

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of SOUTHERN STATES	)	DOCKET NO. 890936-WS
UTILITIES, INC., University Shores,	)	
for 1989 price index and pass-through	)	ORDER NO. 21860
rate adjustments in Orange County.	)	
	)	ISSUED: 9-8-89

ORDER ACKNOWLEDGING INDEXING  
AND PASS-THROUGH RATE ADJUSTMENTS

BY THE COMMISSION:

On July 19, 1989, Southern States Utilities, Inc. (Southern States or Utility) notified this Commission of its intention to increase rates to the customers of its University Shores system in Orange 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 also intends to pass through a decrease in the ad valorem taxes to the customers of the water system and an increase in the ad valorem taxes to the customers of the sewer system. 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

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decrease in the water rates is due to a decrease in ad valorem taxes and the increase in the sewer revenues is due to the application of the price index to certain operation and maintenance expenses.

Applying increase factors of 0.9978 and 1.0159 to the existing rate schedules results in increased water and sewer revenues of \$1,138 and \$9,939, 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	\$ 0	\$ 240,562
Less:		
(1) Pass-through Item: Purchased Power	0	( 78,031)
(2) Rate Case Expense Included in 1988 O & M Expenses	<u>0</u> )	( <u>50</u> )
Costs to be Indexed	\$ 0	\$ 162,481
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0435</u>	x <u>.0435</u>
Additional O & M Expenses	\$ 0	\$ 7,068
Pass-through Item: (Decrease)/Increase in Ad Valorem Taxes	( <u>1,110</u> )	<u>2,623</u>
Total (Decreased)/Increased Expenses	(\$ 1,110)	\$ 9,691
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>	÷ <u>.975</u>
(Decrease)/Increase in Revenue	(\$ 1,138)	\$ 9,939
Divide by 1988 Annualized Revenues	÷ <u>505,963</u>	÷ <u>625,092</u>

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Percentage (Decrease)/Increase ( 0.22% ) 1.59%  
 Decrease/Increase Factor to Apply to Existing Rate Schedules 0.9978 1.0159

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

WATER (.22% Decrease)  
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"	\$ 5.53	\$ 5.52
3/4"	\$ 8.30	\$ 8.28
1"	\$ 13.83	\$ 13.80
1-1/2"	\$ 27.65	\$ 27.59
2"	\$ 44.24	\$ 44.14
3"	\$ 88.48	\$ 88.29
4"	\$ 138.25	\$ 137.95
6"	\$ 276.50	\$ 275.89
8"	\$ 442.40	\$ 441.43
10"	\$ 635.95	\$ 634.55
 <u>Gallonge Charge</u> Per 1,000 Gallons	 \$ 1.30	 \$ 1.30

Private Fire Protection Service  
Monthly Rates

<u>Fire Line Size</u>	<u>Existing</u>	<u>New</u>
2"	\$ 14.75	\$ 14.72
3"	\$ 29.49	\$ 29.43
4"	\$ 46.08	\$ 45.98
6"	\$ 92.17	\$ 91.97
8"	\$ 147.47	\$ 147.15
10"	\$ 211.98	\$ 211.51
12"	\$ 396.48	\$ 395.61

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SEWER (1.59% Increase)  
Monthly Rates

Residential Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
All Meter Sizes	\$ 6.90	\$ 7.01
<u>Gallonge Charge</u> Per 1,000 Gallons (10,000 Gallons Maximum)	\$ 2.24	\$ 2.28

General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 6.90	\$ 7.01
3/4"	\$ 10.35	\$ 10.51
1"	\$ 17.25	\$ 17.52
1-1/2"	\$ 34.50	\$ 35.05
2"	\$ 55.20	\$ 56.08
3"	\$ 110.40	\$ 112.16
4"	\$ 172.50	\$ 175.24
6"	\$ 345.00	\$ 350.49
8"	\$ 552.00	\$ 560.78
10"	\$ 793.50	\$ 806.12
<u>Gallonge Charge</u> Per 1,000 Gallons	\$ 2.24	\$ 2.28

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 17, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

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ORDERED that the tariff sheets submitted with the Utility's application reflect the rates set forth in this Order, and Docket No. 890936-WS may be closed upon Staff's approval of the tariff sheets.

By Order of the Florida Public Service Commission,  
this 8th day of SEPTEMBER, 1989.

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STEVE TRIBBLE, Director  
Division of Records and Reporting

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by: Kay Flynn  
Chief, Bureau of Records