

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of LAKE SUZY	)	DOCKET NO. 891066-WS
UTILITIES, INC., for a 1989 price	)	
index rate adjustment in DeSoto	)	ORDER NO. 21988
County.	)	
	)	ISSUED: 10-3-89

ORDER ACKNOWLEDGING PRICE INDEX RATE ADJUSTMENT

BY THE COMMISSION:

On August 21, 1989, Lake Suzy Utilities, Inc. (Lake Suzy or Utility) notified this Commission of its intention to increase rates to its customers in DeSoto 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 1.0309 and 1.0358 to the existing rate schedules results in increased water and sewer revenues of \$1,502 and \$810, respectively. The schedule of our computation is as follows:

DOCUMENT NUMBER-DATE  
09909 OCT -3 1989  
FPSC-RECORDS/REPORTING

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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	\$ 53,393	\$ 23,250
Less:		
(1) Pass-through Items:		
(a) Purchased Power	0	( 4,741)
(b) Purchased Water	( 19,730)	0
(c) Purchased Sewage Treatment	0	( 356)
(2) Rate Case Expense Included in 1988 O & M Expenses	<u>0</u>	<u>0</u>
Costs to be Indexed	\$ 33,663	\$ 18,153
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0435</u>	x <u>.0435</u>
Additional O & M Expenses	\$ 1,464	\$ 790
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>	÷ <u>.975</u>
Increase in Revenue	\$ 1,502	\$ 810
Divide by 1988 Annualized Revenues	÷ <u>48,541</u>	÷ <u>22,641</u>
Percentage Increase	<u>3.09%</u>	<u>3.58%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0309</u>	<u>1.0358</u>

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

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WATER (3.09% INCREASE)

Monthly 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"	\$ 8.09	\$ 8.34
1"	\$ 19.42	\$ 20.02
1-1/2"	\$ 38.85	\$ 40.05
2"	\$ 62.91	\$ 64.86

<u>Gallage Charge</u> <u>Per 1,000 Gallons</u>		
0-8,000 Gallons	\$ 1.69	\$ 1.74
Over 8,000 Gallons	\$ 2.96	\$ 3.05

SEWER (3.58% INCREASE)

Monthly Rate

Residential Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
All Meter Sizes	\$ 12.23	\$ 12.67

<u>Gallage Charge</u> <u>Per 1,000 Gallons</u> <u>(10,000 Gallons Maximum)</u>		
	\$ 1.80	\$ 1.86
Minimum Bill	\$ 12.23	\$ 12.67
Maximum Bill	\$ 30.23	\$ 31.27

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General Service

<u>Base Facility Charge Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 12.23	\$ 12.67
1"	\$ 29.35	\$ 30.40
1-1/2"	\$ 58.70	\$ 60.80
2"	\$ 95.06	\$ 98.46
 <u>Gallonaqe Charge</u> Per 1,000 Gallons (No Maximum)	 \$ 2.15	 \$ 2.23

It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing application of Lake Suzy Utilities, Inc., 910 Kings Highway, Lake Suzy, Florida 33821 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 October 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. 891066-WS shall be closed upon approval of the revised tariff sheets.

By Order of the Florida Public Service Commission,  
this 3rd day of October, 1989.

  
STEVE TRIBBLE, Director  
Division of Records and Reporting

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