

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of WATER OAK)	DOCKET NO. 890632-WS
UTILITY COMPANY, INC. for a 1989 price))	ORDER NO. 21412
index rate adjustment in Lake County.)	ISSUED: 6-19-89

ORDER ACKNOWLEDGING PRICE INDEX RATE ADJUSTMENT

BY THE COMMISSION:

On May 3, 1989, Water Oak Utility Company, Inc. (Utility) notified this Commission of its intention to increase rates to its customers in Lake 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 prior to the effective date of the rates, 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 1.0105 and 1.0113 to the existing rate schedules results in increased water and sewer revenues of \$719.73 and \$1,087.46, respectively. The schedule of our computation is as follows:

1989 Price Index Application
Test Year Ended December 31, 1988

	<u>Water</u>	<u>Sewer</u>
1988 Operation and Maintenance Expenses	\$29,079.00	\$43,626.00
Less:		
(1) Pass-through Item:		
Purchased Power	(12,947.00)	(19,252.00)
(2) Rate Case Expense Included in 1988 O & M Expenses	<u>0</u>	<u>0</u>
Costs to be Indexed	\$16,132.00	\$24,374.00
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0435</u>	x <u>.0435</u>
Additional O & M Expenses	\$ 701.74	\$ 1,060.27

DOCUMENT NUMBER-DATE

06048 JUN 19 1989

FPSC-RECORDS/REPORTING

ORDER NO. 21412
DOCKET NO. 890632-WS
Page 2

Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>	÷ <u>.975</u>
Increase in Revenue	\$ 719.73	\$ 1,087.46
Divide by 1988 Annualized Revenues	÷ <u>68,366.98</u>	÷ <u>96,377.04</u>
Percentage Increase	<u>1.05%</u>	<u>1.13%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0105</u>	<u>1.0113</u>

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

WATER (1.05% INCREASE)
Monthly Rate

Residential and General Service

	<u>Existing</u>	<u>New</u>
<u>Base Facility Charge</u>		
<u>Meter Size</u>		
5/8" x 3/4"	\$ 6.08	\$ 6.14
3/4"	\$ 9.42	\$ 9.52
1"	\$ 15.20	\$ 15.36
1-1/2"	\$ 30.40	\$ 30.72
2"	\$ 48.66	\$ 49.17
3"	\$ 97.30	\$ 98.32
4"	\$ 152.03	\$ 153.63
6"	\$ 304.07	\$ 307.26
<u>Gallonge Charge</u>		
Per 1,000 Gallons	\$.49	\$.50

SEWER (1.13% INCREASE)
Monthly Rate

Residential Service

	<u>Existing</u>	<u>New</u>
<u>Base Facility Charge</u>		
<u>Meter Size</u>		
All Meter Sizes	\$ 7.32	\$ 7.40
<u>Gallonge Charge</u>		
Per 1,000 Gallons (Maximum 6,000 Gallons Per month)	\$ 1.99	\$ 2.01

ORDER NO. 21412
 DOCKET NO. 890632-WS
 Page 3

General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 7.23	\$ 7.31
3/4"	\$ 10.99	\$ 11.11
1"	\$ 18.31	\$ 18.52
1-1/2"	\$ 36.61	\$ 37.02
2"	\$ 58.59	\$ 59.25
3"	\$ 117.18	\$ 118.50
4"	\$ 183.09	\$ 185.16
6"	\$ 366.20	\$ 370.34
<u>Gallage Charge</u> Per 1,000 Gallons	\$ 2.39	\$ 2.42

It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing application of Water Oak Utility Company, 3 Water Oak Boulevard, Lady Lake, Florida 32659 is hereby acknowledged. It is further

ORDERED that the rates contained herein shall become effective for service rendered on or after July 2, 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. 890632-WS may be closed upon Staff's approval of the tariff sheets.

By Order of the Florida Public Service Commission,
 this 19th day of JUNE, 1989.


 STEVE TRIBBLE, Director
 Division of Records and Reporting

(S E A L)

ALC