

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of BAYSHORE)	DOCKET NO. 890604-WU
UTILITY, INC. for a 1989 price index)	ORDER NO. 21315
rate adjustment in Lee County.)	ISSUED: 6-2-89

ORDER ACKNOWLEDGING PRICE INDEX RATE ADJUSTMENT

BY THE COMMISSION:

On April 28, 1989, Bayshore Utility, Inc. (Utility) notified this Commission of its intention to increase rates to its customers in Lee 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 an increase factor of 1.0306 to the existing rate schedules results in increased water revenues of \$1,348. The schedule of our computation is as follows:

1989 Price Index Application
Test Year Ended December 31, 1988

	<u>Water</u>
1988 Operation and Maintenance Expenses	\$ 32,350
Less: (1) Pass-through Items:	
Purchased Power	(2,152)
(2) Rate Case Expense Included in 1988 O & M Expenses	<u>0</u>
Costs to be Indexed	\$ 30,198
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0435</u>
Additional O & M Expenses	\$ 1,314
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>
Increase in Revenue	\$ 1,348
Divide by 1988 Booked Revenues	÷ <u>44,115</u>

DOCUMENT NUMBER-DATE

05536 JUN -2 1989

FPSC-RECORDS/REPORTING

ORDER NO. 21315
DOCKET NO. 890604-WU
Page 2

Percentage Increase 3.06%

Increase Factor to Apply to
Existing Rate Schedules 1.0306

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

<u>WATER (3.06% INCREASE)</u>		
<u>Monthly Rate</u>		
	<u>Existing</u>	<u>New</u>
<u>Base Facility Charge</u>		
<u>Meter Size</u>		
5/8" x 3/4"	\$ 11.31	\$ 11.66
Full 3/4"	\$ 16.98	\$ 17.50
1"	\$ 28.29	\$ 29.16
2"	\$ 57.11	\$ 58.86
<u>Gallorage Charge</u>		
Per 1,000 Gallons	\$ 2.21	\$ 2.28

It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing application of Bayshore Utility, Inc., 1628 Ardmore Road, Fort Myers, Florida, 33901, 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 June 27, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDERED that Docket No. 890604-WU shall be closed upon approval of the revised tariff sheets.

By Order of the Florida Public Service Commission,
this 2nd day of June, 1989.

STEVE TRIBBLE, Director
Division of Records and Reporting

by Kay Flynn
Chief, Bureau of Records

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