

OF FLORIDA for 1989 price index and
pass-through rate adjustments in
Lake, Seminole and Orange Counties.

) ORDER NO. 21814
)
) ISSUED: 8-31-89

ORDER ACKNOWLEDGING INDEXING
AND PASS-THROUGH RATE ADJUSTMENTS

BY THE COMMISSION:

On June 28, 1989, Utilities, Inc. of Florida (Utility) notified this Commission of its intention to increase rates to its customers in Lake, Seminole and Orange Counties 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. The application, as filed, did not meet the requirements of these Rules. On July 21, 1989, the Utility submitted the additional information needed to complete the filing, and that date has been established as the official filing date.

Further, the application included expenses and revenues for all five counties in which Utilities, Inc. operates. Since the application only applies to Lake, Seminole and Orange Counties, we have removed the expenses and revenues related to Pasco and Marion Counties. This was discussed with the Utility prior to our calculation of the index and pass-through adjustments and the Utility concurs with the changes.

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.

In accordance with its application, Utilities, Inc. intends to implement a price index rate adjustment for its water systems in Lake, Seminole and Orange Counties. Further, the Utility intends to implement a price index rate adjustment and pass through the increased cost of wastewater treatment imposed by the City of Altamonte Springs to the customers of its sewer systems in Seminole County. 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

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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 an increase factor of 1.0246 to the existing rate schedules results in increased water revenues of \$13,822, for Utilities, Inc.'s water systems in Lake, Seminole and Orange Counties. Applying an increase factor of 1.0237 to the existing rate schedules, plus a pass-through increase in the gallonage charge of \$.05 per 1,000 gallons, results in increased sewer revenues of \$8,445, for Utilities, Inc.'s sewer systems in Seminole County. The schedules of our computations are as follows:

1989 Price Index Application
Test Year Ended December 31, 1988

	<u>Water</u>	<u>Sewer</u>
1988 Operation and Maintenance Expenses	\$ 351,687	\$ 223,853
Less:		
(1) Pass-through Items:		
(a) Purchased Power	(34,956)	(19,844)
(b) Purchased Sewage Treatment	0	(36,524)
(c) DER Required Water Testing*	(4,882)	0
(2) Rate Case Expense Included in 1988 O & M Expenses	(2,048)	(950)
Costs to be Indexed	\$ 309,801	\$ 166,535
Multiply by Change in GNP Implicit Price Deflator Index	x .0435	x .0435
Additional O & M Expenses	\$ 13,476	\$ 7,244
Divide by Expansion Factor for Regulatory Assessment Fees	÷ .975	÷ .975
Increase in Revenue	\$ 13,822	\$ 7,430

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Divide by 1988 Annualized Revenues	+ <u>562,647</u>	÷ <u>313,480</u>
Percentage Increase	<u>2.46%</u>	<u>2.37%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0246</u>	<u>1.0237</u>

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

Pass-Through Calculation
Sewer Systems - Seminole County

Annual Wastewater Treatment Expense @ 1.16	\$ 22,961
Annual Wastewater Treatment Expense @ 1.21	<u>23,951</u>
Increase in Annual Wastewater Treatment Expense	\$ 990
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>
Increase in Revenue	\$ 1,015
Divide by Gallons of Wastewater Treated	<u>19,794</u>
Increase to Gallonage Charge	\$ <u>.05</u>

Rates which will allow the Utility to recognize these increases are as follows:

WATER (2.46% Increase)
Bi-Monthly Rates
Orange and Seminole Counties Water Systems
Residential and General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 7.97	\$ 8.17
1"	\$ 19.94	\$ 20.43
1-1/2"	\$ 39.86	\$ 40.84
2"	\$ 63.81	\$ 65.38
3"	\$ 127.59	\$ 130.73
<u>Gallonage Charge</u> Per 1,000 Gallons	\$ 1.21	\$ 1.24

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Special Rates (2.46% Increase)
Trailwood Estates, Units I and II
Seminole County Water Systems
Residential Service

	<u>Existing</u>	<u>New</u>
0-6,000 Gallons	\$ 6.31	\$ 6.47
Next 8,000 Gallons Per 1,000 Gallons	\$ 1.07	\$ 1.10
Next 14,000 Gallons Per 1,000 Gallons	\$ 1.19	\$ 1.22

Lake County Water System
Residential and General Service

<u>Meter Size 5/8" x 3/4"</u>	<u>Existing</u>	<u>New</u>
Minimum Bill (First 10,000 Gallons)	\$ 10.96	\$ 11.23
<u>Gallonage Charge</u> Per 1,000 Gallons in Excess of 10,000 Gallons	\$.55	\$.56

SEWER (2.37% Increase)
Bi-Monthly Rates

Orange and Seminole Counties Sewer Systems
General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 12.29	\$ 12.58
1"	\$ 30.70	\$ 31.43
1-1/2"	\$ 61.42	\$ 62.88
2"	\$ 98.25	\$ 100.58
3"	\$ 196.52	\$ 201.18
<u>Gallonage Charge</u> Per 1,000 Gallons	\$ 1.65	\$ 1.69

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Residential Service

	<u>Existing</u>	<u>New</u>
All Meter Sizes	\$ 12.29	\$ 12.58-
Gallonge Charge Per 1,000 Gallons (Maximum 20,000 Gallons)	\$ 1.65	\$ 1.69

Special Rates (2.37% Increase)
Trailwood Estates, Units I and II
Seminole County Sewer Systems
Pass-Through Increase \$.05 per 1,000 Gallons)
Residential Service

	<u>Existing</u>	<u>New</u>
0-6,000 Gallons	\$ 11.86	\$ 12.14
Next 8,000 Gallons Per 1,000 Gallons	\$ 2.03	\$ 2.13
Next 8,000 Gallons Per 1,000 Gallons	\$ 2.17	\$ 2.27
Over 22,000 Gallons (Maximum)	\$ 45.46	\$ 47.34

Oakland Hills Subdivision
Green Acres Campground
Seminole County Sewer System
General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 12.29	\$ 12.58
1"	\$ 30.70	\$ 31.43
1-1/2"	\$ 61.42	\$ 62.88
2"	\$ 98.25	\$ 100.58
3"	\$ 196.52	\$ 201.18
<u>Gallonge Charge</u> Per 1,000 Gallons	\$ 1.88	\$ 1.97

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Residential Service

	<u>Existing</u>	<u>New</u>
All Meter Sizes	\$ 12.29	\$ 12.58
Gallage Charge Per 1,000 Gallons (Maximum 20,000 Gallons)	\$ 1.88	\$ 1.97

It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing and pass-through application of Utilities, Inc. of Florida, 2335 Sanders Road, Northbrook, Illinois 60062, 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 19, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDERED that Docket No. 890834-WS shall be closed upon approval of the revised tariff sheets.

By Order of the Florida Public Service Commission,
this 31st day of AUGUST, 1989.

STEVE TRIBBLE, Director
Division of Records and Reporting

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by: Kay Flynn
Chief, Bureau of Records