

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of SPRINGS	)	DOCKET NO. 891051-SU
ENVIRONMENTAL SYSTEMS, INC. for a	)	
1989 price index rate adjustment	)	ORDER NO. 21935
in Lee County.	)	
<hr/>		ISSUED: 9-22-89

ORDER ACKNOWLEDGING PRICE INDEX RATE ADJUSTMENT

BY THE COMMISSION:

On August 16, 1989, Springs Environmental Systems, Inc. (Utility) notified this Commission of its intention to increase rates to its customers in Lee County by application of the price-indexing provisions of Section 367.081(4)(a), Florida Statutes, and Rule 25-30.420, Florida Administrative Code.

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.

After review of the indexing filing, we find that it meets the Commission's requirements, as set forth in Rule 25-30.420, Florida Administrative Code. In compliance with Rule 25-30.420(6), Florida Administrative Code, the Utility advised us that it will provide notice to its customers on October 11, 1989, informing them of the impending rate adjustment and explaining that the increase is due to the application of the price index to certain operation and maintenance expenses.

Applying increase factors of 1.0821 to the existing rate schedules results in increased sewer revenues of \$4,781. The schedule of our computation is as follows:

1989 Price Index Application  
Test Year Ended December 31, 1988

	<u>Sewer</u>
1988 Operation and Maintenance Expenses	\$ 115,440
Less:	
(1) Pass-through Item: Purchased Power	( 8,300)

DOCUMENT NUMBER-DATE

09542 SEP 22 1989

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(2) Rate Case Expense Included in 1988 O & M Expenses	<u>0</u>
Costs to be Indexed	\$ 107,140
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0435</u>
Additional O & M Expenses	\$ 4,661
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>
Increase in Revenue	\$ 4,781
Divide by 1988 Annualized Revenues	÷ <u>58,203</u>
Percentage Increase	<u>8.21%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0821</u>

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

SEWER (8.21% INCREASE)  
Monthly Rates

Residential Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
All Meter Sizes	\$ 11.21	\$ 12.13
<u>Gallonage Charge</u> Per 1,000 Gallons (Maximum 10,000 Gallons)	\$ 2.33	\$ 2.52

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General and Multi-Residential Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 11.21	\$ 12.13
1"	\$ 28.01	\$ 30.31
1-1/2"	\$ 56.01	\$ 60.61
2"	\$ 89.63	\$ 96.99
3"	\$ 179.25	\$ 193.97
4"	\$ 280.09	\$ 303.09
6"	\$ 560.18	\$ 606.17
 <u>Gallonage Charge</u> Per 1,000 Gallons (No Maximum)	 \$ 2.33	 \$ 2.52

It is, therefore,

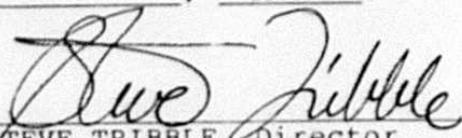
ORDERED by the Florida Public Service Commission that the indexing application of Springs Environmental Systems, Inc., 3451 Bonita Bay Boulevard, Suite 202, Bonita Springs, Florida 33923, is hereby acknowledged. It is further

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 October 15, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDERED that Docket No. 891051-SU shall be closed upon approval of the revised tariff sheets.

By Order of the Florida Public Service Commission,  
this 22nd day of SEPTEMBER, 1989.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

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