

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of LENVIL H. DICKS)  
for a 1988 price index rate adjustment)  
in Columbia County. )

DOCKET NO. 89-0128-WU  
ORDER NO. 20756  
ISSUED: 2-17-89

ORDER ACKNOWLEDGING PRICE INDEX RATE ADJUSTMENT

BY THE COMMISSION:

On January 24, 1989, Lenvil H. Dicks (Utility) notified this Commission of its intention to increase rates to its customers in Columbia 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 an increase factor of 1.0153 to the existing rate schedules results in increased water revenues of \$1,371. The schedule of our computation is as follows:

1988 Price Index Application  
Test Year Ended December 31, 1987

	<u>Water</u>
1987 Operation and Maintenance Expenses	\$ 55,825
Less: (1) Pass-through Item: Purchased Power	( 9,561)
(2) Rate Case Expense Included in 1987 O & M Expenses	0
Costs to be Indexed	\$ 46,264
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0289</u>
Additional O & M Expenses	\$ 1,337
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>

DOCUMENT NUMBER-DATE  
01777 FEB 17 1989  
FPSC-RECORDS/REPORTING

ORDER NO. 20756  
DOCKET NO. 890128-WU  
Page 2

Increase in Revenue	\$	1,371
Divide by 1987 Annualized Revenues	÷	<u>89,535</u>
Percentage Increase		<u>1.53%</u>
Increase Factor to Apply to Existing Rate Schedules		<u>1.0153</u>

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

WATER (1.53% INCREASE)  
Monthly Rate

Residential Service

	<u>Existing</u>	<u>New</u>
First 10,000 Gallons	\$ 12.85	\$ 13.05
All Over 10,000 Gallons (per 1,000 gallons)	\$ 1.07	\$ 1.09

It is, therefore,


ORDERED by the Florida Public Service Commission that the indexing application of Lenvil H. Dicks, Post Office Box 1, Lake City, Florida 32056-0001, 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 March 25, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDERED that Docket No. 890128-WU shall be closed upon approval of the revised tariff sheets.

By Order of the Florida Public Service Commission,  
this 17th day of February, 1989.

  
STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

ALC