

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

|   |                      |
|---|----------------------|
| In re: Application of SOUTHERN STATES ) | DOCKET NO. 881572-WS |
| UTILITIES, INC. for 1988 price index )  |                      |
| and pass-through rate adjustments in )  | ORDER NO. 20690      |
| Lake County, Florida. )                 |                      |
| _____ )                                 | ISSUED: 2-1-89       |

ORDER ACKNOWLEDGING INDEXING  
AND PASS-THROUGH RATE ADJUSTMENTS

BY THE COMMISSION:

On December 15, 1988, Southern States Utilities, Inc. (Southern States or Utility) notified this Commission of its intention to increase rates to the customers of its Spring Lake Manor, Piney Woods, Skycrest, Fern Terrace, Carlton Village, Friendly Center, East Lake Harris, Hobby Hills, Palms Mobile Home Park, Morningview, Picciola Island, Stone Mountain, Western Shores, Venetian Village, and Sunshine Parkway systems in Lake 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. 19073, issued by this Commission on March 31, 1988, in Docket No. 880005-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 2.89 percent.

The Utility also intends to pass through the cost of water testing required by the Department of Environmental Regulation (DER) to the customers of its Spring Lake Manor, Piney Woods, Skycrest, Fern Terrace, Carlton Village, Friendly Center, East Lake Harris, Hobby Hills, Palms Mobile Home Park, Morningview, Picciola Island, Stone Mountain, Western Shores, and Venetian Village systems. 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.

SPRING LAKE MANOR, PINEY WOODS, SKYCREST, FERN TERRACE,  
CARLTON VILLAGE, FRIENDLY CENTER, EAST LAKE HARRIS,  
HOBBY HILLS, PALMS MOBILE HOME PARK, MORNINGVIEW,  
PICCIOLA ISLAND, STONE MOUNTAIN, WESTERN SHORES,  
AND VENETIAN VILLAGE SYSTEMS

Applying increase factors of 1.0189 and 1.0092 to the existing rate schedules results in increased water and sewer revenues of \$3,525 and \$363, respectively, for Southern States' Spring Lake Manor, Piney Woods, Skycrest, Fern Terrace, Carlton Village, Friendly Center, East Lake Harris, Hobby Hills, Palms Mobile Home Park, Morningview, Picciola Island, Stone Mountain, Western Shores, and Venetian Village systems. The schedules of our computations are as follows:

DOCUMENT NUMBER-DATE

01184 FEB -1 1989

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1988 Price Index and Pass-Through Application  
Test Year Ended December 31, 1987

|   | <u>Water</u>     | <u>Sewer</u>    |
|---|------------------|-----------------|
| 1987 Operation and Maintenance Expenses                   | \$ 94,678        | \$ 19,450       |
| Less:   |                  |                 |
| (1) Pass-through Items:                                   |                  |                 |
| (a) Purchased Power                                       | ( 15,486)        | ( 7,071)        |
| (b) Purchased Water                                       | 0                | 0               |
| (c) Purchased Sewage Treatment                            | 0                | 0               |
| (d) DER Required Water Testing*                           | ( 3,302)         | 0               |
| (2) Rate Case Expense Included in 1987 O & M Expenses     | ( 1,406)         | ( 113)          |
| (3) Adjustment to O & M Expenses from last rate case      | ( <u>413</u> )   | ( <u>19</u> )   |
| Costs to be Indexed                                       | \$ 74,071        | \$ 12,247       |
| Multiply by Change in GNP Implicit Price Deflator Index   | x <u>.0289</u>   | x <u>.0289</u>  |
| Additional O & M Expenses                                 | \$ 2,141         | \$ 354          |
| Pass-through Item:  |                  |                 |
| DER Water Testing   | <u>1,296</u>     | <u>0</u>        |
| Total Increased Expenses                                  | \$ 3,437         | \$ 354          |
| Divide by Expansion Factor for Regulatory Assessment Fees | ÷ <u>.975</u>    | ÷ <u>.975</u>   |
| Increase in Revenue                                       | \$ 3,525         | \$ 363          |
| Divide by 1987 Annualized Revenues                        | ÷ <u>186,335</u> | ÷ <u>39,296</u> |
| Percentage Increase                                       | <u>1.89%</u>     | <u>.92%</u>     |
| Increase Factor to Apply to Existing Rate Schedules       | <u>1.0189</u>    | <u>1.0092</u>   |

\*Testing for 8 volatiles and 118 synthetics per DER Rule 17-22.104 and .105, F.A.C.

Rates which will allow the Utility to recognize this increase for the Spring Lake Manor, Piney Woods, Skycrest, Fern Terrace, Carlton Village, Friendly Center, East Lake Harris, Hobby Hills, Palms Mobile Home Park, Morningview, Picciola Island, Stone Mountain, Western Shores, and Venetian Village systems are as follows:

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WATER (1.89% Increase)  
Bi-Monthly Rate

Spring Lake Manor, Piney woods, Skycrest, Fern Terrace, Carlton Village, Friendly Center, East Lake Harris, Hobby Hills, Palms Mobile Home Park, Morningview, Picciola Island, Stone Mountain, Western Shores, and Venetian Village

Residential and General Service

| <u>Base Facility Charge</u><br><u>Meter Size</u> | <u>Existing</u> | <u>New</u> |
|--|-----------------|------------|
| 5/8" x 3/4"                                      | \$ 10.74        | \$ 10.94   |
| 3/4"   | \$ 16.13        | \$ 16.43   |
| 1"   | \$ 26.87        | \$ 27.38   |
| 1-1/2"   | \$ 53.74        | \$ 54.76   |
| 2"   | \$ 85.99        | \$ 87.62   |
| 3"   | \$ 171.97       | \$ 175.22  |
| 4"   | \$ 268.71       | \$ 273.79  |
| 6"   | \$ 537.42       | \$ 547.58  |
| <u>Gallage Charge</u><br>Per 1,000 Gallons       | \$ 1.34         | \$ 1.37    |

SEWER (0.92% Increase)  
Bi-Monthly Rate

Morningview and Venetian Village

Residential Service

|  | <u>Existing</u> | <u>New</u> |
|--|-----------------|------------|
| All Meter Sizes  | \$ 24.21        | \$ 24.43   |
| Gallage Charge<br>Per 1,000 Gallons<br>(Maximum of 20,000 Gallons<br>Bi-Monthly) | \$ 3.59         | \$ 3.62    |

Residential Non-Water Users

|           |          |          |
|-----------|----------|----------|
| Flat Rate | \$ 66.60 | \$ 67.21 |
|-----------|----------|----------|

General Service

| <u>Base Facility Charge</u><br><u>Meter Size</u> | <u>Existing</u> | <u>New</u> |
|--|-----------------|------------|
| 5/8" x 3/4"                                      | \$ 24.21        | \$ 24.43   |
| 3/4"   | \$ 36.33        | \$ 36.66   |
| 1"   | \$ 60.53        | \$ 61.09   |
| 1-1/2"   | \$ 121.06       | \$ 122.17  |
| 2"   | \$ 193.69       | \$ 195.47  |
| 3"   | \$ 387.37       | \$ 390.93  |
| 4"   | \$ 605.27       | \$ 610.84  |
| 6"   | \$1210.54       | \$1221.68  |
| <u>Gallage Charge</u><br>Per 1,000 Gallons       | \$ 3.59         | \$ 3.62    |

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SUNSHINE PARKWAY SYSTEM

Applying increase factors of 1.0131 and 1.0012 to the existing rate schedules results in increased water and sewer revenues of \$3,525 and \$363, respectively, for Southern States' Sunshine Parkway system. The schedules of our computations are as follows:

1988 Price Index Application  
Test Year Ended December 31, 1987

|   | <u>Water</u>  | <u>Sewer</u>  |
|---|---------------|---------------|
| 1987 Operation and Maintenance Expenses                   | \$ 7,085      | \$ 8,295      |
| Less:   |               |               |
| (1) Pass-through Items:                                   |               |               |
| (a) Purchased Power                                       | ( 3,247)      | ( 4,871)      |
| (b) Purchased Water                                       | 0             | 0             |
| (c) DER Required Water Testing*                           | ( 82)         | 0             |
| (2) Rate Case Expense Included in 1987 O & M Expenses     | ( 8)          | ( 7)          |
| Costs to be Indexed                                       | \$ 3,748      | \$ 3,417      |
| Multiply by Change in GNP Implicit Price Deflator Index   | x .0289       | x .0289       |
| Additional O & M Expenses                                 | \$ 108        | \$ 99         |
| Divide by Expansion Factor for Regulatory Assessment Fees | ÷ .975        | ÷ .975        |
| Increase in Revenue                                       | \$ 111        | \$ 102        |
| Divide by 1987 Annualized Revenues                        | ÷ 35,835      | ÷ 83,331      |
| Percentage Increase                                       | <u>.31%</u>   | <u>.12%</u>   |
| Increase Factor to Apply to Existing Rate Schedules       | <u>1.0031</u> | <u>1.0012</u> |

\*Testing for 8 volatiles and 118 synthetics per DER Rule 17-22.104 and .105, F.A.C.

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

WATER (0.31% Increase)  
Monthly Rate

Residential and General Service

| <u>Meter Size</u>                          | <u>Gallage Allowance</u> | <u>Existing</u> | <u>New</u> |
|--|--------------------------|-----------------|------------|
| 5/8" x 3/4"                                | 3,000                    | \$ 4.37         | \$ 4.38    |
| Gallage Charge Per 1,000 Gallons on Excess |                          | \$ .87          | \$ .87     |

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|                         |         |           |           |
|-------------------------|---------|-----------|-----------|
| 1"                      | 45,000  | \$ 65.49  | \$ 65.69  |
| Gallage Charge Per      |         |           |           |
| 1,000 Gallons on Excess |         | \$ 1.08   | \$ 1.08   |
| 3"                      | 250,000 | \$ 363.85 | \$ 364.98 |
| Gallage Charge Per      |         |           |           |
| 1,000 Gallons on Excess |         | \$ 1.08   | \$ 1.08   |

SEWER (0.12% Increase)  
Monthly Rate

| <u>Meter Size</u>       | <u>Gallage Allowance</u> | <u>Existing</u> | <u>New</u> |
|-------------------------|--------------------------|-----------------|------------|
| 5/8" x 3/4"             | 3,000                    | \$ 6.15         | \$ 6.16    |
| Gallage Charge Per      |                          |                 |            |
| 1,000 Gallons on Excess |                          | \$ 1.23         | \$ 1.23    |
| 1"                      | 45,000                   | \$ 92.16        | \$ 92.27   |
| Gallage Charge Per      |                          |                 |            |
| 1,000 Gallons on Excess |                          | \$ 1.53         | \$ 1.53    |
| 3"                      | 250,000                  | \$ 512.01       | \$ 512.62  |
| Gallage Charge Per      |                          |                 |            |
| 1,000 Gallons on Excess |                          | \$ 1.53         | \$ 1.53    |

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 February 13, 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. 881572-WS may be closed upon Staff's approval of the tariff sheets.

By Order of the Florida Public Service Commission,  
this 1st day of FEBRUARY, 1989.

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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

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by: Kay Flynn  
Chief, Bureau of Records