

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of SOUTHERN STATES)	DOCKET NO. 891009-WS
UTILITIES, INC., JUNGLE DEN AND)	
SUGAR MILL SYSTEMS, for 1989 price)	ORDER NO. 21872
index and pass-through rate adjustment)	
in Volusia County.)	ISSUED: 9-11-89
)	

ORDER ACKNOWLEDGING INDEXING
AND PASS-THROUGH RATE ADJUSTMENTS

BY THE COMMISSION:

On July 31, 1989, Southern States Utilities, Inc. (Southern States or Utility) notified this Commission of its intention to increase rates to the customers of its Jungle Den and Sugar Mill Systems in Volusia 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 intends to pass through a decrease in its ad valorem taxes to the customers of its Jungle Den system. The utility also intends to pass through 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 Sugar Mill 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

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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 1.0067 and 1.0244 to the existing rate schedules results in increased water and sewer revenues of \$124 and \$320, respectively, for the Jungle Den System. Applying increase factors of 1.0265 and 1.0192 to the existing rate schedules results in increased water and sewer revenues of \$3,393 and \$2,231, respectively, for the Sugar Mill System. The schedules of our computations are as follows:

JUNGLE DEN

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

	<u>Water</u>	<u>Sewer</u>
1988 Operation and Maintenance Expenses	\$ 18,869	\$ 14,689
Less:		
(1) Pass-through Items:		
(a) Purchased Power	(23)	(4,547)
(b) Purchased Water	(15,498)	0
(2) Rate Case Expense Included in 1988 O & M Expenses	(3)	(3)
Costs to be Indexed	\$ 3,345	\$ 10,139
Multiply by Change in GNP Implicit Price Deflator Index	x .0435	x .0435
Additional O & M Expenses	\$ 146	\$ 441
Pass-through Item:		
Decrease in Ad Valorem Taxes	(25)	(129)
Total Increased Expenses	\$ 121	\$ 312

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Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>	÷ <u>.975</u>
Increase in Revenue	\$ 124	\$ 320
Divide by 1988 Annualized Revenues	÷ <u>18,470</u>	÷ <u>13,141</u>
Percentage Increase	<u>.67%</u>	<u>2.44%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0067</u>	<u>1.0244</u>

Rates which will allow the Utility to recognize this increase for the Jungle Den System, are as follows:

WATER (0.67% Increase)
Monthly Rates

Residential and General Service

<u>Meter Size</u>	<u>Existing</u>	<u>New</u>
All Meter Sizes (Includes 5,000 Gallons)	\$ 10.50	\$ 10.57
<u>Gallonge Charge</u> Per 1,000 Gallons (over First 1,000 gallons)	\$ 1.58	\$ 1.59

SEWER (2.44 % Increase)
Monthly Rate

Residential Service

<u>Meter Size</u>	<u>Existing</u>	<u>New</u>
All Meter Sizes - Flat Rate	\$ 10.55	\$ 10.81

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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"	\$ 10.55	\$ 10.81
1"	\$ 14.52	\$ 14.87
1-1/2"	\$ 29.06	\$ 29.77
2"	\$ 46.50	\$ 47.63
3"	\$ 93.02	\$ 95.29
4"	\$ 145.33	\$ 148.88
6"	\$ 290.65	\$ 297.74
 <u>Gallonge Charge</u> Per 1,000 Gallons	 \$.99	 \$ 1.01

SUGAR MILL SYSTEM

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

	<u>Water</u>	<u>Sewer</u>
1988 Operation and Maintenance Expenses	\$ 67,187	\$ 36,631
Less:		
(1) Pass-through Item: Purchased Power	(22,057)	(4,666)
(2) Rate Case Expense Included in 1988 O & M Expenses	(14)	(12)
Costs to be Indexed	\$ 45,116	\$ 31,953
Multiply by Change in GNP Implicit Price Deflator Index	x .0435	x .0435
Additional O & M Expenses	\$ 1,963	\$ 1,390

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Pass-through Item:		
DER Water Testing	485	0
Increase in Ad Valorem Taxes	<u>860</u>	<u>785</u>
Total Increased Expenses	\$ 3,308	\$ 2,175
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>	÷ <u>.975</u>
Increase in Revenue	\$ 3,393	\$ 2,231
Divide by 1988 Annualized Revenues	÷ <u>127,919</u>	÷ <u>116,361</u>
Percentage Increase	<u>2.65%</u>	<u>1.92%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0265</u>	<u>1.0192</u>

Rates which will allow the Utility to recognize this increase for the Sugar Mill System, are as follows:

WATER (2.65% 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"	\$ 6.48	\$ 6.65
3/4"	\$ 9.72	\$ 9.98
1"	\$ 16.22	\$ 16.65
1-1/2"	\$ 32.42	\$ 33.28
2"	\$ 51.84	\$ 53.21
3"	\$ 103.72	\$ 106.47
<u>Gallage Charge</u> Per 1,000 Gallons	\$ 3.86	\$ 3.96

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SEWER (1.92% Increase)
Monthly Rates

Residential Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
All Meter Sizes - Flat Rate	\$ 10.93	\$ 11.14
 <u>Gallorage Charge</u>		
Per 1,000 Gallons (10,000 Gallons Maximum)	\$ 2.88	\$ 2.94

General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 10.93	\$ 11.14
3/4"	\$ 16.39	\$ 16.70
1"	\$ 27.33	\$ 27.85
1-1/2"	\$ 54.67	\$ 55.72
2"	\$ 87.46	\$ 89.14
3"	\$ 174.95	\$ 178.31
 <u>Gallorage Charge</u>		
Per 1,000 Gallons (No Maximum)	\$ 2.88	\$ 2.94

It is, therefore,

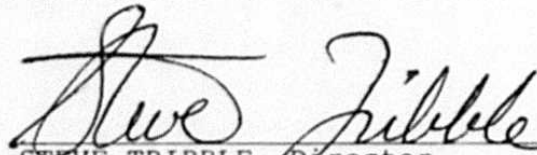
ORDERED by the Florida Public Service Commission that the indexing and pass-through application of Southern States Utilities, Inc., 1000 Color Place, Apopka, Florida 32703 is hereby acknowledged. It is further

ORDERED that the rates contained herein shall become effective for service rendered on or after September 29, 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. 890875-WS may be closed upon Staff's approval of the tariff sheets.

By Order of the Florida Public Service Commission,
this 11th day of SEPTEMBER, 1989.


STEVE TRIBBLE, Director
Division of Records and Reporting

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