

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of HARBOUR OAKS) DOCKET NO. 890723-WS
 UTILITY, INC. for 1989 price index and)
 pass-through rate adjustments in Osceola) ORDER NO. 21489
 County.)
 _____) ISSUED: 6-30-89

ORDER ACKNOWLEDGING INDEXING
 AND PASS-THROUGH RATE ADJUSTMENTS

BY THE COMMISSION:

On May 26, 1989, Harbour Oaks Utility, Inc. (Utility) notified this Commission of its intention to increase rates to its customers in Osceola County by application of the price-indexing and pass-through provisions of Subsections 367.081(4)(a) and (b), Florida Statutes, respectively, and Rules 25-30.420 and 25-30.425, Florida Administrative Code, respectively.

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.

The Utility also intends to pass through to its customers the increased cost of purchased power imposed by Kissimmee Utility Authority and the increase in its ad valorem taxes. The Utility waived its right to place the pass-through rates into effect thirty days from the filing date of this notice and states that these rates are to become effective simultaneously with the indexing adjustment.

The documentation submitted by the Utility in support of its indexing and pass-through notice meets the Commission's requirements, as set forth in Rules 25-30.420 and 25-30.425, Florida Administrative Code. In compliance with said rules, 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 pass-through provisions and the application of the price index to certain operation and maintenance expenses.

Applying increase factors of 1.0400 and 1.0520 to the existing rate schedules results in increased water and sewer revenues of \$2,724 and \$2,154, respectively. The schedules of our computations are as follows:

1989 Price Index and Pass-Through Application
Test Year Ended December 31, 1988

	<u>Water</u>	<u>Sewer</u>
1988 Operation and Maintenance Expenses	\$ 53,042	\$ 43,914
Less: (1) Pass-through Item: Purchased Power	(7,820)	(7,025)
(2) Rate Case Expense Included in 1988 O & M Expenses	0	0
Costs to be Indexed	\$ 45,222	\$ 36,889
Multiply by Change in GNP Implicit Price Deflator Index	x .0435	x .0435

DOCUMENT NUMBER-DATE

06492 JUN 30 1989

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Additional O & M Expenses	\$ 1,967	\$ 1,605
Pass-through Items: Increase in Purchased Power and Ad Valorem Taxes	_____ 689	_____ 495
Total Increased Expenses	\$ 2,656	\$ 2,100
Divide by Expansion Factor for Regulatory Assessment Fees	÷ _____ .975	÷ _____ .975
Increase in Revenue	\$ 2,724	\$ 2,154
Divide by 1988 Actual Revenues	÷ 67,843	÷ 41,581
Percentage Increase	_____ 4.00%	_____ 5.20%
Increase Factor to Apply to Existing Rate Schedules	_____ 1.0400	_____ 1.0520

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

WATER (4.00% 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"	\$ 6.78	\$ 7.05
3/4"	\$ 10.16	\$ 10.57
1"	\$ 16.96	\$ 17.64
1-1/2"	\$ 33.91	\$ 35.27
2"	\$ 54.26	\$ 56.43
2-1/2"	\$ 81.38	\$ 84.64
3"	\$ 101.72	\$ 105.79
4"	\$ 169.53	\$ 176.31
6"	\$ 339.05	\$ 352.61
<u>Gallonge Charge</u> Per 1,000 Gallons	\$ 1.31	\$ 1.36

SEWER (5.20 % 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"	\$ 14.25	\$ 14.99
3/4"	\$ 21.37	\$ 22.48
1"	\$ 35.61	\$ 37.46
1-1/2"	\$ 71.20	\$ 74.90
2"	\$ 113.92	\$ 119.84
2-1/2"	\$ 170.89	\$ 179.78
3"	\$ 213.60	\$ 224.71
4"	\$ 356.02	\$ 374.53
6"	\$ 712.03	\$ 749.06
<u>Gallonge Charge</u> Per 1,000 Gallons	\$ 2.42	\$ 2.55

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It is, therefore,

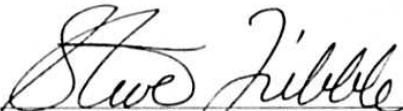
ORDERED by the Florida Public Service Commission that the indexing and pass-through application of Harbour Oaks Utility, Inc., 29 N. Bermuda Avenue, Kissimmee, Florida 32741, is hereby acknowledged. It is further

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 July 25, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDERED that Docket No. 890723-WS shall be closed upon approval of the revised tariff sheets.

By Order of the Florida Public Service Commission,
this 30th day of JUNE, 1989.



STEVE TRIBBLE, Director
Division of Records and Reporting

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