

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Annual Reestablishment of Price)	DOCKET NO. 890005-WS
Increase or Decrease Index of Major)	ORDER NO. 20753
Categories of Operating Costs incurred)	ISSUED: 2-16-89
by Water and Sewer Utilities pursuant)	
to Section 367.081(4)(a), Florida)	
Statutes.)	

The following Commissioners participated in the disposition of this matter:

MICHAEL MCK. WILSON, CHAIRMAN
 THOMAS M. BEARD
 BETTY EASLEY
 JOHN T. HERNDON

NOTICE OF PROPOSED AGENCY ACTIONORDER ESTABLISHING PRICE INDEX FOR APPLICATION IN 1989

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission of its intent to establish a price increase index pursuant to Section 367.081(4)(a), Florida Statutes. This action is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding pursuant to Florida Administrative Code Rule 25-22.029.

Each year, pursuant to Section 367.081(4)(a), Florida Statutes, and Florida Administrative Code Rule 25-30.420, this Commission is required to establish a price increase or decrease index for major categories of operating costs incurred by water and sewer utilities subject to its jurisdiction, reflecting the increase or decrease in such costs from the most recent 12-month historical data available.

We find that the index should be applied to all operation and maintenance costs, except for costs subject to pass-through adjustments pursuant to Section 367.081(4)(a), Florida Statutes, amortization of rate case expense, and adjustments or disallowances from a utility's most recent rate proceeding. This is consistent with what we have done in prior years.

We have reviewed the results of various United States Government indicators, including the Gross National Product (GNP) Implicit Price Deflator Index, the Consumer Price Index, and several wholesale indexes, as well as other alternatives, and we find that the GNP Implicit Price Deflator Index is the most appropriate for use in determining the water and sewer index. This, too, is consistent with what we have done in prior years. The 1988 GNP Price Deflator Index will not be available until the publication of March, 1989, "Survey of Current Business" prepared by the United States Department of Commerce/Bureau of Economic Analysis. Since we are required by statute to finalize the index by March 31, we will issue this notice of proposed agency action now and incorporate the actual index amount in a subsequent order.

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Pursuant to Florida Administrative Code Rule 25-30.420(2)(f), annualized revenue figures must be used in the index calculation if there have been any changes in the utility's rates during or subsequent to the test year. Consistent with what we have done in prior years, we will provide each utility with a sample format for calculating annualized revenues as part of a packet to be attached to the subsequent order. This packet explains the index and pass-through rate adjustments and how to apply for each. Also to be attached to the final order are a form for the calculation of the 1989 price index adjustments, copies of the appropriate rules and statutes, sample affidavits, and sample notices to customers for both the price index and pass-through adjustments.

It is, therefore,

ORDERED by the Florida Public Service Commission that a price increase index is hereby established for use in 1989, pursuant to Section 367.081(4)(a), Florida Statutes, as set out in the body of this Order, and as will be finalized in a subsequent order. It is further

ORDERED that the provisions of this order, issued as proposed agency action, shall become final on March 9, 1989, unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on March 8, 1989.

By ORDER of the Florida Public Service Commission
this 16th day of FEBRUARY, 1989.


STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

JRF

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

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The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on March 8, 1989. In the absence of such a petition, this order shall become effective March 9, 1989 as provided by Rule 25-22.029(6), Florida Administrative Code, and as reflected in a subsequent order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on March 9, 1989, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.