

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of FOUNTAIN LAKES)	DOCKET NO. 890806-SU
SEWER CORPORATION for a 1989 price)	ORDER NO. 21593
index rate adjustment in Marion County.)	ISSUED: 7-21-89

ORDER ACKNOWLEDGING PRICE INDEX RATE ADJUSTMENT

BY THE COMMISSION:

On June 19, 1989, Fountain Lakes Sewer Corporation (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 an increase factor of 1.0271 to the existing rate schedules results in increased sewer revenues of \$1,858. The schedule of our computation is as follows:

1989 Price Index Application
Test Year Ended December 31, 1988

	<u>Sewer</u>
1988 Operation and Maintenance Expenses	\$ 48,637
Less: (1) Pass-through Item: Purchased Power	(6,975)
(2) Rate Case Expense Included in 1988 O & M Expenses	<u>0</u>

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Costs to be Indexed	\$ 41,662
Multiply by Change in GNP Implicit Price Deflator Index	x .0435
Additional O & M Expenses	\$ 1,812
Divide by Expansion Factor for Regulatory Assessment Fees	÷ .975
Increase in Revenue	\$ 1,858
Divide by 1988 Annualized Revenues	÷ 68,595
Percentage Increase	<u>2.71%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0271</u>

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

SEWER (2.71% INCREASE)

Residential Service
Bi-Monthly Rates

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 19.80	\$ 20.34
<u>Gallonage Charge</u> Per 1,000 Gallons (Maximum of 16,000 Gallons)	\$ 1.89	\$ 1.94

Multi-Residential Service
Monthly and Bi-Monthly Rates

<u>Base Facility Charge</u> <u>Per Unit</u>	<u>Existing</u>	<u>New</u>
Monthly	\$ 9.90	\$ 10.17
Bi-Monthly	\$ 19.80	\$ 20.34
<u>Gallonage Charge</u> Per 1,000 Gallons	\$ 2.27	\$ 2.33

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General Service
Bi-Monthly Rates

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 19.80	\$ 20.34
1"	\$ 49.50	\$ 50.84
1-1/2"	\$ 99.00	\$ 101.68
2"	\$ 158.40	\$ 162.69
3"	\$ 316.80	\$ 325.39
4"	\$ 495.00	\$ 508.42
6"	\$ 990.00	\$1,016.83
 <u>Gallonge Charge</u> Per 1,000 Gallons	 \$ 2.27	 \$ 2.33

Monthly Rates

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 9.90	\$ 10.17
1"	\$ 24.75	\$ 25.42
1-1/2"	\$ 49.50	\$ 50.84
2"	\$ 79.20	\$ 81.35
3"	\$ 158.40	\$ 162.69
4"	\$ 247.00	\$ 253.70
6"	\$ 495.00	\$ 508.41
 <u>Gallonge Charge</u> Per 1,000 Gallons	 \$ 2.27	 \$ 2.33

It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing application of Fountain Lakes Service Corporation, 523 South Eighth Street, Minneapolis, Minnesota 55404, is hereby acknowledged. It is further

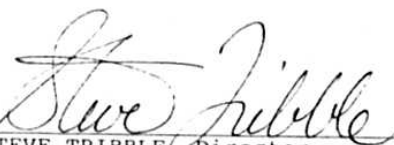
ORDERED that the Utility shall submit revised tariff sheets containing the new rates indicated in this Order. It is further

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ORDERED that the rates contained herein shall become effective for service rendered on or after August 18, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDERED that Docket No. 890806-SU shall be closed upon approval of the revised tariff sheets.

By Order of the Florida Public Service Commission,
this 21st day of July, 1989.


STEVE TRIBBLE, Director
Division of Records and Reporting

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