

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of DECCA UTILITIES, )	DOCKET NO. 890681-WS
A DIVISION OF DEVELOPMENT AND )	
CONSTRUCTION CORPORATION OF AMERICA, )	ORDER NO. 21411
for a 1989 price index rate adjustment )	
in Marion County )	ISSUED: 6-19-89

ORDER ACKNOWLEDGING PRICE INDEX RATE ADJUSTMENT

## BY THE COMMISSION:

On May 17, 1989, Decca Utilities, a Division of Development and Construction Corporation of America (Utility) notified this Commission of its intention to increase rates to its customers in Marion 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 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 1.0094 and 1.0056 to the existing rate schedules results in increased water and sewer revenues of \$1,545 and \$1,070, 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	\$ 56,458	\$ 41,925
Less:		
(1) Pass-through Item: Purchased Power	( 21,841)	( 17,949)
(2) Rate Case Expense Included in 1988 O & M Expenses	<u>0</u>	<u>0</u>
Costs to be Indexed	\$ 34,617	\$ 23,976
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0435</u>	x <u>.0435</u>
Additional O & M Expenses	\$ 1,506	\$ 1,043

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Divide by Expansion Factor for Regulatory Assessment Fees	+ .975	+ .975
Increase in Revenue	\$ 1,545	\$ 1,070
Divide by 1988 Annualized Revenues	+ 163,606	+ 191,804
Percentage Increase	_____ .94%	_____ .56%
Increase Factor to Apply to Existing Rate Schedules	_____ 1.0094	_____ 1.0056

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

WATER (0.94% INCREASE)  
Monthly Rate

Residential and General Service

	<u>Existing</u>	<u>New</u>
<u>Base Facility Charge</u>		
<u>Meter Size</u>		
5/8" x 3/4"	\$ 6.84	\$ 6.90
1"	\$ 17.11	\$ 17.27
1-1/2"	\$ 34.21	\$ 34.53
2"	\$ 54.74	\$ 55.25
3"	\$ 109.48	\$ 110.51
4"	\$ 171.07	\$ 172.68
6"	\$ 342.14	\$ 345.46
<u>Gallonge Charge</u>		
Per 1,000 Gallons	\$ 1.02	\$ 1.03

SEWER (0.56% INCREASE)  
Monthly Rate

Residential Service

	<u>Existing</u>	<u>New</u>
<u>Base Facility Charge</u>		
<u>Meter Size</u>		
All Meter Sizes	\$ 9.56	\$ 9.61
<u>Gallonge Charge</u>		
Per 1,000 Gallons (Maximum of 8,000 Gallons Per Month )	\$ 1.73	\$ 1.74

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General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 9.56	\$ 9.61
1"	\$ 23.90	\$ 24.03
1-1/2"	\$ 47.80	\$ 48.06
2"	\$ 76.48	\$ 76.91
3"	\$ 152.95	\$ 153.81
4"	\$ 238.99	\$ 240.33
6"	\$ 477.97	\$ 480.65
<u>Gallage Charge</u> Per 1,000 Gallons	\$ 1.73	\$ 1.74

It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing application of Decca Utilities, 8865 Southwest 104th Lane, Ocala, Florida 32676, is hereby acknowledged. It is further

ORDERED that the rates contained herein shall become effective for service rendered on or after July 16, 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. 890681-WS may be closed upon Staff's approval of the tariff sheets.

By Order of the Florida Public Service Commission,  
 this 19th day of JUNE, 1989.

  
 STEVE TRIBBLE, Director  
 Division of Records and Reporting

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