

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of COUNTYWIDE	)	DOCKET NO. 891094-WU
UTILITY COMPANY for 1989 price index	)	
and pass-through rate adjustment in	)	ORDER NO. 22051
Marion County.	)	
<hr/>		ISSUED: 10-13-89

ORDER ACKNOWLEDGING INDEXING  
AND PASS-THROUGH RATE ADJUSTMENTS

BY THE COMMISSION:

On August 29, 1989, Countywide Utility Company (Utility) notified this Commission of its intention to increase rates to its customers in Marion County by application of the price-indexing and pass-through provisions of Subsections 367.081(4)(a) and (b), Florida Statutes, respectively, and Rules 25-30.420 and 25-30.425, Florida Administrative Code, respectively.

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.

The Utility also intends to pass through to its customers an increase in its property taxes. The Utility waived its right to place the pass-through rates into effect thirty days from the filing date of this notice and states that these rates are to become effective simultaneously with the indexing adjustment.

The documentation submitted by the Utility in support of its indexing and pass-through notice meets the Commission's requirements, as set forth in Rules 25-30.420 and 25-30.425, Florida Administrative Code. In compliance with said rules, the Utility advised us that it will provide notice to its customers on October 12, 1989, informing them of the impending rate adjustment and explaining that the increase is due to the pass-through provisions and the application of the price index to certain operation and maintenance expenses.

DOCUMENT NUMBER-DATE

10167 OCT 13 1989

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Applying an increase factor of 1.0460 to the existing rate schedules results in increased water revenues of \$1,501. The schedules of our computations are as follows:

1989 Price Index and Pass-Through Application  
Test Year Ended December 31, 1988

	<u>Water</u>
1988 Operation and Maintenance Expenses	\$ 31,773
Less:	
(1) Pass-through Item: Purchased Power	( 3,121)
(2) Rate Case Expense Included in 1988 O & M Expenses	<u>0</u>
Costs to be Indexed	\$ 28,652
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0435</u>
Additional O & M Expenses	\$ 1,246
Pass-through Item: Increase in Property Taxes	\$ <u>218</u>
Total Increased Expenses	\$ 1,464
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>
Increase in Revenue	\$ 1,501
Divide by 1988 Annualized Revenues	÷ <u>32,640</u>
Percentage Increase	<u>4.60%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0460</u>

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

WATER (4.60% Increase)  
Monthly Rate

Residential Service

	<u>Existing</u>	<u>New</u>
First 3,750 Gallons Minimum Charge	\$ 8.81	\$ 9.22
Gallonage Charge Per 1,000 Gallons above minimum		
3,750 to 22,500 Gallons	\$ 1.25	\$ 1.31
Over 22,500 Gallons	\$ .67	\$ .70

It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing and pass-through application of Countywide Utility Company, Post Office Box 1476, Ocala, Florida 32673, 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 28, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDERED that Docket No. 891094-WU shall be closed upon approval of the revised tariff sheets.

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By Order of the Florida Public Service Commission,  
this 13th day of OCTOBER, 1989.

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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

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by: Kay Flynn  
Chief, Bureau of Records