

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of MILES GRANT)	DOCKET NO. 891017-WS
WATER AND SEWER COMPANY)	
for a 1989 price index rate)	ORDER NO. 21933
adjustment in Martin County.)	
)	ISSUED: 9-21-89

ORDER ACKNOWLEDGING PRICE INDEX RATE ADJUSTMENT

BY THE COMMISSION:

On August 4, 1989, Miles Grant Water and Sewer Company (Utility), a division of Utilities Inc. of Florida, notified this Commission of its intention to increase rates to its customers in Martin 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. However, on July 26, 1989, Miles Grant filed a limited proceeding to increase its sewer rates, which is being handled in Docket No. 890978-SU. The Utility does not intend to implement this index until the conclusion of the limited proceeding.

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.

Although we are acknowledging the price index rate adjustment, the rates will not be calculated until the conclusion of the limited proceeding in Docket No. 890978-SU. At that time rates will be set which will result in the increased water and sewer revenues shown in the following schedule:

DOCUMENT NUMBER-DATE

09494 SEP 21 1989

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1989 Price Index Application
Test Year Ended December 31, 1988

	<u>Water</u>	<u>Sewer</u>
1988 Operation and Maintenance Expenses	\$ 108,366	\$ 131,742
Less:		
(1) Pass-through Items:		
(a) Purchased Power	(9,262)	(18,076)
(b) Purchased Water	0	0
(c) Purchased Sewage Treatment	0	0
(d) DER Required Water Testing*	(925)	0
(2) Rate Case Expense Included in 1988 O & M Expenses	(<u>7,317</u>)	(<u>7,144</u>)
Costs to be Indexed	\$ 90,862	\$ 106,522
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0435</u>	x <u>.0435</u>
Additional O & M Expenses	\$ 3,952	\$ 4,634
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>	÷ <u>.975</u>
Increase in Revenue	\$ <u>4,053</u>	\$ <u>4,753</u>

*Testing for organic contaminants per DER Rules 17-550.310(2) and 17-550.410, F.A.C.

It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing application of Miles Grant Water and Sewer Service, 2335 Sanders Road, Northbrook, Illinois 60062, is hereby acknowledged. It is further

ORDERED that the price index rate adjustment shall be calculated upon the conclusion of the limited proceeding in Docket No. 890978-SU. It is further

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ORDERED that Docket No. 891017-WS shall remain open for calculation of the price index at the conclusion of the limited proceeding.

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

STEVE TRIBBLE, Director
Division of Records and Reporting

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by: Kay Ferguson
Chief, Bureau of Records