

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of ALAFAYA PALM)	DOCKET NO. 890957-WS
VALLEY ASSOCIATES, LTD. for a 1989)	
price index rate adjustment in)	ORDER NO. 21856
Seminole County.)	
_____)	ISSUED: 9-8-89

ORDER ACKNOWLEDGING PRICE INDEX RATE ADJUSTMENT

BY THE COMMISSION:

On July 20, 1989, Alafaya Palm Valley Associates, Inc. (Utility) notified this Commission of its intention to increase rates to its customers in Seminole 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 September 15, 1989, 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 1.0178 and 1.0254 to the existing rate schedules results in increased water and sewer revenues of \$724 and \$1,080, 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	\$ 23,281	\$ 28,304
Less:		
(1) Pass-through Items:		
(a) Purchased Power	(5,930)	(4,106)
(b) Purchased Water	(1,112)	0

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09047 SEP-8 1989

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(2) Rate Case Expense Included in 1988 O & M Expenses	<u>0</u>	<u>0</u>
Costs to be Indexed	\$ 16,239	\$ 24,198
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0435</u>	x <u>.0435</u>
Additional O & M Expenses	\$ 706	\$ 1,053
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>	÷ <u>.975</u>
Increase in Revenue	\$ 724	\$ 1,080
Divide by 1988 Booked Revenues	+ <u>40,708</u>	+ <u>42,453</u>
Percentage Increase	<u>1.78%</u>	<u>2.54%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0178</u>	<u>1.0254</u>

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

WATER (1.78% INCREASE)
Monthly Rates

	<u>Residential Service</u>	
	<u>Existing</u>	<u>New</u>
First 2,000 Gallons, Minimum Charge	\$ 2.50	\$ 2.54
Gallonge Charge Per 1,000 Gallons Above Minimum	\$.50	\$.51

General Service
 (Mobile Home Park Only)

	<u>Existing</u>	<u>New</u>
Gallonge Charge Per 1,000 Gallons	\$.50	\$.51

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SEWER (2.54% INCREASE)
Monthly Rates

Residential Service

	<u>Existing</u>	<u>New</u>
Flat Rate	\$ 7.50	\$ 7.69

General Service
(Mobile Home Park Only)

Gallonge Charge Per 1,000 Gallons	\$.50	\$.51
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It is, therefore,

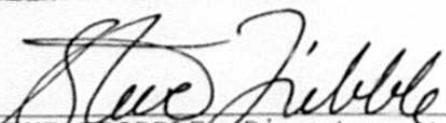
ORDERED by the Florida Public Service Commission that the indexing application of Alafaya Palm Valley Associates, Ltd., 3751 Alafaya Trail, Oviedo, Florida 32765 is hereby acknowledged. It is further

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 September 20, 1989 subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDERED that Docket No. 890957-WS shall be closed upon approval of the revised tariff sheets.

By Order of the Florida Public Service Commission,
this 8th day of SEPTEMBER, 1989.



STEVE TRIBBLE, Director
Division of Records and Reporting

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