

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of NORTH NAPLES )	DOCKET NO. 890853-WS
UTILITIES, INC. for a 1989 price )	ORDER NO. 21732
index rate adjustment in Collier Co. )	ISSUED: 8-15-89
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ORDER ACKNOWLEDGING PRICE INDEX RATE ADJUSTMENT

BY THE COMMISSION:

On July 3, 1989, North Naples Utilities, Inc. (Utility) notified this Commission of its intention to increase rates to its customers in Collier 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 1.0245 and 1.0302 to the existing rate schedules results in increased water and sewer revenues of \$3,944 and \$2,965, 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	\$ 128,273	\$ 96,750
Less: (1) Pass-through Item: Purchased Power	( 18,417)	( 13,824)
(2) Rate Case Expense Included in 1988 O & M Expenses	( 7,591)	( 7,591)

DOCUMENT NUMBER-DATE

08214 AUG 15 1989

FPSC-RECORDS/REPORTING

ORDER NO. 21732  
DOCKET NO. 890853-WS  
PAGE 2

(3) Adjustment to O & M Expenses from last rate case	( 13,875)	( 8,875)
Costs to be Indexed	\$ 88,390	\$ 66,460
Multiply by Change in GNP Implicit Price Deflator Index	x .0435	x .0435
Additional O & M Expenses	\$ 3,845	\$ 2,891
Divide by Expansion Factor for Regulatory Assessment Fees	÷ .975	÷ .975
Increase in Revenue	\$ 3,944	\$ 2,965
Divide by 1988 Annualized Revenues	+ 160,804	+ 98,291
Percentage Increase	<u>2.45%</u>	<u>3.02%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0245</u>	<u>1.0302</u>

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

WATER (2.45% INCREASE)  
Monthly Rates

Residential and General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 14.02	\$ 14.36
3/4"	\$ 21.04	\$ 21.56
1"	\$ 35.06	\$ 35.92
1-1/2"	\$ 70.11	\$ 71.83
2"	\$ 112.18	\$ 114.93
3"	\$ 224.36	\$ 229.86
4"	\$ 350.56	\$ 359.15
6"	\$ 701.12	\$ 718.30
<u>Gallonage Charge</u> Per 1,000 Gallons	\$ 2.04	\$ 2.09

ORDER NO. 21732  
 DOCKET NO. 890853-WS  
 PAGE 3

SEWER (3.02% INCREASE)  
Monthly Rates

Residential Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
All Meter Sizes	\$ 19.80	\$ 20.40
<u>Gallonge Charge</u> Per 1,000 Gallons (Maximum 10,000 Gallons)	\$ 2.31	\$ 2.38

General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 19.80	\$ 20.40
3/4"	\$ 29.71	\$ 30.61
1"	\$ 49.52	\$ 51.02
1-1/2"	\$ 99.02	\$ 102.01
2"	\$ 158.43	\$ 163.21
3"	\$ 316.86	\$ 326.43
4"	\$ 495.11	\$ 510.06
6"	\$ 990.21	\$1,020.11
<u>Gallonge Charge</u> Per 1,000 Gallons	\$ 2.77	\$ 2.85

It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing application of North Naples Utilities, Inc., 12823 Valewood Drive, Naples, Florida 33999, is hereby acknowledged. It is further

ORDERED that the rates contained herein shall become effective for service rendered on or after September 1, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDER NO. 21732  
DOCKET NO. 890853-WS  
PAGE 4

ORDERED that the tariff sheets submitted with the Utility's application reflect the rates set forth in this Order, and Docket No. 890853-WS may be closed upon Staff's approval of the tariff sheets.

By Order of the Florida Public Service Commission,  
this 15th day of AUGUST, 1989.

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STEVE TRIBBLE, Director  
Division of Records and Reporting

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by: Kay Flynn  
Chief, Bureau of Records