

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of SOUTHERN STATES)	DOCKET NO. 890858-WS
UTILITIES, INC. for 1989 price index and))	
pass-through rate adjustments for its)	ORDER NO. 21792
Hermits Cove, River Park, River Grove,)	
Pomona Park, Wooten, Welaka, Saratoga)	ISSUED: 8-25-89
Harbor, Interlachen Lake, St. John's)	
Highlands, Palm Port and Park Manor)	
Systems in Putnam County.)	
_____)	

ORDER ACKNOWLEDGING INDEXING AND PASS-THROUGH RATE ADJUSTMENTS

BY THE COMMISSION:

On July 5, 1989, Southern States Utilities, Inc. (Utility) notified this Commission of its intention to increase rates to the customers of its Hermits Cove, River Park, River Grove, Pomona Park, Wooten, Welaka, Saratoga Harbor, Interlachen Lake, St. John's Highlands, Palm Port and Park Manor systems in Putnam 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 intends to pass through to its customers the cost of water testing required by the Department of Environmental Regulation (DER) and a decrease in its ad valorem taxes for its water system. The Utility also intends to pass through an increase in its ad valorem taxes for its sewer system. 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,

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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 increase factors of 1.0146 and 1.0270 to the existing rate schedules results in increased water and sewer revenues of \$2,865 and \$770, respectively. The schedules of our computations are as follows:

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

	<u>Water</u>	<u>Sewer</u>
1988 Operation and Maintenance Expenses	\$ 105,203	\$ 20,908
Less:		
(1) Pass-through Items::		
(a) Purchased Power	(12,335)	(6,146)
(b) Purchased Water	0	0
(c) Purchased Sewage Treatment	0	0
(d) DER Required Water Testing*	(1,102)	0
(2) Rate Case Expense Included in 1988 O & M Expenses	(1,693)	(574)
Costs to be Indexed	\$ 90,073	\$ 14,188
Multiply by Change in GNP Implicit Price Deflator Index	x .0435	x .0435
Additional O & M Expenses	\$ 3,918	\$ 617
Pass-through Items:		
DER Water Testing	88	0
Increase/(Decrease) in Ad Valorem Taxes	(1,213)	134
Total Increased Expenses	\$ 2,793	\$ 751
Divide by Expansion Factor for Regulatory Assessment Fees	÷ .975	÷ .975

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Increase in Revenue	\$ 2,865	\$ 770
Divide by 1988 Annualized Revenues	÷ 195,786	÷ 28,537
Percentage Increase	<u>1.46%</u>	<u>2.70%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0146</u>	<u>1.0270</u>

*Testing for organic contaminants per DER Rules 17-550.310(2) and 17-550.410, F.A.C.

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

WATER (1.46% Increase)
Bi-Monthly Rates

Residential and General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 10.36	\$ 10.51
3/4"	\$ 15.54	\$ 15.77
1"	\$ 25.91	\$ 26.29
1-1/2"	\$ 51.82	\$ 52.58
2"	\$ 82.90	\$ 84.11
3"	\$ 165.81	\$ 168.23
4"	\$ 259.08	\$ 262.86
6"	\$ 518.15	\$ 525.71
<u>Gallage Charge*</u> Per 1,000 Gallons	\$ 1.31	\$ 1.33
<u>Gallage Charge**</u> Per 1,000 Gallons	\$ 2.35	\$ 2.38

*Gallage Charge for Interlachen Lake and St. John's Highlands systems.

**Gallage Charge for Hermits Cove, River Park, River Grove, Pomona Park, Wooten, Welaka, Saratoga Harbor, Palm Port and Park Manor systems.

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SEWER (2.70% Increase)
Bi-Monthly Rates

Residential Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
All Meter Sizes	\$ 13.30	\$ 13.66
<u>Gallorage Charge</u>		
Per 1,000 Gallons (16,000 Gallons Maximum)	\$ 3.77	\$ 3.87

General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 13.30	\$ 13.66
3/4"	\$ 19.96	\$ 20.50
1"	\$ 33.26	\$ 34.16
1-1/2"	\$ 66.52	\$ 68.32
2"	\$ 106.43	\$ 109.30
3"	\$ 212.87	\$ 218.62
4"	\$ 332.61	\$ 341.59
6"	\$ 665.21	\$ 683.17
<u>Gallorage Charge</u>		
Per 1,000 Gallons	\$ 3.77	\$ 3.87

It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing and pass-through application of Southern States Utilities, Inc., 1000 Color Place, Apopka, Florida 32703, is hereby acknowledged. It is further

ORDERED that the rates contained herein shall become effective for service rendered on or after September 3, 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

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Order, and Docket No. 890858-WS may be closed upon Staff's approval of the tariff sheets.

By Order of the Florida Public Service Commission,
this 25th day of AUGUST, 1989.



STEVE TRIBBLE, Director
Division of Records and Reporting

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