

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for 1992) DOCKET NO. 930064-WS
price index and pass-through) ORDER NO. PSC-93-0371-FOF-WS
rate adjustment in St. Lucie) ISSUED: 03/09/93
County by Holiday Pines Service)
Corporation)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
THOMAS M. BEARD
SUSAN F. CLARK
JULIA L. JOHNSON
LUIS J. LAUREDO

ORDER APPROVING PRICE INDEX AND
PASS-THROUGH RATE ADJUSTMENT FOR 1992

BY THE COMMISSION:

Holiday Pines Service Corporation (Holiday Pines or utility) is a class B water and wastewater utility located in St. Lucie County. According to the information submitted in the utility's grandfather certificate application, Holiday Pines provides service to 756 water and 748 wastewater customers. According to the 1991 Annual Report, the utility had gross revenues of \$291,242 for water and \$215,142 for wastewater. The same report indicates a net operating loss of \$38,599 for the water system and a loss of \$63,541 for the wastewater system.

Holiday Pines originally became subject to the jurisdiction of this Commission on September 22, 1964, when the St. Lucie County Board of County Commissioners adopted a resolution transferring jurisdiction of investor-owned water and wastewater utilities to this Commission. On November 8, 1987, the St. Lucie County Commissioners adopted a resolution which retracted our jurisdiction, and on October 1, 1992, it adopted another resolution which rescinded the November 8, 1987, resolution, thereby restoring our jurisdiction. During the interim period between November 8, 1987, and October 1, 1992, the utility's rates and charges were established by the St. Lucie County Water and Sewer Authority (WASA) pursuant to the following orders: Order No. 028, Docket No. 89001, issued March 2, 1989, and Order No. 054, Docket No. 91005, issued December 27, 1991.

DOCUMENT NUMBER-DATE

02636 MAR-93

FPSC-RECORDS/REPORTING

On December 18, 1992, the utility notified this Commission of its intention to increase rates by application of the 1992 price-index 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. The documentation submitted by the utility in support of its indexing and pass-through notice did not meet our requirements as set forth in Rules 25-30.420 and 25-30.425, Florida Administrative Code. The utility did not have Commission approved tariffs nor a 1991 annual report on file in accordance with Rules 25-30.135 (2) and 25-30.420 (7), Florida Administrative Code, respectively.

However, on December 30, 1992, the utility submitted a copy of the complete tariff currently in effect for Holiday Pines, along with a copy of the 1991 annual report filed by the utility with WASA. On December 31, 1992, the utility submitted additional information which was accepted and made the filing complete. The official filing date was established as December 31, 1992. Also on December 31, 1992, the utility filed an application for grandfather certificates pursuant to Section 367.171, Florida Statutes.

This case is unique because the price index and pass-through rate adjustment was filed prior to the issuance of grandfather certificates and original tariffs. However, subsection 367.171(2)(c), Florida Statutes, states that "[B]efore the Commission issues a certificate of authorization under paragraph (b), it...; may set and approve rates pursuant to 367.081". By Order No. PSC-92-0136-FOF-WS, in Docket No. 920005-WS, issued by this Commission on March 31, 1992, the rates of water and wastewater 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 3.63 percent.

In addition to the price index adjustment, the utility intends to pass-through to its customers the increases in its ad valorem taxes and regulatory assessment fees. The utility waived its right to place the pass-through rates into effect 45 days from the filing date of this notice and states that these rates are to become effective simultaneously with the indexing adjustment.

The data presented in this application was based upon the utility's 1991 operation and maintenance expenses and 1991 annualized revenues. Revenues were adjusted to reflect the impact of the utility's most recent rate case. Except for adjusting the accounts of salaries and wages-officers, pensions and benefits, and

transportation expenses to reflect the levels that were approved in the last rate case, we have accepted the test year operation and maintenance expenses as provided by the utility for this application.

A pass-through increase of 2.09 percent shall be applied to the guaranteed revenues and reserve stand-by rates. The utility is currently authorized to collect guaranteed revenues and reserve stand-by fees on which regulatory assessment fees are paid. We increased the regulatory assessment fee rate from 2.5 percent to 4.5 percent for all revenues generated on or after July 1, 1990. The St. Lucie County Water and Sewer Authority charged a regulatory assessment fee rate of 2.5 percent for all revenues generated. Therefore, the utility is allowed a 2.09 percent across the board pass-through increase to the existing guaranteed revenues and reserve stand-by rates because of the increase in regulatory assessment fees.

Therefore we find that it is appropriate to acknowledge a price index and pass-through rate adjustment for Holiday Pines. The monthly customer service rates (residential, general and multi-family) shall be increased by 4.02 percent for water and 5.63 percent for wastewater. By applying the 4.02 percent increase factor, water revenues are increased by \$15,754, which represents a \$7,050 price index and a \$505 ad-valorem tax and a \$8,199 regulatory assessment fee pass-through increase. By applying the 5.63 percent increase factor, wastewater revenues are increased by \$12,379, which represents a \$7,207 price index, \$439 ad-valorem tax and a \$4,529 regulatory assessment fee pass-through increase.

The 1992 price index and pass-through rate adjustment formula and the adjusted rate schedules are attached to this Order.

Based upon the foregoing, it is, therefore,

ORDERED that the Florida Public Service Commission hereby approves Holiday Pines Service Corporation's price-index and pass-through rate adjustments application using the 3.63 index approved. It is further

ORDERED that the pass-through adjustments are effective March 1, 1993, simultaneously with the price index adjustments. It is further

ORDERED that this docket is closed.

ORDER NO. PSC-93-0371-FOF-WS
DOCKET NO. 930064-WS
PAGE 4

By ORDER of the Florida Public Service Commission this 9th day
of March, 1993.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

LK

by: Kay Flynn
Chief, Bureau of Records

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Civil Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.

1992 PRICE INDEX AND PASS THROUGH CALCULATION

Test Year Ended December 31, 1991

	<u>WATER</u>	<u>WASTEWATER</u>
1991 OPERATION AND MAINTENANCE EXPENSES	\$ 248,766	\$ 239,991
LESS:		
(A) PASS THROUGH ITEMS:		
1. Purchased Power	(21,495)	(10,352)
2. Purchased Water	0	0
3. Purchased Sewage Treatment	0	0
4. DER Required Testing	0	0
(B) RATE CASE EXPENSE INCLUDED IN 1991 EXPENSES	(19,352)	(17,739)
(C) ADJUSTMENTS TO O & M EXPENSES FROM LAST RATE CASE:		
1. Sal. & Wages-Officers	(19,965)	(19,965)
2. Emp. Pension & Benefits	(574)	(574)
3. Transportation Expenses	<u>(1,891)</u>	<u>(1,741)</u>
COST TO BE INDEXED	\$ 185,489	\$ 189,620
MULTIPLY BY CHANGE IN GNP IMPLICIT PRICE DEFLATOR INDEX	<u>x 0.0363</u>	<u>x 0.0363</u>
SUBTOTAL	\$ 6,733	\$ 6,883
ADDITIONAL PASS THROUGH ITEMS (Ad Valorem Tax and RAF)	<u>+ 8,312</u>	<u>+ 4,744</u>
TOTAL ADDITIONAL EXPENSES	\$ 15,045	\$ 11,627
DIVIDED BY EXPANSION FACTOR FOR REGULATORY ASSESSMENT FEES	<u>÷ 0.955</u>	<u>÷ 0.955</u>
INCREASE IN REVENUE	\$ 15,754	\$ 12,175
DIVIDED BY 1991 ANNUALIZED REVENUE	<u>÷ 391,491</u>	<u>÷ 216,272</u>
PERCENTAGE INCREASE IN RATES	<u>4.02%</u>	<u>5.63%</u>

SCHEDULE OF PRESENT, PROPOSED AND APPROVED RATES

WATER

General and Multi-Family Service

<u>Meter Size</u>	<u>Utility Present Rates</u>	<u>Proposed Rates</u>	<u>Commission Approved Rates</u>
5/8" x 3/4"	\$ 26.53	\$ 27.40	\$ 27.35
3/4"	39.44	41.11	41.03
1"	65.73	68.52	68.37
1 1/2"	131.45	137.02	136.73
2"	210.32	219.24	218.77
3"	420.64	438.48	437.55
4"	657.25	685.12	683.67
6"	1,314.50	1,370.23	1,367.34
8"	2,103.20	2,192.38	2,187.75
Gallonge Charge per 1,000 gal.	\$ 3.05	\$ 3.18	\$ 3.17

Residential Service

<u>Meter Size</u>	<u>Utility Present Rates</u>	<u>Proposed Rates</u>	<u>Commission Approved Rates</u>
5/8" x 3/4"	\$ 26.29	\$ 27.40	\$ 27.35
3/4"	39.44	41.11	41.03
1"	65.73	68.52	68.37
1 1/2"	131.45	137.02	136.73
2"	210.32	219.24	218.77
Gallonge Charge per 1,000 gal.	\$ 3.05	\$ 3.18	\$ 3.17

SCHEDULE OF PRESENT, PROPOSED AND APPROVED RATES

WASTEWATER

General and Multi-Family Service

<u>Meter Size</u>	<u>Utility Present Rates</u>	<u>Proposed Rates</u>	<u>Commission Approved Rates</u>
5/8" x 3/4"	\$ 14.90	\$ 15.80	\$ 15.74
3/4"	22.35	23.70	23.61
1"	37.25	39.49	39.35
1 1/2"	74.50	78.98	78.69
2"	119.20	126.38	125.91
3"	238.40	252.75	251.82
4"	372.50	394.92	393.47
6"	745.00	789.85	786.94
8"	1,192.00	1,263.76	1,259.11
Gallonage Charge per 1,000 gal.	\$ 2.38	\$ 2.52	\$ 2.51

Residential Service

<u>Meter Size</u>	<u>Utility Present Rates</u>	<u>Proposed Rates</u>	<u>Commission Approved Rates</u>
5/8" x 3/4"	\$ 14.90	\$ 15.80	\$ 15.74
3/4"	22.35	23.70	23.61
1"	37.25	39.49	39.35
1 1/2"	74.50	78.98	78.69
2"	119.20	126.38	125.91
Gallonage Charge per 1,000 gal.	\$ 2.38	\$ 2.52	\$ 2.51

SCHEDULE OF PRESENT, PROPOSED AND APPROVED RATES

OTHER MONTHLY RATES AND CHARGES

WATER

Reserve Stand-by Fee

General, Residential and Multi-Family Service

<u>Meter Size</u>	<u>Utility Present Rates</u>	<u>Proposed Rates</u>	<u>Commission Approved Rates</u>
5/8" x 3/4"	\$ 3.39	\$ 3.46	\$ 3.46
3/4"	5.09	5.20	5.20
1"	8.48	8.66	8.66
1 1/2"	16.95	17.30	17.30
2"	27.12	27.69	27.69
3"	54.24	55.37	55.37
4"	84.75	86.52	86.52
6"	169.50	173.04	173.04
8"	271.20	276.87	276.87

Guaranteed Revenue Charge

General, Residential and Multi-Family Service

<u>Meter Size</u>	<u>Utility Present Rates</u>	<u>Proposed Rates</u>	<u>Commission Approved Rates</u>
5/8" x 3/4"	\$ 26.29	\$ 27.54	\$ 26.84
3/4"	39.44	41.32	40.26
1"	65.73	68.87	67.10
1 1/2"	131.45	137.72	134.20
2"	210.32	220.35	214.72
3"	420.64	440.70	429.43
4"	657.25	688.60	670.99
6"	1,314.50	1,377.20	1,341.97
8"	2,103.20	2,203.52	2,147.16

SCHEDULE OF PRESENT, PROPOSED AND APPROVED RATES

OTHER MONTHLY RATES AND CHARGES

WASTEWATER

Reserve Stand-by Fee

General, Residential and Multi-Family Service

<u>Meter Size</u>	<u>Utility Present Rates</u>	<u>Proposed Rates</u>	<u>Commission Approved Rates</u>
5/8" x 3/4"	\$ 18.63	\$ 19.02	\$ 19.02
3/4"	27.95	28.53	28.53
1"	46.58	47.55	47.55
1 1/2"	93.15	95.10	95.10
2"	149.04	152.15	152.15
3"	298.08	304.31	304.31
4"	465.75	475.48	475.48
6"	931.50	950.97	950.97
8"	1,490.40	1,521.55	1,521.55

Guaranteed Revenue Charge

General, Residential and Multi-Family Service

<u>Meter Size</u>	<u>Utility Present Rates</u>	<u>Proposed Rates</u>	<u>Commission Approved Rates</u>
5/8" x 3/4"	\$ 14.90	\$ 15.90	\$ 15.21
3/4"	22.35	23.85	22.82
1"	37.25	39.75	38.03
1 1/2"	74.50	79.50	76.06
2"	119.20	127.20	121.69
3"	238.40	254.40	243.38
4"	372.50	397.49	380.29
6"	745.00	794.99	760.57
8"	1,192.00	1,271.98	1,216.91

ORDER NO. PSC-93-0371-FOF-WS
DOCKET NO. 930064-WS
PAGE 10

SCHEDULE OF PRESENT, PROPOSED AND APPROVED RATES

General Service

Fire Protection

WATER

<u>Line Size</u>	<u>Utility Present Rates</u>	<u>Proposed Rates</u>	<u>Commission Approved Rates</u>
4 inch line	\$ 219.00	\$ 228.29	\$ 227.80
6 inch line	437.98	456.55	455.59
8 inch line	700.00	730.49	728.14