

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of SOUTHERN STATES)	DOCKET NO. 890876-WS
UTILITIES, INC. for 1989 price index and)	ORDER NO. 21791
pass-through rate adjustments in Citrus)	ISSUED: 8-25-89
County.)	
)	

ORDER ACKNOWLEDGING INDEXING
AND PASS-THROUGH RATE ADJUSTMENTS

BY THE COMMISSION:

On July 11, 1989, Southern States Utilities, Inc. (Utility) notified this Commission of its intention to increase rates to the customers of its Apache Shores, Crystal River, Golden Terrace, Oak Forest and Rolling Green systems in Citrus 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 the customers of its Apache Shores, Golden Terrace, and Oak Forest systems a decrease in its ad valorem taxes. The Utility also intends to pass through to the customers of its Crystal River and Rolling Green systems an increase in its ad valorem taxes. 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 increase factors of 1.0175 and 1.0070 to the existing rate schedules results in increased water and sewer

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revenues of \$452 and \$132, respectively, for Southern States' Apache Shores system. Applying an increase factor of 1.3680 to the existing rate schedules results in increased water revenues of \$1,381 for its Crystal River system. Applying an increase factor of 1.0122 to the existing rate schedules results in increased water revenues of \$233 for its Oak Forest system. Applying an increase factor of 1.0753 to the existing rate schedules results in increased water revenues of \$912 for its Rolling Green system. The schedules of our computations are as follows:

APACHE SHORES

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

	<u>Water</u>	<u>Sewer</u>
1988 Operation and Maintenance Expenses	\$ 16,406	\$ 12,951
Less: (1) Pass-through Item:	:	
(a) Purchased Power	(824)	(1,522)
(b) DER Water Testing	(76)	0
(2) Rate Case Expense Included in 1988 O & M Expenses	(5)	(3)
Costs to be Indexed	\$ 15,501	\$ 11,426
Multiply by Change in GNP Implicit Price Deflator Index	x .0435	x .0435
Additional O & M Expenses	\$ 674	\$ 497
Pass-through Item:		
Decrease in Ad Valorem Taxes	(233)	(369)
Total Increased Expenses	\$ 441	\$ 128
Divide by Expansion Factor for Regulatory Assessment Fees	÷ .975	÷ .975
Increase in Revenue	\$ 452	\$ 132
Divide by 1988 Revenues	÷ 25,838	÷ 18,761

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Percentage Increase	<u>1.75%</u>	<u>0.70%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0175</u>	<u>1.0070</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 for Apache Shores system are as follows:

WATER (1.75% Increase)
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"	\$ 5.52	\$ 5.62
Full 3/4"	\$ 8.28	\$ 8.42
1"	\$ 13.82	\$ 14.06
1-1/2"	\$ 27.62	\$ 28.10
2"	\$ 44.18	\$ 44.95
3"	\$ 88.38	\$ 89.93
4"	\$ 138.10	\$ 140.52
6"	\$ 276.17	\$ 281.00
<u>Gallage Charge</u> Per 1,000 Gallons	\$ 4.63	\$ 4.71

SEWER (0.70% Increase)
Monthly Rates

Residential Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 7.30	\$ 7.35
Full 3/4"	\$ 7.30	\$ 7.35
1"	\$ 7.30	\$ 7.35
1-1/2"	\$ 7.30	\$ 7.35
2"	\$ 7.30	\$ 7.35
<u>Gallage Charge</u> Per 1,000 Gallons (10,000 Gallons Maximum)	\$ 4.70	\$ 4.73

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General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 7.30	\$ 7.35
Full 3/4"	\$ 10.96	\$ 11.04
1"	\$ 18.27	\$ 18.40
1-1/2"	\$ 36.53	\$ 36.79
2"	\$ 58.46	\$ 58.87
3"	\$ 116.90	\$ 117.72
4"	\$ 182.67	\$ 183.95
6"	\$ 365.33	\$ 367.89
 <u>Gallonge Charge</u> Per 1,000 Gallons	 \$ 4.70	 \$ 4.73

CRYSTAL RIVER

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

	<u>Water</u>
1988 Operation and Maintenance Expenses	\$ 10,871
Less: (1) Pass-through Items:	
(a) Purchased Power	(923)
(b) Purchased Water	0
(c) DER Required Water Testing*	(466)
(2) Rate Case Expense Included in 1988 O & M Expenses	(3)
Costs to be Indexed	\$ 9,479
Multiply by Change in GNP Implicit Price Deflator Index	x .0435
Additional O & M Expenses	\$ 412
Pass-through Item - Increase in Ad Valorem Taxes	934
Total Increased Expenses	\$ 1,346

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Divide by Expansion Factor for Regulatory Assessment Fees	÷	<u>.975</u>
Increase in Revenue	\$	1,381
Divide by 1988 Revenues	÷	<u>3,753</u>
Percentage Increase		<u>36.80%</u>
Increase Factor to Apply to Existing Rate Schedules		<u>1.3680</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 for its Crystal River system are as follows:

WATER (36.80% Increase)
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"	\$ 2.23	\$ 3.05
1"	\$ 5.59	\$ 7.65
1-1/2"	\$ 11.16	\$ 15.27
<u>Gallage Charge</u> Per 1,000 Gallons	\$.47	\$.64

GOLDEN TERRACE

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

	<u>Water</u>
1988 Operation and Maintenance Expenses	\$ 8,675
Less: (1) Pass-through Items:	
(a) Purchased Power	(611)
(b) Purchased Water	0

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(c) DER Required Water Testing*	(235)
(2) Rate Case Expense Included in 1988 O & M Expenses	(_____ 3)
Costs to be Indexed	\$ 7,826
Multiply by Change in GNP Implicit Price Deflator Index	x .0435
Additional O & M Expenses	\$ 340
Pass-through Item - Decrease in Ad Valorem Taxes	(_____ 339)
Total Increased Expenses	\$ 1
Divide by Expansion Factor for Regulatory Assessment Fees	÷ _____ .975
Increase in Revenue	\$ 1
: Divide by 1988 Revenues	÷ _____ 17,716
Percentage Increase	_____ 0.01%
Increase Factor to Apply to Existing Rate Schedules	_____ 1.0001
*Testing for organic contaminants per DER Rules 17-550.310(2) and 17-550.410, F.A.C.	

OAK FOREST

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

	<u>Water</u>
1988 Operation and Maintenance Expenses	\$ 12,142
Less: (1) Pass-through Items:	
(a) Purchased Power	(3,068)
(b) Purchased Water	0
(c) Purchased Sewage Treatment	0
(d) DER Required Water Testing*	(76)

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(2) Rate Case Expense Included in 1988 O & M Expenses	(_____)	3
Costs to be Indexed	\$	8,995
Multiply by Change in GNP Implicit Price Deflator Index	x	.0435
Additional O & M Expenses	\$	391
Pass-through Item - Decrease in Ad Valorem Taxes	(_____)	164
Total Increased Expenses	\$	227
Divide by Expansion Factor for Regulatory Assessment Fees	÷	.975
Increase in Revenue	\$	233
Divide by 1988 Revenues	÷	19,173
Percentage Increase		<u>1.22%</u>
Increase Factor to Apply to Existing Rate Schedules		<u>1.0122</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 for its Oak Forest system are as follows:

WATER (1.22% Increase)
Bi-Monthly Rate

Residential and General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 9.43	\$ 9.55
Full 3/4"	\$ 14.14	\$ 14.31
1"	\$ 23.58	\$ 23.87
1-1/2"	\$ 47.14	\$ 47.72
2"	\$ 75.45	\$ 76.37
<u>Gallonge Charge</u> Per 1,000 Gallons	\$.84	\$.85

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ROLLING GREEN

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

	<u>Water</u>
1988 Operation and Maintenance Expenses	\$ 8,615
Less:	
(1) Pass-through Item: Purchased Power	(1,907)
(2) Rate Case Expense Included in 1988 O & M Expenses	(_____ 2)
Costs to be Indexed	\$ 6,706
Multiply by Change in GNP Implicit Price Deflator Index	x _____ .0435
Additional O & M Expenses	\$ 292
Pass-through Item - Increase in Ad Valorem Taxes	_____ 597
Total Increased Expenses	\$ 889
Divide by Expansion Factor for Regulatory Assessment Fees	÷ _____ .975
Increase in Revenue	\$ 912
Divide by 1988 Revenues	÷ _____ 12,112
Percentage Increase	_____ 7.53%
Increase Factor to Apply to Existing Rate Schedules	_____ 1.0753

Rates which will allow the Utility to recognize this increase for its Rolling Green system are as follows:

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WATER (7.53% 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"	\$ 10.00	\$ 10.75
Full 3/4"	\$ 10.00	\$ 10.75
1"	\$ 10.00	\$ 10.75
1-1/2"	\$ 10.00	\$ 10.75
2"	\$ 10.00	\$ 10.75
3"	\$ 10.00	\$ 10.75
4"	\$ 10.00	\$ 10.75
6"	\$ 10.00	\$ 10.75
<u>Gallage Charge</u> Per 1,000 Gallons	\$ 1.00	\$ 1.08

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, for its Apache Shores, Crystal River, Golden Terrace, Oak Forest, and Rolling Green systems, is hereby acknowledged. It is further

ORDERED that the Utility shall submit revised tariff sheets containing the new rates indicated in this order. It is further

ORDERED that the rates contained herein shall become effective for service rendered on or after September 9, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDERED that Docket No. 890876-WS shall be closed upon approval of the revised tariff sheets.

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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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