

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of FLORIDA PUBLIC)	DOCKET NO. 890717-WU
UTILITIES COMPANY for a 1989 price)	
index rate adjustment in Nassau)	ORDER NO. 21759
County.)	
_____)	ISSUED: 8-21-89

ORDER ACKNOWLEDGING PRICE INDEX RATE ADJUSTMENT

BY THE COMMISSION:

On May 25, 1989, Florida Public Utilities Company (Utility) notified this Commission of its intention to increase rates to its customers in Nassau 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 29, 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 an increase factor of 1.0187 to the existing rate schedules results in increased water revenues of \$21,449. The schedule of our computation is as follows:

DOCUMENT NUMBER-DATE
08446 AUG 21 1989
FPSC-RECORDS/REPORTING

ORDER NO. 21759
 DOCKET NO. 890717-WU
 PAGE 2

1989 Price Index Application
Test Year Ended December 31, 1988

	<u>Water</u>
1988 Operation and Maintenance Expenses	\$ 586,670
Less:	
(1) Pass-through Item: Purchased Power	(105,905)
(2) Rate Case Expense Included in 1988 O & M Expenses	<u>0</u>
Costs to be Indexed	\$ 480,765
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0435</u>
Additional O & M Expenses	\$ 20,913
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>
Increase in Revenue	\$ 21,449
Divide by 1988 Annualized Revenues	÷ <u>1,147,424</u>
Percentage Increase	<u>1.87%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0187</u>

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

ORDER NO. 21759
 DOCKET NO. 890717-WU
 PAGE 3

WATER (1.87% INCREASE)
Monthly Rates

General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8"	\$ 6.68	\$ 6.80
1"	\$ 15.10	\$ 15.38
2"	\$ 46.00	\$ 46.86
3"	\$ 90.93	\$ 92.63
4"	\$ 169.58	\$ 172.75
<u>Commodity Charge</u> All CCF Used	\$.68	\$.69

Fire Hydrant Service
Monthly Rates

<u>Hydrant Size</u>	<u>Existing</u>	<u>New</u>
4"	\$ 57.23	\$ 58.30
6"	\$ 87.19	\$ 88.82
8"	\$ 118.09	\$ 120.30

Automatic Sprinkler System Service
Monthly Rates

<u>Fire Lane Size</u>	<u>Existing</u>	<u>New</u>
4"	\$ 57.23	\$ 58.30
6"	\$ 118.09	\$ 120.30
8"	\$ 150.86	\$ 153.68
10"	\$ 216.39	\$ 220.44

It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing application of Florida Public Utilities Company, Post

ORDER NO. 21759
DOCKET NO. 890717-WU
PAGE 4

Office Drawer C, West Palm Beach, Florida 33402, is hereby acknowledged. It is further

ORDERED that the rates contained herein shall become effective for service rendered on or after August 28, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDERED that the tariff sheets submitted with the Utility's application reflect the rates set forth in this Order, and Docket No. 890717-WU may be closed upon Staff's approval of the tariff sheets.

By Order of the Florida Public Service Commission,
this 21st day of AUGUST, 1989.

STEVE TRIBBLE, Director
Division of Records and Reporting

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by: Kay Flynn
Chief, Bureau of Records