

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of SHADOWROCK)	DOCKET NO. 890451-WS
UTILITIES, INC. for a 1988 price index)	ORDER NO. 21151
rate adjustment in Duval County.)	ISSUED: 5-2-89

ORDER ACKNOWLEDGING PRICE INDEX RATE ADJUSTMENT

BY THE COMMISSION:

On March 29, 1989, Shadowrock Utilities, Inc. (Utility) notified this Commission of its intention to increase rates to its customers in Duval 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. 19073, issued by this Commission on March 31, 1988, in Docket No. 880005-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 2.89 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 1.0116 and 1.0124 to the existing rate schedules results in increased water and sewer revenues of \$954 and \$915, respectively. The schedule of our computation is as follows:

1988 Price Index Application
Test Year Ended December 31, 1987

	<u>Water</u>	<u>Sewer</u>
1987 Operation and Maintenance Expenses	\$ 37,346	\$ 47,668
Less:		
(1) Pass-through Item: Purchased Power	(5,166)	(16,819)
(2) Rate Case Expense Included in 1987 O & M Expenses	<u>0</u>	<u>0</u>
Costs to be Indexed	\$ 32,180	\$ 30,849
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0289</u>	x <u>.0289</u>
Additional O & M Expenses	\$ 930	\$ 892
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>	÷ <u>.975</u>
Increase in Revenue	\$ 954	\$ 915
Divide by 1987 Annualized Revenues	÷ <u>82,329</u>	÷ <u>73,956</u>

DOCUMENT NUMBER-DATE

04372 MAY-2 1989

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Percentage Increase	<u>1.16%</u>	<u>1.24%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0116</u>	<u>1.0124</u>

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

WATER (1.16% INCREASE)
Quarterly Rate

Residential Service

Minimum Charge

<u>Meter Size</u>	<u>Gallons</u> (000)	<u>Cubic</u> <u>Feet</u> (00)	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	18	24	\$ 15.77	\$ 15.95
1"	30	40	\$ 26.29	\$ 26.59
1-1/2"	60	80	\$ 52.56	\$ 53.17
2"	96	128	\$ 84.10	\$ 85.08
3"	180	240	\$ 157.69	\$ 159.52
4"	300	400	\$ 262.81	\$ 265.86
6"	600	800	\$ 525.64	\$ 531.74

Excess Charge

Per 1,000 Gallons	\$.79	\$.80
Per 100 Cubic Feet	\$.60	\$.61

General Service

Minimum Charge

<u>Meter Size</u>	<u>Gallons</u> (000)	<u>Cubic</u> <u>Feet</u> (00)	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	18	24	\$ 20.48	\$ 20.72
1"	30	40	\$ 34.13	\$ 34.53
1-1/2"	60	80	\$ 68.28	\$ 69.07
2"	96	128	\$ 109.22	\$ 110.49
3"	180	240	\$ 204.81	\$ 207.19
4"	300	400	\$ 341.34	\$ 345.30
6"	600	800	\$ 682.65	\$ 690.57

Excess Charge

Per 1,000 Gallons	\$ 1.03	\$ 1.04
Per 100 Cubic Feet	\$.77	\$.78

Multi-Residential Service

Existing Rates

Minimum Charge:

Each meter times \$10.49 times number of units = minimum charge.

Each meter times 18,000 gallons times number of units = minimum charge.

Excess Charge

Gallons over minimum service per meter @ \$.75 per 1,000 gallons.

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New Rates

Minimum Charge:

Each meter times \$10.61 times number of units = minimum charge.

Each meter times 18,000 gallons times number of units = minimum charge.

Excess Charge

Gallons over minimum service per meter @ \$.76 per 1,000 gallons.

SEWER (1.24% INCREASE)
Quarterly Rate

Residential Service

	<u>Existing</u>	<u>New</u>
Flat Rate	\$ 34.83	\$ 35.26

Multi-Residential Service

	<u>Existing</u>	<u>New</u>
Flat Rate	\$ 23.22	\$ 23.51

General Service

	<u>Existing</u>	<u>New</u>
Percent of Water Bill	204.20	218.28

It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing application of Shadowrock Utilities, Inc., 2843 Mercury Road, Jacksonville, Florida 32207, is hereby acknowledged. It is further

ORDERED that the rates contained herein shall become effective for service rendered on or after May 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. 890451-WS may be closed upon Staff's approval of the tariff sheets.

By Order of the Florida Public Service Commission,
this 2nd day of MAY, 1989.



STEVE TRIBBLE, Director
Division of Records and Reporting

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