

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of MARION OAKS)	DOCKET NO. 890628-WS
UTILITIES for a 1989 price index rate)	ORDER NO. 21683
adjustment in Marion County, Florida.)	ISSUED: 8-4-89
_____)	

ORDER ACKNOWLEDGING PRICE INDEX RATE ADJUSTMENT

BY THE COMMISSION:

On May 3, 1989, Marion Utilities, Inc. (Utility) notified this Commission of its intention to increase rates to its customers in Marion County by application of the price-indexing provisions of Section 367.081(4)(a), Florida Statutes, and Rule 25-30.420, Florida Administrative Code. Since the Utility's 1988 Annual Report contained deficiencies, processing of this application was deferred pending correction of the Annual Report. Corrections were received on June 12, 1989, and that date has been established 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 increase factors of 1.0173 and 1.0166 to the existing rate schedules results in increased water and sewer revenues of \$5,187 and \$5,913, respectively. The schedule of our computation is as follows:

DOCUMENT NUMBER-DATE
07902 AUG -4 1989
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1989 Price Index Application
Test Year Ended December 31, 1988

	<u>Water</u>	<u>Sewer</u>
1988 Operation and Maintenance Expenses	\$ 146,113	\$ 174,329
Less:		
(1) Pass-through Item: Purchased Power	(8,541)	(21,879)
(2) Rate Case Expense Included in 1988 O & M Expenses	(5,352)	(4,109)
(3) Adjustment to O & M Expenses from last rate case, if applicable	(<u>15,971</u>)	(<u>15,812</u>)
Costs to be Indexed	\$ 116,249	\$ 132,529
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0435</u>	x <u>.0435</u>
Additional O & M Expenses	\$ 5,057	\$ 5,765
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>	÷ <u>.975</u>
Increase in Revenue	\$ 5,187	\$ 5,913
Divide by 1988 Annualized Revenues	÷ <u>299,226</u>	÷ <u>356,515</u>
Percentage Increase	<u>1.73%</u>	<u>1.66%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0173</u>	<u>1.0166</u>

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

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WATER (1.73% INCREASE)
Monthly Rate

Residential and General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 5.01	\$ 5.10
1"	\$ 11.58	\$ 11.78
1-1/2"	\$ 22.51	\$ 22.90
2"	\$ 35.63	\$ 36.25
3"	\$ 70.62	\$ 71.84
4"	\$ 109.99	\$ 111.89
6"	\$ 219.35	\$ 223.14
<u>Gallonage Charge</u> Per 1,000 Gallons	\$ 1.59	\$ 1.62

SEWER (1.66% INCREASE)
Monthly Rate

Residential Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
All Meter Sizes	\$ 8.96	\$ 9.11
<u>Gallonage Charge</u> Per 1,000 Gallons (Maximum 10,000 Gallons)	\$ 3.54	\$ 3.60

General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 8.96	\$ 9.11
1"	\$ 21.90	\$ 22.26
1-1/2"	\$ 43.46	\$ 44.18
2"	\$ 69.33	\$ 70.48
3"	\$ 138.33	\$ 140.63
4"	\$ 215.95	\$ 219.53
6"	\$ 431.57	\$ 438.73
<u>Gallonage Charge</u> Per 1,000 Gallons	\$ 4.26	\$ 4.33

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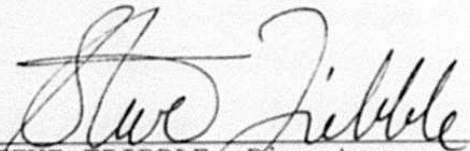
It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing application of Marion Oaks Utilities, 14170 S.W. 39th Avenue, Ocala, Florida, is hereby acknowledged. It is further

ORDERED that the rates contained herein shall become effective for service rendered on or after August 11, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDERED that Docket No. 890628-WS may be closed upon Staff's approval of the tariff sheets.

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



STEVE TRIBBLE, Director
Division of Records and Reporting

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