

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

|  |                      |
|--|----------------------|
| In re: Annual Reestablishment of Price ) | DOCKET NO. 910005-WS |
| Increase or Decrease Index of Major )    |                      |
| Categories of Operating Costs incurred ) | ORDER NO. 24022      |
| by Water and Sewer Utilities pursuant )  |                      |
| to Section 367.081(4)(a), Florida )      | ISSUED: 1/24/91      |
| Statutes )                               |                      |
| )  |                      |

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, CHAIRMAN  
 BETTY EASLEY  
 GERALD L. GUNTER  
 FRANK S. MESSERSMITH  
 MICHAEL MCK. WILSON

NOTICE OF PROPOSED AGENCY ACTIONORDER ESTABLISHING PRICE INDEX FOR APPLICATION IN 1991

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding pursuant to Rule 25-22.029, Florida Administrative Code.

Each year, pursuant to Section 367.081(4)(a), Florida Statutes, and Rule 25-30.420, Florida Administrative Code, this Commission is required to "establish a price increase or decrease index for major categories of operating costs incurred by [water and wastewater] utilities subject to its jurisdiction reflecting the percentage of increase or decrease in such costs from the most recent 12-month historical data available."

Upon consideration, we find that the index should be applied to all operation and maintenance costs, except for amortization of rate case expense, costs subject to pass-through adjustments pursuant to Section 367.081(4)(b), Florida Statutes, and adjustments or disallowances made in a utility's most recent rate proceeding. The latter two categories are specifically excluded from application of the index by Section 367.081(4)(a), Florida Statutes. This is consistent with what we have done in prior years.

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Pursuant to Rule 25-30.420(1)(b), Florida Administrative Code, we have reviewed the results of various United States Government indicators, including the Gross National Product (GNP) Implicit Price Deflator Index, the Consumer Price Index, and several wholesale indexes, as well as other alternatives, and we find that the GNP Implicit Price Deflator Index is the most appropriate for use in determining the water and wastewater index. This, too, is consistent with what we have done in prior years. The 1991 GNP Price Deflator Index will not be available until the publication of the March, 1991, "Survey of Current Business" prepared by the United States Department of Commerce, Bureau of Economic Analysis. Since we are required by statute to establish the index by March 31, we will issue this notice of proposed agency action now and incorporate the actual index percentage in a subsequent final order.

Pursuant to Rule 25-30.420(2)(f), Florida Administrative Code, utilities must use annualized revenue figures in the index calculation if there have been any changes in the utility's rates during or subsequent to the test year. Consistent with what we have done in prior years, we will provide each utility with a sample format for calculating annualized revenues as part of a packet to be attached to the final order. This packet explains the index and pass-through rate adjustments and how to apply for each. Also to be attached to the final order are a form for the calculation of the 1991 price index adjustments, copies of the appropriate rules and statutes, sample affidavits, and sample notices to customers for both the price index and pass-through adjustments.

It is, therefore,

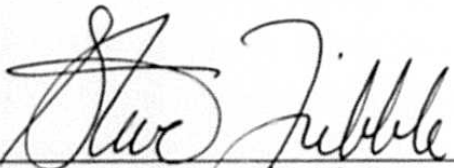
ORDERED by the Florida Public Service Commission that a price index is hereby established for use in 1991 pursuant to Section 367.081(4)(a), Florida Statutes, as set out in the body of this Order, and as will be made final in a subsequent order. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, at his office at 101 East Gaines Street, Tallahassee,

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Florida 32399-0870, by close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto.

By ORDER of the Florida Public Service Commission this 24th day of JANUARY, 1991.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

MJL

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This

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petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on February 14, 1991.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.