

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of KINGSLEY)	DOCKET NO. 890582-WS
SERVICE COMPANY for a 1989 price index))	ORDER NO. 21331
rate adjustment in Clay County.)	ISSUED: 6-5-89

ORDER ACKNOWLEDGING PRICE INDEX RATE ADJUSTMENT

BY THE COMMISSION:

On April 21, 1989, Kingsley Service Company (Utility) notified this Commission of its intention to increase rates to its customers in Clay 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 on 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 1.0218 and 1.0210 to the existing rate schedules results in increased water and sewer revenues of \$32,032 and \$44,123, 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	\$ 952,313	\$1,338,743
Less:		
(1) Pass-through Items:		
(a) Purchased Power	(231,321)	(348,963)
(b) Purchased Water	0	0
(c) Purchased Sewage Treatment	0	0
(d) DER Required Water Testing*	(2,220)	0
(2) Rate Case Expense Included in 1988 O & M Expenses	(817)	(817)
Costs to be Indexed	\$ 717,955	\$ 988,963
Multiply by Change in GNP Implicit Price Deflator Index	x .0435	x .0435
Additional O & M Expenses	\$ 31,231	\$ 43,020

DOCUMENT NUMBER-DATE

05591 JUN -5 1989

FPSC-RECORDS/REPORTING

ORDER NO. 21331
DOCKET NO. 890582-WS
Page 2

Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>	÷ <u>.975</u>
Increase in Revenue	\$ 32,032	\$ 44,123
Divide by 1988 Annualized Revenues	÷ <u>1,471,372</u>	÷ <u>2,104,542</u>
Percentage Increase	<u>2.18%</u>	<u>2.10%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0218</u>	<u>1.0210</u>

*Testing for organic contaminants per DER Rules 17-550.310(2) and 17-550.410, F.A.C.

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

WATER (2.18% INCREASE)
Quarterly Rates

Residential, General Service, and Multi-Family

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 9.05	\$ 9.25
1"	\$ 18.09	\$ 18.48
1-1/2"	\$ 33.15	\$ 33.87
2"	\$ 51.23	\$ 52.35
3"	\$ 99.42	\$ 101.59
4"	\$ 153.63	\$ 156.98
6"	\$ 304.25	\$ 310.88
8"	\$ 484.99	\$ 495.56
<u>Gallonge Charge</u> Per 1,000 Gallons	\$.49	\$.50

Miscellaneous Service

	<u>Existing</u>	<u>New</u>
Hydrant Usage (Plus Water at Metered Rates) - This charge will be levied to install and disconnect a temporary meter for the purpose of metering the usage from the fire hydrant	\$ 20.00	\$ 20.00
Building Water for Unmetered Water Used During Construction (Installation extra based on cost)	\$ 46.55	\$ 47.56

ORDER NO. 21331
DOCKET NO. 890582-WS
Page 3

Monthly Rates

Bulk Transmission, Treatment and Disposal Service

	<u>Existing</u>	<u>New</u>
Minimum Rate per ERC (Allowance 285 Gallons per ERC*)	\$ 7.87	\$ 8.04
Excess Usage Charge Above Allowance (Per 1,000 Gallons)	\$.82	\$.84

*Each ERC is to be considered 285 gallons of flow. Each residential account is to be considered 1 ERC.

SEWER (2.10% INCREASE)
Quarterly Rate

Residential Service

	<u>Existing</u>	<u>New</u>
<u>Base Facility Charge</u> <u>Meter Size</u>		
All Meter Sizes	\$ 14.70	\$ 15.01
<u>Gallonge Charge</u> Per 1,000 Gallons (Maximum 30,000 Gallons)	\$.94	\$.96
<u>Unmetered Service</u> Flat Rate	\$ 38.87	\$ 39.69

General and Multi-Family Service

	<u>Existing</u>	<u>New</u>
<u>Base Facility Charge</u> <u>Meter Size</u>		
5/8" x 3/4"	\$ 14.70	\$ 15.01
1"	\$ 32.62	\$ 33.31
1-1/2"	\$ 62.44	\$ 63.75
2"	\$ 98.23	\$ 100.29
3"	\$ 193.70	\$ 197.77
4"	\$ 301.19	\$ 307.51
6"	\$ 599.45	\$ 612.04
8"	\$ 957.46	\$ 977.57
<u>Gallonge Charge</u> Per 1,000 Gallons	\$ 1.13	\$ 1.15
<u>Unmetered Service - Multi-Family</u> (Including Mobile Home Parks)		
Flat Rate	\$ 26.05	\$ 26.60

It is, therefore,

ORDER NO. 21331
DOCKET NO. 890582-WS
Page 4

ORDERED by the Florida Public Service Commission that the indexing application of Kingsley Service Company, 1279 Kingsley Avenue, Suite 120, Orange Park, Florida 32073, is hereby acknowledged. It is further

ORDERED that the rates contained herein shall become effective for service rendered on or after June 20, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDERED that the tariff sheets submitted with the Utility's application reflect the rates set forth in this Order, and Docket No. 890582-WS may be closed upon Staff's approval of the tariff sheets.

By Order of the Florida Public Service Commission,
this 5th day of June, 1989.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

ALC

by: Kay Ferguson
Chief, Bureau of Records