

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of ORTEGA UTILITY)	DOCKET NO. 890713-WS
COMPANY for a 1989 price index)	ORDER NO. 21508
rate adjustment in Duval County.)	ISSUED: 7-5-89
_____)	

ORDER ACKNOWLEDGING PRICE INDEX RATE ADJUSTMENT

BY THE COMMISSION:

On May 23, 1989, Ortega Utility Company (Utility) notified this Commission of its intention to increase rates to its customers in Duval 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 1.0163 and 1.0213 to the existing rate schedules results in increased water and sewer revenues of \$6,127 and \$9,332, 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	\$ 161,515	\$ 302,281
Less:		
(1) Pass-through Items:		
(a) Purchased Power	(24,190)	(44,180)

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(b) Purchased Water	0	0
(c) Purchased Sewage Treatment	0	(48,938)
(2) Rate Case Expense Included in 1988 O & M Expenses	<u>0</u>	<u>0</u>
Costs to be Indexed	\$ 137,325	\$ 209,163
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0435</u>	x <u>.0435</u>
Additional O & M Expenses	\$ 5,974	\$ 9,099
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>	÷ <u>.975</u>
Increase in Revenue	\$ 6,127	\$ 9,332
Divide by 1988 Annualized Revenues	÷ <u>374,795</u>	÷ <u>438,821</u>
Percentage Increase	<u>1.63%</u>	<u>2.13%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0163</u>	<u>1.0213</u>

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

WATER (1.63% INCREASE)
Quarterly Rates
Residential and General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 15.70	\$ 15.96
1"	\$ 39.24	\$ 39.88
1-1/2"	\$ 78.48	\$ 79.76
2"	\$ 125.57	\$ 127.62
3"	\$ 251.13	\$ 255.22
4"	\$ 392.40	\$ 398.80
6"	\$ 784.79	\$ 797.58
<u>Gallonage Charge</u> Per 1,000 Gallons	\$.90	\$.91

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Unmetered Duplexes - Herlong System

	<u>Existing</u>	<u>New</u>
Flat Rate Per Duplex	\$ 58.88	\$ 59.84

SEWER (2.13% INCREASE)
Quarterly Rates
Residential Service

<u>Meter Size</u>	<u>Existing</u>	<u>New</u>
All Meter Sizes	\$ 17.61	\$ 17.99
<u>Gallage Charge</u> Per 1,000 Gallons (Maximum 30,000 Gallons)	\$ 1.00	\$ 1.02
Minimum Bill	\$ 17.61	\$ 17.99
Maximum Bill	\$ 47.61	\$ 48.59

Unmetered Duplexes - Herlong System

	<u>Existing</u>	<u>New</u>
Flat Rate Per Duplex	\$ 65.68	\$ 67.08

General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 17.61	\$ 17.99
1"	\$ 44.02	\$ 44.96
1-1/2"	\$ 88.03	\$ 89.91
2"	\$ 140.85	\$ 143.85
3"	\$ 281.70	\$ 287.70
4"	\$ 440.15	\$ 449.53
6"	\$ 880.31	\$ 899.06
<u>Gallage Charge</u> Per 1,000 Gallons (No Minimum)	\$ 1.19	\$ 1.22

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It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing application of Ortega Utility Company, 6957 Lillian Road, Suite No. 5, Jacksonville, Florida 32211, is hereby acknowledged. It is further

ORDERED that the rates contained herein shall become effective for service rendered on or after July 22, 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. 890713-WS may be closed upon Staff's approval of the tariff sheets.

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


STEVE TRIBBLE, Director
Division of Records and Reporting

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