

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of SOUTHERN STATES ) DOCKET NO. 890861-WU  
 UTILITIES, INC. for 1989 price index )  
 and pass-through rate adjustments in ) ORDER NO. 21800  
 Osceola County. )  
 \_\_\_\_\_ ) ISSUED: 8-28-89

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 Bay Lake Estates, Intercession City, Pine Ridge Estates, Windsong, and Tropical Park systems in Osceola 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. The application, as filed, did not meet the requirements of the above rules. Southern States filed a revised application on July 20, 1989, and that date has been established as the official filing date.

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 Bay Lake Estates, Intercession City, Pine Ridge Estates and Windsong systems an increase in its ad valorem taxes. The Utility also intends to pass through to the customers of its Tropical Park system a decrease 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

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FPSC-RECORDS/REPORTING

ORDER NO. 21800  
 DOCKET NO. 890861-WU  
 Page 2

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 1.1265 to the existing rate schedules results in increased water revenues of \$797, for Southern States' Bay Lake Estates system. Applying an increase factor of 1.0410 to the existing rate schedules results in increased water revenues of \$3,575, for the Utility's Intercession City, Pine Ridge Estates and Windsong systems. Applying an increase factor of .9966 to the existing rate schedules results in decreased water revenues of \$313 for the Utility's Tropical Park system. The schedules of our computations are as follows:

BAY LAKE ESTATES

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

	<u>Water</u>
1988 Operation and Maintenance Expenses	\$ 6,706
Less: (1) Pass-through Items:	
(a) Purchased Power	( 1,072)
(b) Purchased Water	0
(c) Purchased Sewage Treatment	0
(d) DER Required Water Testing*	( 366)
(2) Rate Case Expense Included in 1988 O & M Expenses	( _____ 1)
Costs to be Indexed	\$ 5,267
Multiply by Change in GNP Implicit Price Deflator Index	x _____ .0435
Additional O & M Expenses	\$ 229
Pass-through Item: Increase in Ad Valorem Taxes	548
Total Increased Expenses	\$ 777

ORDER NO. 21800  
 DOCKET NO. 890861-WU  
 Page 3

Divide by Expansion Factor for Regulatory Assessment Fees	÷	<u>.975</u>
Increase in Revenue	\$	797
Divide by 1988 Annualized Revenues	÷	<u>6,298</u>
Percentage Increase		<u>12.65%</u>
Increase Factor to Apply to Existing Rate Schedules		<u>1.1265</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 Bay Lake Estates system are as follows:

WATER (12.65% 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" (Includes 7,500 Gallons)	\$ 7.80	\$ 8.79
<u>Gallage Charge</u> <u>Per 1,000 Gallons</u>		
Next 5,000 Gallons	\$ .42	\$ .47
Next 5,500 Gallons	\$ .37	\$ .42
Next 18,000 Gallons	\$ .30	\$ .34

ORDER NO. 21800  
 DOCKET NO. 890861-WU  
 Page 4

INTERCESSION CITY, PINE RIDGE ESTATES AND WINDSONG

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

	<u>Water</u>
1988 Operation and Maintenance Expenses	\$ 34,988
Less: (1) Pass-through Items:	
(a) Purchased Power	( 4,495)
(b) Purchased Water	0
(c) Purchased Sewage Treatment	0
(d) DER Required Water Testing*	( 1,209)
(2) Rate Case Expense Included in 1988 O & M Expenses	( <u>12</u> )
Costs to be Indexed	\$ 29,272
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0435</u>
Additional O & M Expenses	\$ 1,273
Pass-through Item: Increase in Ad Valorem Taxes	<u>2,213</u>
Total Increased Expenses	\$ 3,486
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>
Increase in Revenue	\$ 3,575
Divide by 1988 Annualized Revenues	÷ <u>87,172</u>
Percentage Increase	<u>4.10%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0410</u>

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

ORDER NO. 21800  
 DOCKET NO. 890861-WU  
 Page 5

Rates which will allow the Utility to recognize this increase for its Intercession City, Pine Ridge Estates and Windsong systems are as follows:

WATER (4.10% 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	\$ 10.78
3/4"	\$ 15.54	\$ 16.18
1"	\$ 25.91	\$ 26.97
1-1/2"	\$ 51.81	\$ 53.93
2"	\$ 82.88	\$ 86.28
3"	\$ 165.78	\$ 172.58
4"	\$ 259.02	\$ 269.64
6"	\$ 518.05	\$ 539.29
 <u>Gallonge Charge</u>		
Per 1,000 Gallons	\$ 2.13	\$ 2.22

TROPICAL PARK

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

	<u>Water</u>
1988 Operation and Maintenance Expenses	\$ 32,633
Less: (1) Pass-through Items:	
(a) Purchased Power	( 4,434)
(b) Purchased Water	0
(c) Purchased Sewage Treatment	0
(d) DER Required Water Testing*	( 69)
(2) Rate Case Expense Included in 1988 O & M Expenses	( 15)
Costs to be Indexed	\$ 28,115

ORDER NO. 21800  
 DOCKET NO. 890861-WU  
 Page 6

Multiply by Change in GNP Implicit Price Deflator Index	x	<u>.0435</u>
Additional O & M Expenses	\$	1,223
Pass-through Item: Decrease in Ad Valorem Taxes	(	<u>1,528)</u>
Total Increased Expenses	(\$	305)
Divide by Expansion Factor for Regulatory Assessment Fees	÷	<u>.975</u>
Decrease in Revenue	(\$	313)
Divide by 1988 Annualized Revenues	÷	<u>92,431</u>
Percentage Increase		<u>-0.34%</u>
Decrease Factor to Apply to Existing Rate Schedules		<u>.9966</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 the  
decrease for its Tropical Park system are as follows:

WATER (0.34% 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"	\$ 9.80	\$ 9.77
3/4"	\$ 14.70	\$ 14.65
1"	\$ 24.51	\$ 24.43
1-1/2"	\$ 49.01	\$ 48.84
2"	\$ 78.43	\$ 78.16
3"	\$ 156.83	\$ 156.30
4"	\$ 245.05	\$ 244.22
6"	\$ 490.10	\$ 488.43
<u>Gallonge Charge</u> Per 1,000 Gallons	\$ 2.01	\$ 2.00

ORDER NO. 21800  
DOCKET NO. 890861-WU  
Page 7

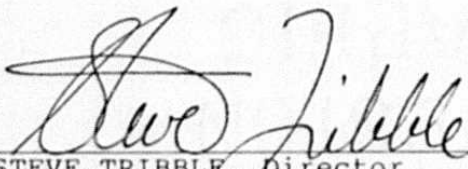
It is, therefore,

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 18, 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. 890861-WS may be closed upon Staff's approval of the tariff sheets.

By Order of the Florida Public Service Commission,  
this 28th day of AUGUST, 1989.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

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