

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of PIONEER WOODLAWN)  
 UTILITIES, INC. for a 1988 price index )  
 rate adjustment in Bay County. )

DOCKET NO. 890228-SU  
 ORDER NO. 20870  
 ISSUED: 3-9-89

ORDER ACKNOWLEDGING PRICE INDEX RATE ADJUSTMENT

BY THE COMMISSION:

On February 13, 1989, Pioneer Woodlawn Utilities, Inc. (Utility) notified this Commission of its intention to increase rates to its customers in Bay 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. 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.

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 1.0236 to the existing rate schedules results in increased sewer revenues of \$1,140. The schedule of our computation is as follows:

1988 Price Index Application  
Test Year Ended December 31, 1987

	<u>Sewer</u>
1987 Operation and Maintenance Expenses	\$ 46,230
Less:	
(1) Pass-through Item: Purchased Power	( 7,771)
(2) Rate Case Expense Included in 1987 O & M Expenses	<u>0</u>
Costs to be Indexed	\$ 38,459
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0289</u>
Additional O & M Expenses	\$ 1,111
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>
Increase in Revenue	\$ 1,140

DOCUMENT NUMBER-DATE

02530 MAR -9 1989

FPSC-RECORDS/REPORTING

ORDER NO. 20870  
 DOCKET NO. 890228-SU  
 Page 2

Divide by 1987 Annualized Revenues	÷	<u>48,338</u>
Percentage Increase		<u>2.36%</u>
Increase Factor to Apply to Existing Rate Schedules		<u>1.0236</u>

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

SEWER (2.36% INCREASE)  
Monthly Rate

Residential Service

	<u>Existing</u>	<u>New</u>
Flat Rate	\$ 14.91	\$ 15.26

General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 6.35	\$ 6.50
1"	\$ 15.87	\$ 16.24
1-1/2"	\$ 31.74	\$ 32.49
2"	\$ 50.78	\$ 51.98
3"	\$ 101.56	\$ 103.96
4"	\$ 158.69	\$ 162.44
6"	\$ 507.87	\$ 519.86
<u>Gallonge Charge</u> Per 1,000 Gallons	\$ 1.10	\$ 1.13

It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing application of Pioneer Woodlawn Utilities, Inc., 321 Greenwood Drive, Panama City, Florida 32407, is hereby acknowledged. It is further

ORDERED that the Utility shall submit revised tariff sheets containing the new rates indicated in this Order. It is further

ORDERED that the rates contained herein shall become effective for service rendered on or after April 14, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDER NO. 20870  
DOCKET NO. 890228-SU  
Page 3

ORDERED that Docket No. 890228-SU shall be closed upon approval of the revised tariff sheets.

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

  
\_\_\_\_\_  
STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

ALC