

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Longwood Utilities, Inc. for a 1988 price index rate adjustment in Seminole County.	)	DOCKET NO. 890395-SU
	)	
	)	ORDER NO. 21167
	)	ISSUED: 5-4-89

ORDER ACKNOWLEDGING PRICE INDEX RATE ADJUSTMENT

BY THE COMMISSION:

On March 16, 1989, Longwood Utilities, Inc. notified this Commission of its intention to increase rates to its customers in Seminole 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. 19073, issued by this Commission on March 31, 1988, in Docket No. 880005-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 2.89 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 1.0168 to the existing rate schedules results in increased sewer revenues of \$7,325. The schedule of our computation is as follows:

1988 Price Index Application  
Test Year Ended December 31, 1987

	<u>Water</u>
1987 Operation and Maintenance Expenses	\$ 308,217
Less: (1) Pass-through Item: Purchased Power	( 61,085)
(2) Rate Case Expense Included in 1987 O & M Expenses	0
(3) Adjustment to O & M Expenses from last rate case, if applicable	<u>0</u>
Costs to be Indexed	\$ 247,132
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0289</u>
Additional O & M Expenses	\$ 7,142
Divide by Expansion Factor for Regulatory Assessment Fees	+ <u>.975</u>
Increase in Revenue	\$ 7,325
Divide by 1987 Annualized Revenues	÷ <u>434,781</u>

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Percentage Increase 1.68%  
Increase Factor to Apply to Existing Rate Schedules 1.0168

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

SEWER (1.68% INCREASE)  
Monthly Rate

Residential Service

<u>Meter Size</u>	<u>Existing</u>	<u>New</u>
All Meter Sizes - Flat Rate	\$ 23.25	\$ 23.64

General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 10.19	\$ 10.36
1"	\$ 25.48	\$ 25.91
1-1/2"	\$ 50.95	\$ 51.81
2"	\$ 81.52	\$ 82.89
3"	\$ 163.04	\$ 165.78

<u>Gallorage Charge</u> <u>Per 1,000 Gallons</u>	<u>Existing</u>	<u>New</u>
	\$ 1.88	\$ 1.91

It is, therefore,


ORDERED by the Florida Public Service Commission that the indexing application of Longwood Utilities, Inc., 101 Wymore Road, Suite 400,, Altamonte Springs, Florida 32714, 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 May 15, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDERED that Docket No. 890395-SU shall be closed upon approval of the revised tariff sheets.

By Order of the Florida Public Service Commission, this 4th day of MAY, 1989.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

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