

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of SOUTHERN STATES)	DOCKET NO. 890887-WS
UTILITIES, INC. for 1989 price index and)	
pass-through rate adjustments in Martin)	ORDER NO. 21822
County.)	
_____)	ISSUED: 9-5-89

ORDER ACKNOWLEDGING INDEXING
AND PASS-THROUGH RATE ADJUSTMENTS

BY THE COMMISSION:

On July 13, 1989, Southern States Utilities, Inc. (Southern States or Utility) notified this Commission of its intention to increase rates to the customers of its Fisherman's Haven, Fox Run and Leilani Heights systems in Martin 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 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 1.0364 and 1.0321 to the existing rate schedules results in increased water and sewer revenues of \$485 and \$572, respectively, for Southern States'

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Fisherman's Haven system. Applying increase factors of 1.0388 and 1.1440 to the existing rate schedules results in increased water and sewer revenues of \$460 and \$1,055, respectively, for Southern States' Fox Run system. Applying increase factors of 1.0205 and 1.0407 to the existing rate schedules results in increased water and sewer revenues of \$1,249 and \$4,199, respectively, for Southern States' Leilani Heights system. The schedules of our computations are as follows:

FISHERMAN'S HAVEN

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

	<u>Water</u>	<u>Sewer</u>
1988 Operation and Maintenance Expenses	\$ 14,859	\$ 17,110
Less:		
(1) Pass-through Items:		
(a) Purchased Power	(2,410)	(3,613)
(b) Purchased Water	0	0
(c) DER Required Water Testing*	(609)	0
(2) Rate Case Expense Included in 1988 O & M Expenses	(1,323)	(1,274)
Costs to be Indexed	\$ 10,517	\$ 12,223
Multiply by Change in GNP Implicit Price Deflator Index	x .0435	x .0435
Additional O & M Expenses	\$ 457	\$ 532
Pass-through Item:		
Increase in Ad Valorem Taxes	16	26
Total Increased Expenses	\$ 473	\$ 558
Divide by Expansion Factor for Regulatory Assessment Fees	÷ .975	÷ .975
Increase in Revenue	\$ 485	\$ 572
Divide by 1988 Annualized Revenues	÷ 13,330	÷ 17,825

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Percentage Increase	<u>3.64%</u>	<u>3.21%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0364</u>	<u>1.0321</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 the Fisherman's Haven system are as follows:

WATER (3.64% 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"	\$ 7.94	\$ 8.23
Full 3/4"	\$ 11.91	\$ 12.34
1"	\$ 19.85	\$ 20.57
1-1/2"	\$ 39.68	\$ 41.12
2"	\$ 63.49	\$ 65.80
3"	\$ 126.98	\$ 131.60
4"	\$ 198.40	\$ 205.62
6"	\$ 396.81	\$ 411.25
<u>Gallage Charge</u> Per 1,000 Gallons	\$.73	\$.76

SEWER (3.21% Increase)
Bi-Monthly Rates

Residential Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
All Meter Sizes	\$ 10.78	\$ 11.13
<u>Gallage Charge</u> Per 1,000 Gallons (Maximum of 14,000 Gallons Bi-Monthly)	\$ 1.42	\$ 1.47
<u>Sewer Only Customers</u> (Flat Rate)	\$ 27.52	\$ 28.40

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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"	\$ 10.78	\$ 11.13
3/4"	\$ 16.17	\$ 16.69
1"	\$ 26.95	\$ 27.82
1-1/2"	\$ 53.90	\$ 55.63
2"	\$ 86.24	\$ 89.01
3"	\$ 172.48	\$ 178.02
4"	\$ 269.51	\$ 278.16
6"	\$ 539.01	\$ 556.31
<u>Gallonge Charge</u> Per 1,000 Gallons	\$ 1.42	\$ 1.47

FOX RUN

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

	<u>Water</u>	<u>Sewer</u>
1988 Operation and Maintenance Expenses	\$ 10,775	\$ 15,694
Less:		
(1) Pass-through Items:		
(a) Purchased Power	(998)	(5,343)
(b) Purchased Water	0	0
(c) DER Required Water Testing*	(154)	0
(2) Rate Case Expense Included in 1988 O & M Expenses	(12)	(7)
Costs to be Indexed	\$ 9,611	\$ 10,344
Multiply by Change in GNP Implicit Price Deflator Index	x .0435	x .0435
Additional O & M Expenses	\$ 418	\$ 450
Pass-through Items:		
Increase in Ad Valorem Taxes	31	578

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Total Increased Expenses	\$ 449	\$ 1,028
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>	÷ <u>.975</u>
Increase in Revenue	\$ 460	\$ 1,055
Divide by 1988 Annualized Revenues	÷ <u>11,866</u>	÷ <u>7,325</u>
Percentage Increase	<u>3.88%</u>	<u>14.40%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0388</u>	<u>1.1440</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 the Fox Run system are as follows:

WATER (3.88% Increase)
Monthly Rate

Residential and General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
All Meter Sizes (Includes 1,000 Gallons)	\$ 4.28	\$ 4.45
<u>Gallonge Charge</u> Per 1,000 Gallons	\$ 1.10	\$ 1.14

SEWER (14.40% Increase)
Monthly Rate

Residential Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
All Meter Sizes	\$ 8.73	\$ 9.99
<u>Gallonge Charge</u> Per 1,000 Gallons	\$ N/A	\$ N/A

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LEILANI HEIGHTS

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

	<u>Water</u>	<u>Sewer</u>
1988 Operation and Maintenance Expenses	\$ 32,671	\$ 55,861
Less:		
(1) Pass-through Items:		
(a) Purchased Power	(6,571)	(13,304)
(b) Purchased Water	0	0
(c) DER Required Water Testing*	(213)	0
(2) Rate Case Expense Included in 1988 O & M Expenses	(863)	(421)
Costs to be Indexed	\$ 25,024	\$ 42,136
Multiply by Change in GNP Implicit Price Deflator Index	x .0435	x .0435
Additional O & M Expenses	\$ 1,089	\$ 1,833
Pass-through Item:		
Increase in Ad Valorem Taxes	129	2,261
Total Increased Expenses	\$ 1,218	\$ 4,094
Divide by Expansion Factor for Regulatory Assessment Fees	÷ .975	÷ .975
Increase in Revenue	\$ 1,249	\$ 4,199
Divide by 1988 Annualized Revenues	÷ 60,869	÷ 103,170
Percentage Increase	<u>2.05%</u>	<u>4.07%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0205</u>	<u>1.0407</u>

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

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Rates which will allow the Utility to recognize this increase for the Leilani Heights system are as follows:

WATER (2.05% 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"	\$ 4.67	\$ 4.77
Full 3/4"	\$ 7.00	\$ 7.14
1"	\$ 11.65	\$ 11.89
1-1/2"	\$ 23.32	\$ 23.80
2"	\$ 37.30	\$ 38.06
3"	\$ 74.61	\$ 76.14
4"	\$ 116.58	\$ 118.97
6"	\$ 233.15	\$ 237.93
<u>Gallonage Charge</u> Per 1,000 Gallons	\$.74	\$.76

SEWER (4.07% Increase)
Monthly Rate

Residential Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
All Meter Sizes	\$ 8.10	\$ 8.43
<u>Gallonage Charge</u> Per 1,000 Gallons (10,000 Gallons Maximum)	\$ 2.03	\$ 2.11
<u>Sewer Only Customers</u> Flat Rate	\$ 21.93	\$ 22.82

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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"	\$ 8.10	\$ 8.43
Full 3/4"	\$ 12.16	\$ 12.65
1"	\$ 20.27	\$ 21.09
1-1/2"	\$ 40.53	\$ 42.18
2"	\$ 64.85	\$ 67.49
3"	\$ 129.71	\$ 134.99
4"	\$ 202.66	\$ 210.91
6"	\$ 405.33	\$ 421.83
<u>Gallonage Charge</u> Per 1,000 Gallons	\$ 2.44	\$ 2.54

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 11, 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. 890887-WS may be closed upon Staff's approval of the tariff sheets.

By Order of the Florida Public Service Commission,
this 5th day of September, 1989.



STEVE TRIBBLE, Director
Division of Records and Reporting

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