMONY CONCERNING UFW IN SUGARMILL WOODS?

A. First, I would point out that for the test year

ending 1991, UFW at Sugarmill Woods was 8.1%, not 10% as Mr. Hansen thinks. For the test year ending 1994, UFW is 6%. Further, I do not think it is fair to say that we "guess" on the amount of water lost to a leak to make UFW look good, as Mr. Hansen asserts. In addition to estimating water loss for leaks using the criteria stated above, SSU also meters line flushing and plant use. We estimate the amount of water lost to line breaks considering the system pressure, size of the line and the severity of the break. Judgment is involved in making these estimates, obviously. However, I believe SSU does an honest job of reporting water uses and water loss events.

Q. MR. HANSEN ALSO SUGGESTS THAT SSU IS NOT A SINGULAR, FUNCTIONALLY RELATED UTILITY SYSTEM. DO YOU DISAGREE WITH HIS REASONING?.

A. From an operational standpoint I do. Beginning on page 7 of his testimony, Mr. Hansen states that the test for determining whether facilities are functionally related should be whether a change in the operation of one affects another. The conclusion he reaches seems to be that his proposed test will only be met where facilities are physically interconnected such as is the case with

Rosemont/Rolling Green. My understanding was that the First District Court of Appeals in another case and the Commission have already rejected the notion that a physical interconnection of facilities was required for those facilities to be considered functionally related. Nonetheless, I believe there are many types of operational activities which occur in one SSU service area or which originate at the central office that impact one or more SSU service area. As described in my direct testimony, SSU's operations are so integrated that any given SSU plant could not provide safe, adequate, reliable service without support from the personnel, equipment, and supplies based in other SSU service areas and the Apopka central office.

Q. WOULD YOU ADDRESS THE WATER QUALITY CONCERNS RAISED AT THE SEBRING SERVICE HEARINGS BY RESIDENTS OF THE COVERED BRIDGE FACILITY?

A. Yes. SSU is meeting all water quality standards for drinking water at the Covered Bridge water plant, as confirmed by the testimony of staff witness, Mr. Maier, a DEP employee.

The fire hydrants at Covered Bridge are regularly flushed to maintain a chlorine residual in the distribution network. However, in instances

where a chlorine residual above a certain level is not maintained in the distribution network or inside the plumbing of a home, sulfur-reducing bacteria tends to "attack" the naturally occurring soluble sulfates in the water to produce sulfides. The bacteria are not pathogenic (harmful) to humans, but the sulfides which are produced will react with the natural hardness (calcium) in the water or with copper plumbing. The result of such reactions is the formation of insoluble sulfides causing black or tan colored particles in the water. Significant amounts of sulfides can arise especially if a homeowner is absent for a period of time. The sulfides are not harmful. Simply running the water for 30 seconds in the home will remove any accumulation of sulfides in the pipes of the home. It is also a good practice for customers to flush the hot water heater if the home has been vacant for a period of time as copper piping in and around a hot water heater tends to cause a greater accumulation of sulfides in this vicinity. The key to prevention, as I said initially, is simply to maintain a higher than minimum chlorine residual in the distribution network. SSU will make every effort to do this by flushing the lines with

increased regularity. I also note that even with line flushing, if the home has an activated carbon filter to remove chlorine, and the homeowner goes on vacation or is absent for a period of time, natural sulfates from water in Osceola and Highlands Counties can develop into sulfides causing black, brown, and yellow water.

Q. CUSTOMERS SERVED BY SSU'S FACILITIES IN DUVAL COUNTY COMPLAINED ABOUT WATER QUALITY IN TERMS OF CORROSIVITY AND LEAD CONTENT. COULD YOU ADDRESS THOSE CUSTOMERS' CONCERNS?

A. Yes. The need for corrosion control is determined by the test results of sampling for lead and copper in accordance with FAC Rule 62-551. The rule states that if 90% of the samples taken are not below the action levels for two consecutive six months testing periods a corrosion control study must be done and a recommendation made to the Department for proper treatment based on that study. Once testing reveals that an action level has been met, Rule 62-551, FAC, mandates that corrosion control treatment for a medium sized facility be installed within 24 months after the Department approves the utility's recommended treatment. Corrosion control permits for SSU's

Beacon Hills and Cobblestone plants were issued on June 30, 1995, with an expiration date of January 1, 1997. The corrosion control facilities for Beacon Hills and Cobblestone were installed on January 20,1996. SSU is therefore in compliance with the rule.

Q. WOULD YOU ADDRESS THE LEAD CONCERN AT VALENCIA TERRACE THAT WAS RAISED BY CUSTOMERS AT THE MT. DORA SERVICE HEARING?

A. Yes. When SSU purchased the Valencia Terrace system, in March of 1995, the former owner had already taken two successive six month periods of samples to meet the lead and copper rule. The action level had not been exceeded, and in such cases, the rule allows for reduced monitoring. When complying with reduced monitoring the utility must sample during the months of June, July, August, or September. SSU sampled, on reduced monitoring, in July, 1995, and the tests revealed the presence of 0.016 mg/l levels of lead in two of eleven samples. The remaining samples had a lead content of less than .001 mg/l. The action level is 0.015 mg/l of lead. At the point of entry to the Valencia Terrace distribution network, the lead content was less than 0.001 mg/l. A sample in the

distribution network also had a lead content of less than 0.001 mg/l. According to the rule, to be in compliance, 90% of tour samples must not exceed the action level. Had it not been that Valencia Terrace was on reduced monitoring, the action level might not have been exceeded, since the sampling base would have been greater with routine monitoring and there was no relevant water quality or operational changes that would have caused a difference in tests results since the earlier tests were taken. Although lead can be a serious health concern in large doses, the lead levels in this case were not cause for alarm. In any event, when the action level is exceeded, the rule requires two things: notification/education of the customers and a return to routine monitoring. The document the customers indicated they had received from SSU notifying them of the test results and the health effects of lead was a standard notification letter which DEP requires the utility to distribute pursuant to the rule, and which SSU did distribute. Routine monitoring requires sampling every six months. SSU is scheduled to sample Valencia Terrace again by the end of June, 1996. If the next samples are below the action level then SSU is

required to sample again six months later. In sum, SSU has acted in complete compliance with Chapter 62-551, F.A.C., and I do not believe that the customers' concerns require any further action by SSU at this time.

Q. WOULD YOU COMMENT ON THE STATEMENT MADE BY CUSTOMERS AT A NUMBER OF THE SERVICE HEARINGS REGARDING THE TASTE OF CHLORINE IN THE WATER?

A. Yes. Chapter 62-550.518(4), FAC, 3 states that the supplier of water shall maintain a minimum free chlorine residual of 0.2 milligrams per liter or its equivalent throughout the distribution network at all times. SSU must meet this requirement for all of its plants and, with very rare exception, does meet this requirement. For residents located close to the treatment facilities, the chlorine residual will often be higher than the minimum so SSU can comply with the rule at the remote point of the distribution network. In my experience, it is extremely difficult to meet disinfection requirements, chlorine residual requirements, and appeal to every customer's particular sense of smell and taste. However, SSU does try to be as responsive as it can be to high chlorine complaints.

Q. COULD YOU COMMENT ON THE TESTIMONY OF MS. BLANCA RODRIGUEZ OF THE DEP REGARDING THE WOOTENS WATER PLANT?

A. Yes. A permit was issued October 5, 1995, for the addition of an aerator and storage tank at the Wootens water plant. Improvements proposed under this permit are necessary to satisfy water quality parameters for total dissolved solids and color. Implementation of this work has been delayed because of difficulties in acquiring suitable property rights to install the aerator -- the well site is very small. SSU has actively pursued the various options to resolve this situation over the last several months and hopes to reach closure by year-end.

Q. DO YOU AGREE WITH THE TESTIMONY OF MR. CLARENCE ANDERSON OF DEP REGARDING THE CHULUOTA WASTEWATER PLANT?

A. No. The Chuluota wastewater plant has a rainfall gauge located on site and it is read daily. Approximately 11.43 inches of rainfall was recorded in August 1995 and 10.2 inches of rainfall recorded in October 1995. The monthly operating reports' average daily flows for the months of August and October 1995 were 0.060 mgd and 0.050 mgd

respectively. The permitted capacity for the Chuluota wastewater plant is 0.1 mgd. The excessive rain caused increased flows but at no time did the plant exceed permitted capacity. During 1995 there were capital improvements made to correct problems in the collection facilities. The work consisted of lining much of the collection main lines.

Q. DOES THAT CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes, it does.

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

REQUESTED BY:	OPC
SET NO:	5
INTERROGATORY NO:	161
ISSUE DATE:	09/12/95
WITNESS:	Denny/Gagnon
RESPONDENT:	William (Dave) Denny

INTERROGATORY NO: 161

Meter Replacements. Please refer to pages 16 and 17 of the direct testimony of William Denny. Please show, in detail, how the estimated $698,973 for 1995 and the estimated $699,720 for 1996 for meter replacements were determined. Please provide the amount of meters replaced in 1995 to date. This should include both the amount of meters by rate category and the total cost, to date. Please indicate the number of meters replaced during 1993 and 1994 by meter type, and the associated costs by meter type.

RESPONSE: 161

The estimated $698,973 for 1995 referred to on pages 16 and 17 of William Denny's testimony was determined by a meter change out program of 7% of all meters and new meters associated with growth and overheads. The 1996 estimate of $699,720 was determined by a meter change out program of 8% of all meters, new meters associated with growth and overheads.

As of 9/29/95, a total of 6,136 meters have been changed out. The year to date (9/29/95) expenditures for replacement meters is $385,765. The estimate included in Mr. Denny's testimony also includes new meters. Year to date (9/29/95) expenditures for new meters is $125,801. In total, these expenditures year to date are $511,566. Annualized, the expected expenditures for new and replacement meters is $682,092.

In 1993, a total of 8,540 meters were changed out. The total cost for meter change outs and new meter installs for 1993 was $604,266.

In 1994, a total of 8,606 meters were changed out. The total cost for meter change outs and new meter installs for 1994 was $880,401.

Appendix 161-A provides the number of meters, by size and associated unit cost per meter.

As of 9/29/95, a total of 6,136 meters have been changed out and 2,726 installed.

METER CHANGE OUTS

5/8X3/4	5689	@	$24.91	=	$141,712.99
3/4"	14	@	40.81	=	571.34
1"	279	@	68.37	=	19,075.23
1 1/2"	48	@	190.27	=	9,132.96
2"	52	@	255.99	=	13,311.48
3"	18	@	1,373.85	=	24,729.30
4"	14	@	2,151.30	=	30,118.20
6"	14	@	3,397.30	=	47,562.20
8"	6	@	4,648.10	=	27,888.60
10"	2	@	10,600.00	=	21,200.00
TOTAL	6136				$335,302.30

INSTALLS

5/8X3/4	2286	@	24.91	=	$56,944.26
3/4"	138	@	40.81	=	5,631.78
1"	255	@	68.37	=	17,434.35
1 1/2"	11	@	190.27	=	2,092.91
2"	26	@	255.99	=	6,655.74
3"	6	@	1,373.85	=	8,243.10
4"	1	@	2,151.30	=	2,151.30
6"	3	@	3,397.30	=	10,191.90
8"	0	@		=	
10"	0	@		=	
TOTAL	2726				$109,345.34

In 1995, the year to date (9/29/95) expenditures for replacement meters, including overheads, is $385,765. The estimate in Mr. Denny's testimony also includes new meters. Year-to-date (2/29/95) expenditures for new meters, including overheads, is $125,801. In total, these expenditures year-to-date are $511,566. Annualized, the expenditures for new and replacement meters is $682,092.

In 1994, a total of 8,606 meters were changed out and 5,600 meters installed.

METER CHANGE OUTS

5/8X3/4	7,660	@	$24.91	=	$190,810.60
3/4"	100	@	40.81	=	4,081.00
1"	636	@	68.37	=	43,483.32
1 1/2"	46	@	190.27	=-	8,752.42
2"	71	@	255.99	=	18,175.29
3"	30	@	1,373.85	=	41,215.50
4"	27	@	2,151.30	=	58,085.10
6"	17	@	3,397.30	=	57,754.10
8"	17	@	4,648.10	=	79,017.70
10"	2	@	10,600.00	=	21,200.00
TOTAL	8,606				$522,575.03

INSTALLS

5/8X3/4	4533	@	24.91	=	$112,917.03
3/4"	496	@	40.81	=	20,241.76
1"	500	@	68.37	=	34,185.00
1 1/2"	15	@	190.27	=	2,854.05
2"	35	@	255.99	=	8,959.65
3"	11	@	1,373.85	=	15,112.35
4"	2	@	2,151.30	=	4,302.60
6"	4	@	3,397.30	=	13,589.20
8"	2	@	4,648.10	=	9,296.20
10"	2	@	10,600.00	=	21,200.00
TOTAL	5,600				$242,657.84

The total cost for meter change-outs and new meter installs for 1994, including overheads, was $880,401.00.

In 1993, a total of 8,540 meters were changed out and 5,806 meters were installed.

METER CHANGE OUTS

5/8X3/4	8,137	@	$24.91	=	$202,692.67
3/4"	9	@	40.81	=	367.29
1"	330	@	68.37	=	22,562.10
1 1/2"	22	@	190.27	=-	4,185.94
2"	22	@	255.99	=	5,631.78
3"	3	@	1,373.85	=	4,121.55
4"	5	@	2,151.30	=	10,756.50
6"	5	@	3,397.30	=	16,986.50
8"	7	@	4,648.10	=	32,536.70
10"		@	10,600.00	=	
TOTAL	8,540				$299,841.03

INSTALLS

5/8X3/4	4571	@	24.91	=	$113,863.61
3/4"	444	@	40.81	=	18,119.64
1"	723	@	68.37	=	49,431.51
1 1/2"	13	@	190.27	=	2,473.51
2"	38	@	255.99	=	9,727.62
3"	11	@	1,373.85	=	15,112.35
4"	4	@	2,151.30	=	8,605.20
6"	1	@	3,397.30	=	3,397.30
8"	1	@	4,648.10	=	4,648.10
10"	0	@	10,600.00	=	
TOTAL	5,806				$225,378.84

The total cost for meter change-outs and new meter installs for 1993, including overheads, was $604,266.

EXHIBIT (WDD-5)

PAGE 1 OF 1

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

REQUESTED BY:	OPC
SET NO:	5
INTERROGATORY NO:	168
ISSUE DATE:	09/12/95
WITNESS:	Denny/Gagnon
RESPONDENT:	William (Dave) Denny

INTERROGATORY NO: 168

Plant in Service - Renewal and Replacement Facilities. Please refer to page 15 of the direct testimony of William Denny. Please identify the amount added to plant in service in 1995 to date for which the $540,000 of funds for unanticipated emergency repairs and/or equipment, facility or additions have been used. Please identify the amounts expended during 1993 and 1994 for such unanticipated emergency repairs and/or equipment - facility, replacement or additions, and indicate whether or not these amounts were included within the respective budgets. Has the Company included any depreciation expense or accumulated depreciation adjustments in the filing related to the $540,000 in renewal and replacement facilities for 1995 and the $535,500 renewal and replacement facilities for 1996? If yes, please identify the amounts and indicate where such adjustments are reflected within the filing.

RESPONSE: 168

As of August 31, 1995, $352,634 have been expended for emergency repairs and/or equipment - facilities, replacements or additions. Annualized, this results in plant in service of $528,951 for 1995.

In 1993, the budget amount for emergency repairs and/or equipment - facility, replacement, or additions was $494,098. The amount expended for these items was $1,441,770.

In 1994, the budget amount for emergency repairs and/or equipment - facility, replacement or additions was $467,624. The amount expended for these items was $911,284.