

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of GENERAL DEVELOP-)	DOCKET NO. 881591-WS
MENT UTILITIES, INC. for 1988 price)	
index and pass-through rate adjustments)	ORDER NO. 20697
in Brevard County.)	
_____)	ISSUED: 2-2-89

ORDER ACKNOWLEDGING INDEXING AND PASS-THROUGH RATE ADJUSTMENTS

BY THE COMMISSION:

On December 22, 1988, General Development Utilities, Inc. (GDU or Utility) notified this Commission of its intention to increase rates to the customers of its Port Malabar Division in Brevard 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. 19073, issued by this Commission on March 31, 1988, in Docket No. 880005-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 2.89 percent.

The Utility also intends to pass through to its customers an increase in its property 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. 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 increase factors of 1.0117 and 1.0158 to the existing rate schedules results in increased water and sewer revenues of \$34,117 and \$23,012, respectively, for GDU's Port Malabar Division. The schedules of our computations are as follows:

1988 Price Index and Pass-Through Application Test Year Ended December 31, 1987

	<u>Water</u>	<u>Sewer</u>
1987 Operation and Maintenance Expenses	\$1,265,732	\$ 711,111
Less:		
(1) Pass-through Item: Purchased Power	(215,056)	(104,939)

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(2) Rate Case Expense Included in 1987 O & M Expenses	_____ 0	_____ 0
Costs to be Indexed	\$1,050,676	\$ 606,172
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0289</u>	x <u>.0289</u>
Additional O & M Expenses	\$ 30,365	\$ 17,518
Pass-through Item: Increase in Property Taxes	_____ 2,900	_____ 4,918
Total Increased Expenses	\$ 33,264	\$ 22,436
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>	÷ <u>.975</u>
Increase in Revenue	\$ 34,117	\$ 23,012
Divide by 1987 Adjusted Revenues	+2,909,064	÷1,455,374
Percentage Increase	<u>1.17%</u>	<u>1.58%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0117</u>	<u>1.0158</u>

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

WATER (1.17% Increase)
Monthly Rate

Residential Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 6.16	\$ 6.23
1"	\$ 15.41	\$ 15.59
1-1/2"	\$ 30.82	\$ 31.18
2"	\$ 49.31	\$ 49.89
<u>Gallonage Charge</u> Per 1,000 Gallons	\$ 1.74	\$ 1.76

General Service
Commercial and Multiple Unit Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 6.16	\$ 6.23
1"	\$ 15.41	\$ 15.59

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
1-1/2"	\$ 30.82	\$ 31.18
2"	\$ 49.31	\$ 49.89
3"	\$ 98.62	\$ 99.77
4"	\$ 154.09	\$ 155.89
5"	\$ 308.17	\$ 311.78
8"	\$ 493.09	\$ 498.86
10"	\$ 708.81	\$ 717.10
12"	\$1,325.17	\$1,340.67
 <u>Gallorage Charge</u> Per 1,000 Gallons	 \$ 1.74	 \$ 1.76

Industrial Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
1-1/2"	\$ 30.82	\$ 31.18
2"	\$ 49.31	\$ 49.89
3"	\$ 98.62	\$ 99.77
4"	\$ 154.09	\$ 155.89
6"	\$ 308.17	\$ 311.78
 <u>Gallorage Charge</u> Per 1,000 Gallons	 \$ 1.74	 \$ 1.76

SEWER (1.58 % Increase)
Monthly Rate

Residential Service

	<u>Existing</u>	<u>New</u>
All Meter Sizes	\$ 8.15	\$ 8.28
Gallorage Charge Per 1,000 Gallons (Maximum 10,000 gallons)	\$ 1.13	\$ 1.15
Maximum Monthly Bill	\$ 19.45	\$ 19.78

General Service

Commercial, Multiple Unit and Industrial

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 8.15	\$ 8.28

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<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
1"	\$ 20.40	\$ 20.72
1-1/2"	\$ 40.78	\$ 41.42
2"	\$ 65.26	\$ 66.29
3"	\$ 130.53	\$ 132.59
4"	\$ 203.96	\$ 207.18
6"	\$ 407.93	\$ 414.38
8"	\$ 652.67	\$ 662.98
10"	\$ 938.22	\$ 953.04
12"	\$1,754.07	\$1,781.78
 <u>Gallagege Charge</u> Per 1,000 Gallons	 \$ 1.13	 \$ 1.15

It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing and pass-through application of General Development Utilities, Inc. 1111 South Bayshore Drive, Miami, Florida 33131, is hereby acknowledged. It is further

ORDERED that the rates contained herein shall become effective for service rendered on or after February 20, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDERED that the tariff sheets submitted with the Utility's application reflect the rates set forth in this Order, and Docket No. 881591-WS may be closed upon Staff's approval of the tariff sheets.

By Order of the Florida Public Service Commission,
this 2nd day of FEBRUARY, 1989.

STEVE TRIBBLE, Director
Division of Records and Reporting

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by: Kay Wilson
Chief, Bureau of Records