950495-W15 EXHIBIT NO. 146 CASE NO. 96-04227 ORIDA PUBLIC SERVICE COMMISSION

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

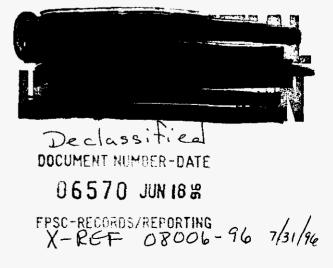
Docket No. 950495-WS

Declassified **Gonfidential**

Cross Examination Exhibit

Excerpt from Hewitt Study: VP Finance & Administration

FLORIDA PUBLIC SERVICE COMMISSION DOCKET 950495 EXHIBIT NO 146 COMPANY/ WITNESS: 550



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

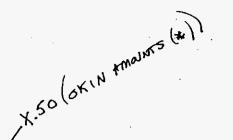
Docket No. 950495-WS

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Calculation of 1994 Executive Bonuses

Southern States Utilities, Inc. Calculation of 1994 Executive Bonuses



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Calculation :

VGU Portion:

VP: (Base Pay x (50% x 20%) x .50) + (2% of Base Pay for each \$.01 gain > \$.35) Non-VP: (Base Pay x (50% x 10%) + (2% of Base Pay for each \$.01 gain > \$.35)

Goals Portion:

 VF:
 Base Pay x (20% x 50% x Achievement Factor) (i.e. 100%, 75%, etc.)

 Non-VP:
 Base Pay x (10% x 50% x Achievement Factor) (i.e. 100%, 75%, etc.)

VGU Gain Estimale: \$ 0.42

	1994 Base Salary	Estimated VGU Gain	Bonus Portion	Base VGU Bonus	VGU Add-on Bonus	Total VGU Bonus	Projected Goals	Est. Factor	Goals Bonus	Total Est. Bonus	
Scott Vierima	\$ 90,000	\$ 0.42	\$ 0.07	\$ 4,500	\$ 12,600	\$ 17,100	5/6	75%	\$ 6,750	\$ ^{_/} 23,850	
Karla Teasley	90,000	0.42	0.07	4,500	12,600	17,100	5/6	75%	6,750	/ 23,850	
Porrest Ludsen	89,010	0.42	0.07	4,451	12,461	16,912	5/6	75%	6,676	J 23,5 8 8	
Chuck Wood	84,378	0.42	0.07	4,219	11,813	16,032	5/6	75%	6,328	× 22,360	*
Charles Sweat	82,76 0	0.42	0.07	4,198	11,586	15,724	5/6	75%	6,207	/ 21,931	~
Judy Kimball	65,526	0.42	0.07	1,698	9,174	10,812	5/6	75%	2,457	J 13,269	
Morris Bencini	62,896	0.42	0.07	1,572	8,805	10,378	5/6	75%	2,359	/ 12,736	
Brian Armstrong	84,078	0.42	0.07	2,102	11,771	13,873	5/6	75%	3,153	1, 17,026	
Ralph Terrero	82,265	0.42	0.07	2,057	11,517	13,574	5/6	75%	3,085	J 16,659	
Karen Shofter	59,080	0.42	0. 07	1,477	8,271	9,748	5/6	75%	2,216	J 11,964	
	\$ 789,993	-		\$ 30,654		\$ 141,253	•		\$ 45,980		
					······································			Total Acc	ual Necessary	187,233	
	15,800							Reserve @	12/31/94	(249,122)	
								Adjustme	nt Necessary	\$ (61,889)	

** TOTAL PAGE 03 **

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Morris Bencini

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 950495-WS

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Cross Examination Exhibit

Southern States' 1994 Incentive Compensation Plan

SOUTHERN STATES UTILITIES, INC.

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SOUTHERN STATES UTILITIES, INC.

Incentive Compensation Plan

Incentive Pay Plan for 1994:

Designed to reward executives for working together to achieve joint goals in 1994.

Plan components will provide monetary reward for:

<u>Factor</u>			Component
50%	્યર્ફ	1)	Contribution as part of group effort to achieve key SSU goals.

50% 2) Achieving targeted financial results from the sale of VGU.

Payments will be made in April, 1995 for 1994.

All participants will receive same rating for components 1) and 2) of plan.

Performance Level	% of Target Incentive Opportunity Earned
Target	100%
Superior	75%
Threshold	50%
Below Threshold	0%

Aggregate Awards will be limited to the following groups:

Environmental Services Manager, Director

Assistant Vice President, Controller,

Legal Service, and Director Rates

Vice Presidents

20%

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10%

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Performance level criteria for each component are defined as follows to facilitate computation of the award.

Component 1

Key Organizational Goals

- o A&G and O&M expenses at or below \$30,890,000 budget.
- Update Customer Service Policy & Procedure Manual.
- Conserve and protect natural resources by reducing unaccounted for water amounts by 5%; providing conservation education and developing reuse projects.

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- o Maintain a uniform rate structure for SSU.
- Reduce total companywide short term sick time to a total of 1,330 days for the year.
- Reduce companywide, nonexempt overtime to 36,000 hours or less. This represents an additional 3% reduction from 1994 budget, and a 9% overall reduction from the estimated 1993 overtime experience rate (adjusted for vacant positions).
- Target Achievement of all key goals identified.

Superior Achievement of 5 key goals identified.

Threshold Attainment of the majority of goals identified.

Component 2 Targeted Financial Results

Budgeted EPS From Sale of VGU - \$.35 (Approx. \$9.8MM after tax/28.3MM ave. shares)

Target 2% of Pay For Each \$.01 Per Share Additional Gain

Threshold 100% of Budgeted EPS



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