

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of SEAGULL UTILITY )	DOCKET NO. 890654-SU
COMPANY for 1989 price index and pass- )	
through rate adjustment in Pinellas )	ORDER NO. 21440
County )	
_____ )	ISSUED: 6-26-89

ORDER ACKNOWLEDGING INDEXING  
AND PASS-THROUGH RATE ADJUSTMENTS

BY THE COMMISSION:

On May 15, 1989, Seagull Utility Company (Utility) notified this Commission of its intention to increase rates to its customers in Pinellas County by application of the price-indexing and pass-through provisions of Subsections 367.081(4)(a) and (b), Florida Statutes, respectively, and Rules 25-30.420 and 25-30.425, Florida Administrative Code, respectively.

By Order No. 20972, issued by this Commission on March 31, 1989, in Docket No. 890005-WS, the rates of water and sewer utilities are subject to adjustment as a result of the application of the price index to certain utility operation and maintenance costs. The indexing factor is 4.35 percent.

The Utility also intends to pass through to its customers the increased cost of sewage treatment imposed by The City of St. Petersburg. The Utility waived its right to place the pass-through rates into effect thirty days from the filing date of this notice and states that these rates are to become effective simultaneously with the indexing adjustment.

The documentation submitted by the Utility in support of its indexing and pass-through notice meets the Commission's requirements, as set forth in Rules 25-30.420 and 25-30.425, Florida Administrative Code. In compliance with said rules, the Utility advised us that it will provide notice to its customers prior to the effective date of the rates, informing them of the impending rate adjustment and explaining that the increase is due to the pass-through provisions and the application of the price index to certain operation and maintenance expenses.

Applying an increase factor of 1.0135 to the existing rate schedules results in increased sewer revenues of \$3,524. The schedules of our computations are as follows:

1989 Price Index and Pass-Through Application  
Test Year Ended December 31, 1988

	<u>Sewer</u>
1988 Operation and Maintenance Expenses	\$ 163,058
Less:	
(1) Pass-through Items:	
(a) Purchased Power	( 2,369)
(b) Purchased Water	0
(c) Purchased Sewage Treatment	( 59,124)
(d) DER Required Water Testing*	0
(e) Out of Period O & M	( 39,439)

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(2) Rate Case Expense Included in 1988 O & M Expenses	( <u>6,852</u> )
Costs to be Indexed	\$ 55,274
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0435</u>
Additional O & M Expenses	\$ 2,404
Pass-through Item: Increase in Sewage Treatment Expense	<u>1,032</u>
Total Increased Expenses	\$ 3,436
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>
Increase in Revenue	\$ 3,524
Divide by 1988 Annualized Revenues	÷ <u>261,088</u>
Percentage Increase	<u>1.35%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0135</u>

Rates which will allow the Utility to recognize this increase are as follows:

SEWER (1.35 % Increase)  
Monthly Rate

Residential Service

<u>Meter Size</u>	<u>Existing</u>	<u>New</u>
All Meter Sizes-Flat Rate	\$ 18.95	\$ 19.21

General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 11.74	\$ 11.90
1"	\$ 29.35	\$ 29.75
1-1/2"	\$ 58.70	\$ 59.49
2"	\$ 93.92	\$ 95.19
3"	\$ 187.84	\$ 190.38
4"	\$ 293.50	\$ 297.46
6"	\$ 587.00	\$ 594.92
<u>Gallonage Charge</u> Per 1,000 Gallons (No Maximum)	\$ 1.15	\$ 1.17

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It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing and pass-through application of Seagull Utility Company, 3250 S.W. Third Avenue, Miami, Florida 33129, is hereby acknowledged. It is further

ORDERED that the rates contained herein shall become effective for service rendered on or after July 14, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDERED that the tariff sheets submitted with the Utility's application reflect the rates set forth in this Order, and Docket No. 890654-SU may be closed upon Staff's approval of the tariff sheets.

By Order of the Florida Public Service Commission,  
this 26th day of JUNE, 1989.

  
STEVE TRIBBLE, Director  
Division of Records and Reporting

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