

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of ST. AUGUSTINE	)	DOCKET NO. 890663-WS
SHORES UTILITIES, a DIVISION of UNITED	)	
FLORIDA UTILITIES CORPORATION for	)	ORDER NO. 21485
1989 price index and pass-through rate	)	
adjustments in St. Johns County.	)	ISSUED: 6-30-89

ORDER ACKNOWLEDGING INDEXING  
AND PASS-THROUGH RATE ADJUSTMENTS

BY THE COMMISSION:

On May 16, 1989, St. Augustine Shores Utilities, a Division of United Florida Utilities Corporation, (Utility) notified this Commission of its intention to increase rates to its customers in St. Johns 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. Upon review of the Utility's application and its 1988 Annual Report, we found that the Annual Report contained deficiencies. The deficiencies have been corrected and June 5, 1989, 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 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 1.0245 and 1.0074 to the existing rate schedules results in increased water and sewer revenues of \$19,891 and \$4,768, 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	\$ 270,948	\$ 268,760
Less:		
(1) Pass-through Item: Purchased Power	( 43,607)	( 40,815)

DOCUMENT NUMBER-DATE

06488 JUN 30 1989

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(2) Rate Case Expense Included in 1988 O & M Expenses	( 4,340)	( 4,340)
(3) Adjustment to O & M Expenses from most recent rate case, if applicable		
(a) Benchmark Adjustment	( 25,533)	( 23,766)
(b) Billing System	( 6,108)	( 6,107)
Costs to be Indexed	\$ 191,360	\$ 193,732
Multiply by Change in GNP Implicit Price Deflator Index	x .0435	x .0435
Additional O & M Expenses	\$ 8,324	\$ 8,427
Pass-through Item: Increase in Ad Valorem Taxes	11,070	( 3,778)
Total Increased Expenses	\$ 19,394	\$ 4,649
Divide by Expansion Factor for Regulatory Assessment Fees	÷ .975	÷ .975
Increase in Revenue	\$ 19,891	\$ 4,768
Divide by 1988 Annualized Revenues	+ 810,281	+ 645,837
Percentage Increase	<u>2.45%</u>	<u>0.74%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0245</u>	<u>1.0074</u>

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

WATER (2.45% 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"	\$ 15.02	\$ 15.39
1"	\$ 37.54	\$ 38.46
1-1/2"	\$ 78.08	\$ 76.92
2"	\$ 120.14	\$ 123.08
3"	\$ 240.27	\$ 246.16
4"	\$ 375.42	\$ 384.62
6"	\$ 750.85	\$ 769.25
<u>Gallage Charge</u> Per 1,000 Gallons	\$ 3.29	\$ 3.37
<u>Private Fire Protection</u>	\$ 250.28	\$ 256.41

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SEWER (0.74 % Increase)  
Monthly Rates

Residential Service

	<u>Existing</u>	<u>New</u>
<u>Base Facility Charge</u>		
<u>Meter Size</u>		
All Meter Sizes	\$ 14.61	\$ 14.72
<u>Gallorage Charge</u>		
Per 1,000 Gallons		
(Maximum of 6,000 Gallons)	\$ 3.46	\$ 3.49

General Service

	<u>Existing</u>	<u>New</u>
<u>Base Facility Charge</u>		
<u>Meter Size</u>		
5/8" x 3/4"	\$ 14.61	\$ 14.72
1"	\$ 36.52	\$ 36.79
1-1/2"	\$ 73.05	\$ 73.59
2"	\$ 116.88	\$117.74
3"	\$ 233.76	\$235.49
4"	\$ 365.24	\$367.94
6"	\$ 730.49	\$735.90
<u>Gallorage Charge</u>		
Per 1,000 Gallons	\$ 4.15	\$ 4.18
<u>Effluent Charge</u>	\$ 469.00	\$472.47

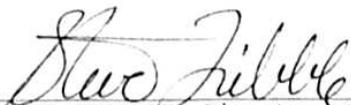
It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing and pass-through application of St. Augustine Shores Utilities, 771 Alhambra Avenue, St. Augustine, Florida, is hereby acknowledged. It is further

ORDERED that the rates contained herein shall become effective for service rendered on or after August 4, 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. 890663-WS may be closed upon Staff's approval of the tariff sheets.

By Order of the Florida Public Service Commission,  
this 30th day of JUNE, 1989.

  
STEVE TRIBBLE, Director  
Division of Records and Reporting

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