

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of FLORIDA CITIES ) DOCKET NO. 891077-WS  
 WATER COMPANY for a 1989 price index ) ORDER NO. 22011  
 rate adjustment in Brevard County. ) ISSUED: 10-6-89  
 )

ORDER ACKNOWLEDGING PRICE INDEX RATE ADJUSTMENT

BY THE COMMISSION:

On August 22, 1989, Florida Cities Water Company (Utility) notified this Commission of its intention to increase rates to its customers in Brevard 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 increase factors of 1.0256 and 1.0289 to the existing rate schedules results in increased water and sewer revenues of \$12,466 and \$11,474, respectively. The schedule of our computation is as follows:

1989 Price Index Application  
Test Year Ended December 31, 1988

	<u>Water</u>	<u>Sewer</u>
1988 Operation and Maintenance Expenses	\$ 308,538	\$ 301,666
Less:		
(1) Pass-through Items:		
(a) Purchased Power	( 28,477)	( 44,503)
(b) Purchased Water	0	0
(c) DER Required Water Testing*	( 650)	0

DOCUMENT NUMBER-DATE

10027 OCT-6 1989

FPSC-RECORDS/REPORTING

ORDER NO. 22011  
 DOCKET NO. 891077-WS  
 Page 2

(2) Rate Case Expense Included in 1988 O & M Expenses	0	0
Costs to be Indexed	\$ 279,411	\$ 257,163
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0435</u>	x <u>.0435</u>
Additional O & M Expenses	\$ 12,154	\$ 11,187
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>	÷ <u>.975</u>
Increase in Revenue	\$ 12,466	\$ 11,474
Divide by 1988 Annualized Revenues	÷ <u>486,573</u>	÷ <u>396,900</u>
Percentage Increase	<u>2.56%</u>	<u>2.89%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0256</u>	<u>1.0289</u>

\*Testing for organic contaminants per DER Rules 17-550.310(2) and 17-550.410, F.A.C.

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

WATER (2.56% INCREASE)  
Monthly Rates  
Residential and General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 4.51	\$ 4.63
3/4"	\$ 6.76	\$ 6.93
1"	\$ 11.28	\$ 11.57
1-1/2"	\$ 22.52	\$ 23.10
2"	\$ 36.05	\$ 36.97
3"	\$ 72.09	\$ 73.94
4"	\$ 112.64	\$ 115.52
6"	\$ 225.30	\$ 231.07
<u>Gallonage Charge</u> Per 1,000 Gallons	\$ 1.37	\$ 1.41

ORDER NO. 22011  
 DOCKET NO. 891077-WS  
 Page 3

SEWER (2.89% INCREASE)  
Monthly Rate  
Residential Service

	<u>Existing</u>	<u>New</u>
Base Facility Charge	\$ 3.83	\$ 3.94
Gallongae Charge Per 1,000 Gallons (6,000 Gallons Maximum)	\$ 1.41	\$ 1.45
Minimum Monthly Charge	\$ 3.83	\$ 3.94
Maximum Monthly Charge	\$ 12.29	\$ 12.64

General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 3.83	\$ 3.94
3/4"	\$ 5.78	\$ 5.95
1"	\$ 9.61	\$ 9.89
1-1/2"	\$ 19.22	\$ 19.78
2"	\$ 30.74	\$ 31.63
3"	\$ 61.47	\$ 63.25
4"	\$ 96.04	\$ 98.82
6"	\$ 192.09	\$ 197.64
<u>Gallonage Charge</u> Per 1,000 Gallons	\$ 1.41	\$ 1.45

It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing application of Florida Cities Water Company, 500 W. Egret Circle, Barefoot Bay, Florida 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

ORDER NO. 22011  
DOCKET NO. 891077-WS  
Page 4

ORDERED that the rates contained herein shall become effective for service rendered on or after October 20, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDERED that Docket No. 891077-WS shall be closed upon approval of the revised tariff sheets.

By Order of the Florida Public Service Commission,  
this 6th day of OCTOBER, 1989.

  
STEVE TRIBBLE, Director  
Division of Records and Reporting

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