

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of SOUTHERN STATES)	DOCKET NO. 890859-WS
UTILITIES, INC. for 1989 price index)	
and pass-through rate adjustments in)	ORDER NO. 21793
Lake County.)	
)	ISSUED: 8-25-89

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 its Western Shores, Palms Mobile Home Park, Fern Terrace - Leesburg, Spring Lake Manor/Piney Woods, Picciola Island, Skycrest, Hobby Hills, East Lake Harris, Carlton Village, Stone Mountain, Friendly Center, Morningview, Venetian Village, Holiday Haven, Silver Lakes Estates 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. 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.

Southern States intends to pass through a decrease in the cost of water testing required by the Department of Environmental Regulation and an increase in its ad valorem taxes to the customers of its Western Shores, Palms Mobile Home Park, Fern Terrace - Leesburg, Spring Lake Manor/Piney Woods, Picciola Island, Skycrest, Hobby Hills, East Lake Harris, Carlton Village, Stone Mountain, Friendly Center, Morningview and Venetian Village systems. The Utility also intends to pass through an increase in its ad valorem taxes to the customers of its Holiday Haven and Silver Lakes Estates systems. Further, Southern States intends to pass through a decrease in its ad valorem taxes to the Sunshine Parkway system water customers and an increase in its ad valorem taxes to the Sunshine Parkway system sewer customers. 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.

DOCUMENT NUMBER-DATE

08620 AUG 25 1989

FPSC-RECORDS/REPORTING

ORDER NO. 21793
 DOCKET NO. 890859-WS
 Page 2

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 1.0184 and 1.0251 to the existing rate schedules results in increased water and sewer revenues of \$3,631 and \$1,030, respectively, for Southern States' Western Shores, Palms Mobile Home Park, Fern Terrace - Leesburg, Spring Lake Manor/Piney Woods, Picciola Island, Skycrest, Hobby Hills, East Lake Harris, Carlton Village, Stone Mountain, Friendly Center, Morningview and Venetian Village systems. Applying increase factors of 1.0130 and 1.0556 to the existing rate schedules results in increased water and sewer revenues of \$270 and \$675, respectively, for the Utility's Holiday Haven system. Applying an increase factor of 1.0147 to the existing rate schedules results in increased water revenues of \$1,680 for Southern States' Silver Lake Estates system. Applying increase factors of 1.0046 and 1.0084 to the existing rate schedules results in increased water and sewer revenues of \$125 and \$443, respectively, for the Sunshine Parkway system. The schedules of our computations are as follows:

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

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

	<u>Water</u>	<u>Sewer</u>
1988 Operation and Maintenance Expenses	\$ 94,230	\$ 22,383
Less:		
(1) Pass-through Items:		
(a) Purchased Power	(14,058)	(8,782)

ORDER NO. 21793
 DOCKET NO. 890859-WS
 Page 3

(b) Purchased Water	0	0
(c) Purchased Sewage Treatment	0	0
(d) DER Required Water Testing* (2,898)		0
(2) Rate Case Expense Included in 1988 O & M Expenses	(<u>7,894</u>)	(<u>2,714</u>)
Costs to be Indexed	\$ 69,380	\$ 10,887
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0435</u>	x <u>.0435</u>
Additional O & M Expenses	\$ 3,018	\$ 474
Pass-through Items:		
DER water testing	(52)	0
Increase in Ad Valorem Taxes	\$ <u>574</u>	\$ <u>531</u>
Total Increased Expenses	\$ 3,540	\$ 1,005
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>	÷ <u>.975</u>
Increase in Revenue	\$ 3,631	\$ 1,030
Divide by 1988 Annualized Revenues	÷ <u>197,389</u>	÷ <u>41,054</u>
Percentage Increase	<u>1.84%</u>	<u>2.51%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0184</u>	<u>1.0251</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 Western Shores, Palms Mobile Home Park, Fern Terrace - Leesburg, Spring Lake Manor/Piney Woods, Picciola Island, Skycrest, Hobby Hills, East Lake Harris, Carlton Village, Stone Mountain, Friendly Center, Morningview, and Venetian Village systems are as follows:

ORDER NO. 21793
 DOCKET NO. 890859-WS
 Page 4

WATER (1.84% Increase)
Bi-Monthly Rates

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

Residential and General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 10.94	\$ 11.14
Full 3/4"	\$ 16.43	\$ 16.73
1"	\$ 27.38	\$ 27.88
1-1/2"	\$ 54.76	\$ 55.77
2"	\$ 87.62	\$ 89.23
3"	\$ 175.22	\$ 178.44
4"	\$ 273.79	\$ 278.83
6"	\$ 547.58	\$ 557.66
<u>Gallage Charge</u> Per 1,000 Gallons	\$ 1.37	\$ 1.40

SEWER (2.51% Increase)
Bi-Monthly Rates

Morningview and Venetian Village

Residential Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
All Meter Sizes	\$ 24.43	\$ 25.04
<u>Gallage Charge</u> Per 1,000 Gallons (Maximum 20,000 Gallons)	\$ 3.62	\$ 3.71

ORDER NO. 21793
 DOCKET NO. 890859-WS
 Page 5

Non-Water Users

	<u>Existing</u>	<u>New</u>
Flat Rate	\$ 67.21	\$ 68.90

General Service

<u>Base Facility Charge Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 24.43	\$ 25.04
Full 3/4"	\$ 36.66	\$ 37.58
1"	\$ 61.09	\$ 62.62
1-1/2"	\$ 122.17	\$ 125.24
2"	\$ 195.47	\$ 200.38
3"	\$ 390.93	\$ 400.74
4"	\$ 610.84	\$ 626.17
6"	\$1221.68	\$1252.34
<u>Gallage Charge</u> Per 1,000 Gallons	\$ 3.62	\$ 3.71

HOLIDAY 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	\$ 12,729	\$ 14,860
Less:		
(1) Pass-through Items:		
(a) Purchased Power	(23)	(3,548)
(b) Purchased Water	(8,115)	0
(2) Rate Case Expense Included in 1988 O & M Expenses	(685)	(2,382)
Costs to be Indexed	\$ 3,906	\$ 8,930

ORDER NO. 21793
 DOCKET NO. 890859-WS
 Page 6

Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0435</u>	x <u>.0435</u>
Additional O & M Expenses	\$ 170	\$ 388
Pass-through Item: Increase in Ad Valorem Taxes	\$ <u>93</u>	\$ <u>270</u>
Total Increased Expenses	\$ 263	\$ 658
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>	÷ <u>.975</u>
Increase in Revenue	\$ 270	\$ 675
Divide by 1988 Annualized Revenues	÷ <u>20,680</u>	÷ <u>12,157</u>
Percentage Increase	<u>1.30%</u>	<u>5.56%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0130</u>	<u>1.0556</u>

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

WATER (1.30% Increase)
Monthly Rates

Residential and General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
All Meter Sizes (First 5,000 Gallons)	\$ 10.50	\$ 10.64
<u>Gallonge Charge</u> Per 1,000 Gallons (Over First 5,000 Gallons)	\$ 1.58	\$ 1.60
Gallonge Surcharge Per 1,000 Gallons	\$ 1.52	\$ 1.54

ORDER NO. 21793
 DOCKET NO. 890859-WS
 Page 7

SEWER (5.56% Increase)
Monthly Rates

Holiday Haven

Residential Service

	<u>Existing</u>	<u>New</u>
Flat Rate	\$ 10.55	\$ 11.14

General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 10.55	\$ 11.14
1"	\$ 14.52	\$ 15.33
1-1/2"	\$ 29.06	\$ 30.67
2"	\$ 46.50	\$ 49.08
3"	\$ 93.02	\$ 98.18
4"	\$ 145.33	\$ 153.40
6"	\$ 290.65	\$ 306.78
<u>Gallonage Charge</u> Per 1,000 Gallons	\$.99	\$ 1.04

SILVER LAKE ESTATES

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

	<u>Water</u>
1988 Operation and Maintenance Expenses	\$ 39,613
Less:	
(1) Pass-through Item: Purchased Power	(15,748)
(2) Rate Case Expense Included in 1988 O & M Expenses	(2,948)
Costs to be Indexed	\$ 20,917

ORDER NO. 21793
 DOCKET NO. 890859-WS
 Page 8

Multiply by Change in GNP Implicit Price Deflator Index	x	<u>.0435</u>
Additional O & M Expenses	\$	910
Pass-through Item: Increase in Ad Valorem Taxes	\$	<u>728</u>
Total Increased Expenses	\$	1,638
Divide by Expansion Factor for Regulatory Assessment Fees	÷	<u>.975</u>
Increase in Revenue	\$	1,680
Divide by 1988 Annualized Revenues	+	<u>113,960</u>
Percentage Increase		<u>1.47%</u>
Increase Factor to Apply to Existing Rate Schedules		<u>1.0147</u>

Rates which will allow the Utility to recognize this increase for its Silver Lakes Estates system are as follows:

WATER (1.47% 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"	\$ 3.04	\$ 3.08
Full 3/4"	\$ 4.56	\$ 4.63
1"	\$ 7.61	\$ 7.72
1-1/2"	\$ 15.22	\$ 15.44
2"	\$ 24.35	\$ 24.71
<u>Gallonage Charge</u> Per 1,000 Gallons	\$.54	\$.55

ORDER NO. 21793
 DOCKET NO. 890859-WS
 Page 9

SUNSHINE PARKWAY

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

	<u>Water</u>	<u>Sewer</u>
1988 Operation and Maintenance Expenses	\$ 8,374	\$ 9,441
Less:		
(1) Pass-through Items:		
(a) Purchased Power	(2,762)	(4,143)
(b) Purchased Water	0	0
(c) DER Required Water Testing*	(329)	0
(2) Rate Case Expense Included in 1988 O & M Expenses	(43)	(171)
Costs to be Indexed	\$ 5,240	\$ 5,127
Multiply by Change in GNP Implicit Price Deflator Index	x .0435	x .0435
Additional O & M Expenses	\$ 228	\$ 223
Pass-through Item: (Decrease)/Increase in Ad Valorem Taxes	(106)	\$ 209
Total Increased Expenses	\$ 122	\$ 432
Divide by Expansion Factor for Regulatory Assessment Fees	÷ .975	÷ .975
Increase in Revenue	\$ 125	\$ 443
Divide by 1988 Annualized Revenues	÷ 27,295	÷ 52,448
Percentage Increase	<u>0.46%</u>	<u>0.84%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0046</u>	<u>1.0084</u>

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

ORDER NO. 21793
 DOCKET NO. 890859-WS
 Page 10

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

WATER (0.46% Increase)
Monthly Rates

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	\$ 4.38	\$ 4.40
1"	45,000	\$ 65.69	\$ 65.99
3"	250,000	\$ 364.98	\$ 366.66
<u>Gallage Charge</u>			
Per 1,000 Gallons (5/8" Meter)		\$.87	\$.87
<u>Gallage Charge</u>			
Per 1,000 Gallons (1" and 3" Meters)		\$ 1.08	\$ 1.08

SEWER (0.84% Increase)
Monthly Rates

General Service

<u>Meter Size</u>	<u>Gallage Allowance</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	3,000	\$ 6.16	\$ 6.21
1"	45,000	\$ 92.27	\$ 93.05
3"	250,000	\$ 512.62	\$ 516.93
<u>Gallage Charge</u>			
Per 1,000 Gallons (5/8" Meter)		\$ 1.23	\$ 1.24
<u>Gallage Charge</u>			
Per 1,000 Gallons (1" and 3" Meters)		\$ 1.53	\$ 1.54

It is, therefore,

ORDER NO. 21793
DOCKET NO. 890859-Ws
Page 11

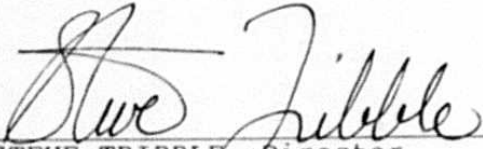
ORDERED by the Florida Public Service Commission that the indexing and pass-through application of Southern States Utilities, Inc., 1000 Color Place, Apopka, Florida 32703, is hereby acknowledged. It is further

ORDERED that the 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 3, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDERED that Docket No. 890859-WS shall be closed upon approval of the revised tariff sheets.

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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