

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of TYMBER CREEK)	DOCKET NO. 891076-WS
UTILITIES for a 1989 price index)	ORDER NO. 21859
rate adjustment in Volusia County.)	ISSUED: 9-8-89
)	

ORDER ACKNOWLEDGING PRICE INDEX RATE ADJUSTMENT

BY THE COMMISSION:

On August 22, 1989, Tymber Creek Utilities (Utility) notified this Commission of its intention to increase rates to its customers in Volusia 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 1.0278 and 1.0241 to the existing rate schedules results in increased water and sewer revenues of \$913 and \$1,286, 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	\$ 27,693	\$ 36,066
Less: (1) Pass-through Item: Purchased Power	(7,232)	(7,232)

DOCUMENT NUMBER-DATE
09057 SEP -8 1989
FPSC-RECORDS/REPORTING

ORDER NO. 21859
 DOCKET NO. 891076-WS
 PAGE 2

(2) Rate Case Expense Included in 1988 O & M Expenses	<u>0</u>	<u>0</u>
Costs to be Indexed	\$ 20,461	\$ 28,834
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0435</u>	x <u>.0435</u>
Additional O & M Expenses	\$ 890	\$ 1,254
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>	÷ <u>.975</u>
Increase in Revenue	\$ 913	\$ 1,286
Divide by 1988 Annualized Revenues	÷ <u>32,832</u>	÷ <u>53,318</u>
Percentage Increase	<u>2.78%</u>	<u>2.41%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0278</u>	<u>1.0241</u>

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

WATER (2.78% INCREASE)
Monthly Rates

Residential Service

	<u>Existing</u>	<u>New</u>
First 2,000 Gallons	\$ 3.73	\$ 3.83
Gallonage Charge Per 1,000 Gallons	\$.80	\$.82

ORDER NO. 21859
 DOCKET NO. 891076-WS
 PAGE 3

General Service

<u>Meter Size</u>	<u>Existing</u>	<u>New</u>
<u>5/8" x 3/4"</u>		
Minimum First 2,000 Gallons	\$ 3.73	\$ 3.83
Per 1,000 Gallons Thereafter	\$.80	\$.82
<u>1"</u>		
Minimum First 5,000 Gallons	\$ 11.74	\$ 12.07
Per 1,000 Gallons Thereafter	\$ 1.01	\$ 1.04
<u>1-1/2"</u>		
Minimum First 10,000 Gallons	\$ 23.45	\$ 24.10
Per 1,000 Gallons Thereafter	\$ 1.01	\$ 1.04
<u>2"</u>		
Minimum First 16,000 Gallons	\$ 37.33	\$ 38.37
Per 1,000 Gallons Thereafter	\$ 1.01	\$ 1.04

SEWER (2.41% INCREASE)
Monthly Rates

Residential and General Service

	<u>Existing</u>	<u>New</u>
Flat Rate	\$ 13.71	\$ 14.04

ORDER NO. 21859
DOCKET NO. 891076-WS
PAGE 4

It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing application of Tymber Creek Utilities, Highway 40, Rt. 2, Ormond Beach, Florida 32074 is hereby acknowledged. It is further

ORDERED that the rates contained herein shall become effective for service rendered on or after October 21, 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. 891076-WS may be closed upon Staff's approval of the tariff sheets.

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

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

ALC

by: Kay Flynn
Chief, Bureau of Records