

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of LAKE)	DOCKET NO. 890855-WS
UTILITIES, LTD. for a 1989 price)	
index rate adjustment in Lake)	ORDER NO. 21734
County.)	
)	ISSUED: 8-15-89

ORDER ACKNOWLEDGING PRICE INDEX RATE ADJUSTMENT

BY THE COMMISSION:

On July 3, 1989, Lake Utilities, Ltd. (Utility) notified this Commission of its intention to increase rates to its customers in Lake 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 provided notice to its customers on August 1, 1989, 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 1.0266 and 1.0152 to the existing rate schedules results in increased water and sewer revenues of \$852 and \$810, 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	\$ 27,188	\$ 23,197
Less:		
(1) Pass-through Item: Purchased Power	(8,082)	(5,041)

DOCUMENT NUMBER-DATE

08216 AUG 15 1989

FPSC-RECORDS/REPORTING

ORDER NO: 21734
 DOCKET NO: 890855-WS
 PAGE: 2

(2) Rate Case Expense Included in 1988 O & M Expenses	_____0	_____0
Costs to be Indexed	\$ 19,106	\$ 18,156
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0435</u>	x <u>.0435</u>
Additional O & M Expenses	\$ 831	\$ 790
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>	÷ <u>.975</u>
Increase in Revenue	\$ 852	\$ 810
Divide by 1988 Actual Revenues	÷ <u>32,037</u>	÷ <u>53,188</u>
Percentage Increase	<u>2.66%</u>	<u>1.52%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0266</u>	<u>1.0152</u>

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

WATER (2.66% INCREASE)
Monthly Rates

Residential Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 5.97	\$ 6.13
1"	\$ 14.93	\$ 15.33
1-1/2"	\$ 29.85	\$ 30.64
2"	\$ 47.76	\$ 49.03
<u>Consumption Charge</u> Per 100 Cubic Feet	\$.47	\$.48

ORDER NO. 21734
DOCKET NO. 890855-WS
PAGE 3

General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 5.97	\$ 6.13
1"	\$ 14.93	\$ 15.33
1-1/2"	\$ 29.85	\$ 30.64
2"	\$ 47.76	\$ 49.03
3"	\$ 95.52	\$ 98.06
4"	\$ 149.25	\$ 153.22
<u>Consumption Charge</u> Per 100 Cubic Feet	\$.47	\$.48

SEWER (1.52% INCREASE)
Monthly Rates

Residential Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/5"	\$ 8.20	\$ 8.32
1"	\$ 8.20	\$ 8.32
1-1/2"	\$ 8.20	\$ 8.32
2"	\$ 8.20	\$ 8.32
<u>Consumption Charge</u> Per 1000 Cubic Feet (Maximum 1,300 Cubic Feet)	\$ 1.13	\$ 1.15

General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 8.20	\$ 8.32
1"	\$ 20.48	\$ 20.79
1-1/2"	\$ 41.00	\$ 41.62
2"	\$ 65.52	\$ 66.52
3"	\$ 131.20	\$ 133.19
4"	\$ 205.00	\$ 208.12
<u>Consumption Charge</u> Per 1000 Cubic Feet (Maximum 1,300 Cubic Feet)	\$ 1.13	\$ 1.15

ORDER NO. 21734
DOCKET NO. 890855-WS
PAGE 4

It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing application of Lake Utilities, Ltd., Post Office Box 5252, Lakeland, Florida 33803, 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 September 1, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDERED that Docket No. 890855-WS shall be closed upon approval of the revised tariff sheets.

By Order of the Florida Public Service Commission,
this 15th day of AUGUST, 1989.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

ALC

by: Kay Flynn
Chief, Bureau of Records