

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of POINT O'WOODS ) DOCKET NO. 890066-WS  
 UTILITIES, INC. for 1988 price index )  
 and pass-through rate adjustments in ) ORDER NO. 20720  
 Citrus County, Florida. )  
 \_\_\_\_\_ ) ISSUED: 2-9-89

ORDER ACKNOWLEDGING INDEXING  
 AND PASS-THROUGH RATE ADJUSTMENTS

BY THE COMMISSION:

On January 18, 1989, Point O'Woods Utilities, Inc. (Utility) notified this Commission of its intention to increase rates to its customers in Citrus 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 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. 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 1.0604 and 1.1577 to the existing rate schedules results in increased water and sewer revenues of \$1,478 and \$788, respectively. 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	\$ 33,975	\$ 15,576
Less:		
(1) Pass-through Item: Purchased Power	( 1,922)	( 2,418)
(2) Rate Case Expense Included in 1987 O & M Expenses	_____ 0	_____ 0
Costs to be Indexed	\$ 32,053	\$ 13,158

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Multiply by Change in GNP Implicit Price Deflator Index	x	<u>.0289</u>	x	<u>.0289</u>
Additional O & M Expenses	\$	926	\$	380
Pass-through Item: Increase in Ad Valorem Taxes		<u>515</u>		<u>388</u>
Total Increased Expenses	\$	1,441	\$	768
Divide by Expansion Factor for Regulatory Assessment Fees	÷	<u>.975</u>	÷	<u>.975</u>
Increase in Revenue	\$	1,478	\$	788
Divide by 1987 Revenues	÷	<u>24,472</u>	÷	<u>4,998</u>
Percentage Increase		<u>6.04%</u>		<u>15.77%</u>
Increase Factor to Apply to Existing Rate Schedules		<u>1.0604</u>		<u>1.1577</u>

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

WATER (6.04% Increase)  
Monthly Rate

Residential and General Service

	<u>Existing</u>	<u>New</u>
Base Facility Charge	\$ 3.04	\$ 3.22
Gallonge Charge Per 1,000 Gallons	\$ .84	\$ .89

SEWER (15.77% Increase)  
Monthly Rate

Residential and General Service

	<u>Existing</u>	<u>New</u>
Flat Rate	\$ 12.00	\$ 13.89

It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing and pass-through application of Point O'Woods Utilities, 9699 E. Gospel Island Road, Inverness, Florida 32650, is hereby acknowledged. It is further

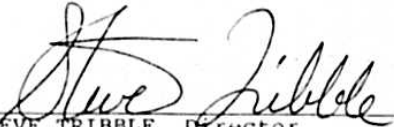
ORDERED that the rates contained herein shall become effective for service rendered on or after March 18, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDERED that the tariff sheets submitted with the Utility's application reflect the rates set forth in this

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Order, and Docket No. 890066-WS may be closed upon Staff's approval of the tariff sheets.

By Order of the Florida Public Service Commission,  
this 9th day of FEBRUARY, 1989.

  
STEVE TRIBBLE, Director  
Division of Records and Reporting

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