

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of SOUTHERN STATES)	DOCKET NO. 890874-WS
UTILITIES, INC. for 1989 price index)	
and pass-through rate adjustments in)	ORDER NO. 21897
Pasco County.)	
)	ISSUED: 9-15-89

ORDER ACKNOWLEDGING INDEXING
AND PASS-THROUGH RATE ADJUSTMENTS

BY THE COMMISSION:

On July 11, 1989, Southern States Utilities, Inc. (Southern States or Utility) notified this Commission of its intention to increase rates to the customers of its C. L. Smith and Ell-Nar Systems in Pasco 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. Southern States submitted revisions to its application on July 27, 1989, and that date 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 the cost of purchased water imposed by Pasco County and 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. However, upon review of the application, we determined that several adjustments were necessary before the application could be processed. The

DOCUMENT NUMBER-DATE

09279 SEP 15 1989

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Utility was contacted prior to our calculations and concurs with our adjustments.

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 an increase factor of 1.0700 to the existing rate schedules results in increased sewer revenues of \$1,231 for the C. L. Smith system. Applying increase factors of 1.0115 and 1.0490 to the existing rate schedules, plus a pass-through increase of \$.14 per 1,000 Gallons for purchased water, results in increased water and sewer revenues of \$8,742 and \$4,002, respectively, for the Ell-Nar system. The schedules of our computations are as follows:

C. L. SMITH

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

	<u>Sewer</u>
1988 Operation and Maintenance Expenses	\$ 13,337
Less:	
(1) Pass-through Items:	
(a) Purchased Power	(71)
(b) Purchased Water	0
(2) Rate Case Expense Included in 1988 O & M Expenses	(8)
Costs to be Indexed	\$ 13,258
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0435</u>

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Additional O & M Expenses	\$	577
Pass-through Item:		
Increase in Ad Valorem Taxes		<u>623</u>
Total Increased Expenses	\$	1,200
Divide by Expansion Factor for Regulatory Assessment Fees	÷	<u>.975</u>
Increase in Revenue	\$	1,231
Divide by 1988 Annualized Revenues	÷	<u>17,588</u>
Percentage Increase		<u>7.00%</u>
Increase Factor to Apply to Existing Rate Schedules		<u>1.0700</u>

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

WATER (7.00% Increase)
Bi-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" First 10,000 Gallons	\$ 8.33	\$ 8.91
<u>Gallonage Charge</u> Per 1,000 Gallons (over minimum)	\$.26	\$.28

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ELL-NAR

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

	<u>Water</u>	<u>Sewer</u>
1988 Operation and Maintenance Expenses	\$ 149,294	\$ 86,033
Less:		
(1) Pass-through Items:		
(a) Purchased Power	(169)	(11,148)
(b) Purchased Water	(117,573)	0
(c) DER Required Water Testing*	(481)	0
(2) Rate Case Expense Included in 1988 O & M Expenses	(20)	(22)
Costs to be Indexed	\$ 31,051	\$ 74,863
Multiply by Change in GNP Implicit Price Deflator Index	x .0435	x .0435
Additional O & M Expenses	\$ 1,351	\$ 3,257
Pass-through Item:		
Increase in Ad Valorem Taxes	\$ 614	\$ 645
Total Increased Expenses	\$ 1,965	\$ 3,902
Divide by Expansion Factor for Regulatory Assessment Fees	÷ .975	÷ .975
Increase in Revenue	\$ 2,015	\$ 4,002
Divide by 1988 Annualized Revenues	÷ 175,007	÷ 81,711
Percentage Increase	<u>1.15%</u>	<u>4.90%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0115</u>	<u>1.0490</u>

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

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Purchased Water Pass-Through Rate Adjustment

	<u>Water</u>
Gallons Billed by Pasco County at \$2.25 per 1,000 Gallons	\$ 122,978
Gallons Billed by Pasco County at \$2.37 per 1,000 Gallons	\$ <u>129,537</u>
Increase in Purchased Water Costs	\$ 6,559
Divide by Expansion Factor for Regulatory Assessment Fees	+ <u>.975</u>
Increase in Revenues	\$ 6,727
Divide by Gallons Billed by SSUI	÷ <u>48,976</u>
Increase in Gallonage Charge	\$ <u>.14</u>

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

WATER (1.15% 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"	\$ 3.10	\$ 3.14
3/4"	\$ 4.66	\$ 4.71
1"	\$ 7.76	\$ 7.85
1-1/2"	\$ 15.52	\$ 15.70
2"	\$ 24.83	\$ 25.12
3"	\$ 49.67	\$ 50.24
4"	\$ 77.60	\$ 78.49
<u>Gallonage Charge*</u> Per 1,000 Gallons	\$ 2.79	\$ 2.96

*Includes Pass-Through Increase of \$.14 per 1,000 Gallons.

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SEWER (4.90% Increase)
Monthly Rates

Residential Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
All Meter Sizes	\$ 4.80	\$ 5.04
<u>Gallonge Charge</u> Per 1,000 Gallons (maximum 6,000 Gallons)	\$.69	\$.72

General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 4.80	\$ 5.04
3/4"	\$ 7.19	\$ 7.54
1"	\$ 11.99	\$ 12.58
1-1/2"	\$ 23.98	\$ 25.16
2"	\$ 38.37	\$ 40.25
3"	\$ 76.74	\$ 80.50
4"	\$ 119.90	\$ 125.78
<u>Gallonge Charge</u> Per 1,000 Gallons	\$.69	\$.72

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 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 25, 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 Docket No. 890874-WS shall be closed upon approval of the revised tariff sheets.

By Order of the Florida Public Service Commission,
this 15th day of SEPTEMBER, 1989.

STEVE TRIBBLE, Director
Division of Records and Reporting

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by: Kary Flynn
Chief Bureau of Records