

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of NORTH BEACH)	DOCKET NO. 891048-WS
UTILITIES, INC. for a 1989 price index)	ORDER NO. 21994
rate adjustment in St. Johns County.)	ISSUED: 10-5-89
_____)		

ORDER ACKNOWLEDGING PRICE INDEX RATE ADJUSTMENT

BY THE COMMISSION:

On August 15, 1989, North Beach Utilities, Inc. (Utility) notified this Commission of its intention to increase rates to its customers in St. Johns 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 October 10, 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 1.0258 and 1.0359 to the existing rate schedules results in increased water and sewer revenues of \$3,116 and \$3,461, 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	\$ 77,415	\$ 67,675
Less:		
(1) Pass-through Items:		
(a) Purchased Power	(6,769)	(7,714)

DOCUMENT NUMBER-DATE
09958 OCT -5 1989
FPSC-RECORDS/REPORTING

ORDER NO. 21994
 DOCKET NO. 891048-WS
 Page 2

(b) Purchased Water	0	0
(c) Purchased Sewage Treatment	0	0
(d) DER Required Water Testing* (815)	0
(2) Rate Case Expense Included in 1988 O & M Expenses	0	0
(3) Adjustment to O & M Expenses from last rate case, if applicable	(_____)	(4,800)
Costs to be Indexed	\$ 69,831	\$ 55,161
Multiply by Change in GNP Implicit Price Deflator Index	x .0435	x .0435
Additional O & M Expenses	\$ 3,038	\$ 2,399
Divide by Expansion Factor for Regulatory Assessment Fees	÷ .975	÷ .975
Increase in Revenue	\$ 3,116	\$ 2,461
Divide by 1988 Annualized Revenues	÷ 120,989	÷ 68,457
Percentage Increase	<u>2.58%</u>	<u>3.59%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0258</u>	<u>1.0359</u>

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

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

ORDER NO. 21994
DOCKET NO. 891048-WS
Page 3

WATER (2.58% INCREASE)
Monthly Rates

Residential, Multi-Residential and General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 9.97	\$ 10.23
3/4"	\$ 14.96	\$ 15.35
1"	\$ 24.93	\$ 25.57
1-1/2"	\$ 49.85	\$ 51.14
2"	\$ 79.76	\$ 81.82
3"	\$ 159.52	\$ 163.64
4"	\$ 249.25	\$ 255.68
6"	\$ 498.50	\$ 511.36

<u>Gallage Charge</u> <u>Per 1,000 Gallons</u>	<u>Existing</u>	<u>New</u>
	\$.91	\$.93

SEWER (3.59% INCREASE)
Monthly Rate

Residential Service

	<u>Existing</u>	<u>New</u>
Flat Rate	\$ 23.51	\$ 24.35

General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 8.61	\$ 8.92
3/4"	\$ 12.92	\$ 13.38
1"	\$ 21.53	\$ 22.30
1-1/2"	\$ 43.05	\$ 44.60
2"	\$ 68.88	\$ 71.35
3"	\$ 137.76	\$ 142.71
4"	\$ 215.25	\$ 222.98
6"	\$ 430.50	\$ 445.95

<u>Gallage Charge</u> <u>Per 1,000 Gallons</u>	<u>Existing</u>	<u>New</u>
	\$ 1.83	\$ 1.90

ORDER NO. 21994
DOCKET NO. 891048-WS
Page 4

It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing application of North Beach Utilities, Inc., 4125 Coastal Highway, St. Augustine, Florida, 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 14, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDERED that Docket No. 891048-WS shall be closed upon approval of the revised tariff sheets.

By Order of the Florida Public Service Commission,
this 5th day of OCTOBER, 1989.



STEVE TRIBBLE, Director
Division of Records and Reporting

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