

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of HOMOSOSSA)	DOCKET NO. 890699-WS
UTILITIES, INC for a 1989 price index)	
rate adjustment in Sumter and Citrus)	ORDER NO. 21479
Counties.)	
_____)	ISSUED: 6-29-89

ORDER ACKNOWLEDGING PRICE INDEX RATE ADJUSTMENT

BY THE COMMISSION:

On May 22, 1989, Homosassa Utilities, Inc. (Utility) notified this Commission of its intention to increase rates to its customers in Sumter and Citrus Counties 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 1.0314 and 1.0251 to the existing rate schedules results in increased water and sewer revenues of \$228 and \$177, respectively, for Sumter County. Applying an increase factor of 1.0365 to the existing rate schedules results in increased sewer revenues of \$2,988 for Citrus County. The schedules of our computations are as follows:

SUMTER COUNTY

1989 Price Index Application
Test Year Ended December 31, 1988

	<u>Water</u>	<u>Sewer</u>
1988 Operation and Maintenance Expenses	\$ 7,628	\$ 6,992
Less:		
(1) Pass-through Item: Purchased Power	(2,519)	(3,018)
(2) Rate Case Expense Included in 1988 O & M Expenses	<u>0</u>	<u>0</u>
Costs to be Indexed	\$ 5,109	\$ 3,974
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0435</u>	x <u>.0435</u>
Additional O & M Expenses	\$ 222	\$ 173

DOCUMENT NUMBER-DATE

06470 JUN 29 1989

FPSC-RECORDS/REPORTING

ORDER NO. 21479
DOCKET NO. 890699-WS
PAGE 2

Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>	+ <u>.975</u>
Increase in Revenue	\$ 228	\$ 177
Divide by 1988 Revenues	÷ <u>7,254</u>	+ <u>7,061</u>
Percentage Increase	<u>3.14%</u>	<u>2.51%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0314</u>	<u>1.0251</u>

CITRUS COUNTY

1989 Price Index Application
Test Year Ended December 31, 1988

		<u>Sewer</u>
1988 Operation and Maintenance Expenses		\$ 73,168
Less: (1) Pass-through Item: Purchased Power		(6,196)
(2) Rate Case Expense Included in 1988 O & M Expenses		<u>0</u>
Costs to be Indexed		\$ 66,972
Multiply by Change in GNP Implicit Price Deflator Index		x <u>.0435</u>
Additional O & M Expenses		\$ 2,913
Divide by Expansion Factor for Regulatory Assessment Fees		÷ <u>.975</u>
Increase in Revenue		\$ 2,988
Divide by 1988 Revenues		÷ <u>81,918</u>
Percentage Increase		<u>3.65%</u>
Increase Factor to Apply to Existing Rate Schedules		<u>1.0365</u>

Rates which will allow the Utility to recognize these increases are as follows:

SUMTER COUNTY

WATER (3.14% INCREASE)
Monthly Rates

	<u>Existing</u>	<u>New</u>
First 5,000 Gallons	\$ 7.50	\$ 7.74
Gallonage Charge Per 1,000 Gallons Over 5,000 Gallons	\$.75	\$.77
Customer Charge	\$ 1.50	\$ 1.55

ORDER NO. 21479
DOCKET NO. 890699-WS
PAGE 3

SEWER (2.51% INCREASE)
Monthly Rates

Residential Service

	<u>Existing</u>	<u>New</u>
Flat Rate	\$ 7.50	\$ 7.69
Monthly Charge	\$ 1.50	\$ 1.54

CITRUS COUNTY

SEWER (3.65% INCREASE)
Monthly Rates

Residential and Multi-Residential Service

	<u>Existing</u>	<u>New</u>
Flat Rate	\$ 15.00	\$ 15.55

General Service

<u>Flat Rate</u>	<u>Existing</u>	<u>New</u>
Sportsman Lodge	\$ 120.00	\$ 124.38
Riverside Villas	\$ 460.00	\$ 476.79
Yardarm Restaurant	\$ 460.00	\$ 476.79

It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing application of Homosassa Utilities, Inc., 6608 Walton Way, Tampa, Florida 33610, 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 July 21, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDERED that Docket No. 890699-WS shall be closed upon approval of the revised tariff sheets.

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

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

ALC

by: Kay Flynn
Chief, Bureau of Records