

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

|                                  |   |                      |
|----------------------------------|---|----------------------|
| In re: Application of KW RESORT  | ) | DOCKET NO. 890993-SU |
| UTILITIES CORPORATION for a 1989 | ) |                      |
| price index rate adjustment in   | ) | ORDER NO. 22009      |
| Monroe County.                   | ) |                      |
| <hr/>                            |   | ISSUED: 10-5-89      |

ORDER ACKNOWLEDGING PRICE INDEX RATE ADJUSTMENT

BY THE COMMISSION:

On July 27, 1989, KW Resort Utilities Corporation (KW Resort or Utility) notified this Commission of its intention to increase rates to its customers in Monroe County by application of the price-indexing provisions of Section 367.081(4)(a), Florida Statutes, and Rule 25-30.420, Florida Administrative Code. The application, as filed, did not meet the requirements of Commission Rules. KW Resort filed revised tariff sheets on August 25, 1989, and that date has been designated as the official filing date.

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 an increase factor of 1.0378 to the existing rate schedules results in increased sewer revenues of \$7,183. The schedule of our computation is as follows:

DOCUMENT NUMBER-DATE

09975 OCT -5 1989

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1989 Price Index Application  
Test Year Ended December 31, 1988

|  | <u>Sewer</u>     |
|--|------------------|
| 1988 Operation and Maintenance Expenses                      | \$ 194,173       |
| Less:  |                  |
| (1) Pass-through Item:<br>Purchased Power                    | ( 33,708)        |
| (2) Rate Case Expense Included<br>in 1988 O & M Expenses     | <u>0</u>         |
| Costs to be Indexed  | \$ 161,005       |
| Multiply by Change in GNP Implicit<br>Price Deflator Index   | x <u>.0435</u>   |
| Additional O & M Expenses                                    | \$ 7,004         |
| Divide by Expansion Factor for<br>Regulatory Assessment Fees | ÷ <u>.975</u>    |
| Increase in Revenue  | \$ 7,183         |
| Divide by 1988 Revenues                                      | ÷ <u>190,032</u> |
| Percentage Increase  | <u>3.78%</u>     |
| Increase Factor to Apply to<br>Existing Rate Schedules       | <u>1.0378</u>    |

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

SEWER (3.78% INCREASE)  
Monthly Rate (Advance Payment)

Residential Service

| <u>Base Facility Charge</u>  | <u>Existing</u> | <u>New</u> |
|------------------------------|-----------------|------------|
| All Meter Sizes<br>Flat Rate | \$ 25.63        | \$ 26.60   |

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Monthly Rates  
General Service

| <u>Base Facility Charge</u><br><u>Meter Size</u> | <u>Existing</u> | <u>New</u> |
|--|-----------------|------------|
| 5/8"   | \$ 19.48        | \$ 20.21   |
| 1"   | \$ 47.38        | \$ 49.17   |
| 2"   | \$ 145.55       | \$ 151.05  |
| 3"   | \$ 288.33       | \$ 299.23  |
| 4"   | \$ 448.98       | \$ 465.95  |
| <br><u>Gallonge Charge</u>                       |                 |            |
| Per 1,000 Gallons                                | \$ 2.15         | \$ 2.23    |

Monthly Rates  
Private Lift Station

| <u>Base Facility Charge</u><br><u>Meter Size</u> | <u>Existing</u> | <u>New</u> |
|--|-----------------|------------|
| 5/8"   | \$ 20.60        | \$ 21.38   |
| 1"   | \$ 47.38        | \$ 49.17   |
| 2"   | \$ 145.55       | \$ 151.05  |
| <br><u>Gallonge Charge</u>                       |                 |            |
| Per 1,000 Gallons                                | \$ 1.74         | \$ 1.80    |

It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing application of KW Resort Utilities Corporation, Post Office Box 2125, 6630 Front Street, Key West, Florida 33045 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 24, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

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ORDERED that Docket No. 890993-SU 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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