

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Fisherman's Cove ) DOCKET NO. 890346-WS  
of Stuart, Inc. for 1988 price index )  
and pass-through rate adjustments in ) ORDER NO. 20960  
Martin County, Florida. )  
ISSUED: 3-29-89

ORDER ACKNOWLEDGING INDEXING  
AND PASS-THROUGH RATE ADJUSTMENTS

## BY THE COMMISSION:

On March 8, 1989, Fisherman's Cove of Stuart, Inc. (Utility) notified this Commission of its intention to increase rates to its customers in Martin County by application of the price-indexing and pass-through provisions of Subsections 367.081(4)(a) and (b), Florida Statutes, respectively, and Rules 25-30.420 and 25-30.425, Florida Administrative Code, respectively.

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.

The Utility also intends to pass through to its customers an increase in its ad valorem taxes. The Utility waived its right to place the pass-through rates into effect thirty days from the filing date of this notice and states that these rates are to become effective simultaneously with the indexing adjustment.

The documentation submitted by the Utility in support of its indexing and pass-through notice meets the Commission's requirements, as set forth in Rules 25-30.420 and 25-30.425, Florida Administrative Code. In compliance with said rules, 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 pass-through provisions and the application of the price index to certain operation and maintenance expenses.

Applying increase factors of 1.0175 and 1.0158 to the existing rate schedules, plus a \$.03 increase in the base facility charge per equivalent residential connection (ERC), results in increased water and sewer revenues of \$1,647 and \$1,740, respectively. The schedules of our computations are as follows:

1988 Price Index and Pass-Through Application  
Test Year Ended December 31, 1987

	<u>Water</u>	<u>Sewer</u>
1987 Operation and Maintenance Expenses	\$ 57,641	\$ 60,765
Less:		
(1) Pass-through Item: Purchased Power	( 3,682)	( 3,682)

DOCUMENT NUMBER-DATE

03219 MAR 29 1989

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(2) Rate Case Expense Included in 1987 O & M Expenses	0	0
Costs to be Indexed	\$ 48,959	\$ 52,083
Multiply by Change in GNP Implicit Price Deflator Index	x .0289	x .0289
Additional O & M Expenses	\$ 1,415	\$ 1,505
Divide by Expansion Factor for Regulatory Assessment Fees	÷ .975	÷ .975
Increase in Revenue	\$ 1,451	\$ 1,544
Divide by 1987 Actual Revenues	÷ 82,731	÷ 97,853
Percentage Increase	<u>1.75%</u>	<u>1.58%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0175</u>	<u>1.0158</u>

Pass-Through Adjustments

1988 Increase in Property Taxes	\$ 191	\$ 191
Divide by Expansion Factor for Regulatory Assessment Fees	÷ .975	÷ .975
Total Pass-Through Increase	\$ 196	\$ 196
Divide by Factored ERCs	<u>6,024</u>	<u>6,024</u>
Base Facility Charge Increase Per ERC	<u>\$ .03</u>	<u>\$ .03</u>

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

WATER

Increase (1.75% plus \$.03 Per Factored ERC)  
Monthly Rates

Residential, Multi-Family and General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 5.36	\$ 5.48
1"	\$ 13.40	\$ 13.71
2"	\$ 42.88	\$ 43.87
<u>Gallage Charge</u> Per 1,000 Gallons	\$ 1.61	\$ 1.64

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SEWER

Increase (1.58% plus \$.03 Per Factored ERC)  
Monthly Rates

Residential Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
All Meter Sizes	\$ 6.17	\$ 6.30
<u>Gallonage Charge</u> Per 1,000 Gallons (8,000 Gallons Maximum)	\$ 2.29	\$ 2.33

Multi-Family and General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 6.17	\$ 6.30
1"	\$ 15.43	\$ 15.75
2"	\$ 49.36	\$ 50.38
<u>Gallonage Charge</u> Per 1,000 Gallons	\$ 2.29	\$ 2.33

It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing and pass-through application of Fisherman's Cove of Stuart, Inc., Post Office Box 1830, Stuart, Florida 33495, 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 May 7, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDERED that Docket No. 890346-WS shall be closed upon approval of the revised tariff sheets.

By Order of the Florida Public Service Commission,  
this 29th day of MARCH, 1989.

  
 STEVE TRIBBLE, Director  
 Division of Records and Reporting

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