

State of Florida



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** April 6, 2018

**TO:** Office of Commission Clerk (Stauffer)

**FROM:** Office of the General Counsel (Cowdery) *S.M.C.*  
Office of Consumer Assistance and Outreach (Hicks) *RH*  
Division of Economics (Guffey) *SKG* *PD* *ED*  
Division of Engineering (Graves, King) *TR* *713*

**RE:** Docket No. 20170222-WS – Proposed amendment of Rules 25-30.130, Record of Complaints, and 25-30.355, Complaints, F.A.C.

**AGENDA:** 04/20/18 – Rule Proposal – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Brown

**RULE STATUS:** Proposal May Be Deferred

**SPECIAL INSTRUCTIONS:** None

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## Case Background

Rule 25-30.130, Record of Complaints, Florida Administrative Code (F.A.C.), requires each water and wastewater utility to keep a record of each signed, written customer complaint and identifies the information that must be kept in the record. Rule 25-30.355, Complaints, F.A.C., requires a utility to make a full and prompt acknowledgement and investigation of all customer complaints, and defines the word “complaint.” Staff initiated this rulemaking to update language, delete obsolete requirements, edit to improve readability, and clarify the rules.

The Commission also has a rule addressing customer complaints that applies to all of the Commission’s regulated utilities, Rule 25-22.032, F.A.C., Customer Complaints. Under this rule, if a customer complaint is not resolved informally between a customer and the utility, the customer may file a complaint with the Commission. Staff is not recommending any

amendments to this rule because the process set out in the rule works well. However, staff examined Rules 25-30.130 and 25-30.355, F.A.C., in light of the process described in Rule 25-22.032, F.A.C., to determine whether there was any duplication between the rules and to maintain consistency between the rules concerning requirements imposed on utilities in acknowledging and responding to customer complaints.

The notice of rule development for Rules 25-30.130, Record of Complaints, and 25-30.355, Complaints, F.A.C., appeared in the February 8, 2017, edition of the Florida Administrative Register, volume 43, number 26. The Record of Complaints and Complaints rules were considered by the Commission at the December 12, 2017, Agenda Conference. The Commission deferred this docket to the February 6, 2018 Agenda Conference so that staff could make two changes to the draft Complaints rule, Rule 25-30.355, F.A.C. At the February 6, 2018, Agenda Conference, the Commission deferred this docket to the April 20, 2018, Agenda Conference so that additional suggested revisions to draft Rule 25-30.355, Complaints, could be discussed at a staff rule development workshop.

A staff rule development workshop was held on March 1, 2018. Previous staff rule development workshops were held on February 28, 2017, and June 27, 2017. Stakeholders participating at the workshops were Public Counsel J.R. Kelly, Utilities, Inc. of Florida, U.S. Water Services Corporation, and Black Bear Waterworks, Inc., Brendenwood Waterworks, Inc., Brevard Waterworks, Inc., Country Walk Utilities, Inc., Harbor Waterworks, Inc., HC Waterworks, Inc., Jumper Creek Utility Company, Lake Idlewild Utility Company, Lakeside Waterworks, Inc., LP Waterworks, Inc., Merritt Island Utility Company, North Charlotte Waterworks, Inc., Pine Harbour Waterworks, Inc., Raintree Waterworks, Inc., Seminole Waterworks, Inc., Sunny Hills Utility Company, and The Woods Utility Company (hereafter referred to as the “Collective Utilities”). The draft rule reflects the comments made at the workshops as well as the written comments submitted by the Office of Public Counsel, the Collective Utilities, and Mr. Mike Smallridge.

This recommendation addresses whether the Commission should propose the amendment of Rules 25-30.130 and 25-30.355, F.A.C. The Commission has jurisdiction pursuant to Sections 120.54, 350.127(2), 367.0812, 367.111, and 367.121(1), Florida Statutes (F.S.).

## Discussion of Issues

**Issue 1:** Should the Commission propose the amendment of Rules 25-30.130, Record of Complaints, and 25-30.355, Complaints, F.A.C.?

**Recommendation:** Yes, the Commission should propose the amendments to Rules 25-30.130 and 25-30.355, F.A.C., as set forth in Attachment A. Staff recommends that the Commission certify proposed amended Rules 25-30.130 and 25-30.355, F.A.C., as minor violation rules. (Cowdery, King, Graves, Hicks, Guffey)

**Staff Analysis:** Staff recommends that the Commission propose the amendments to Rules 25-30.130 and 25-30.355, F.A.C., as set forth in Attachment A.

### **Rule 25-30.130, F.A.C., Record of Complaints**

Staff's suggested changes to Rule 25-30.130, F.A.C., are the same as were recommended in the previous staff recommendation heard by the Commission at the February 6, 2018, Agenda Conference. Staff's analysis of the recommended amendments is explained below.

#### ***Requirement to maintain a record of all complaints***

Under subsection (1) of Rule 25-30.130, F.A.C., water and wastewater utilities must maintain a record of all signed, written complaints. The requirement for a signed, written complaint pre-dates electronic communication and is technically obsolete. For this reason, staff recommends that the Commission propose an amendment to subsection (1) of Rule 25-30.130, F.A.C., to require water and wastewater utilities to maintain a record of all complaints received.

Staff is further recommending that Rule 25-30.130(1), F.A.C., be amended to state that the word "complaint" is defined in Rule 25-30.355(2), F.A.C., as discussed below. Staff believes that this will assure that water and wastewater utilities are made aware of what customer contacts constitute complaints that are subject to the record keeping requirements of Rule 25-30.130, F.A.C.

#### ***Requirement to maintain a record of each complaint for five years***

Staff is recommending that Rule 25-30.130, F.A.C., be amended to require water and wastewater utilities to keep a record of all customer complaints for five years from the date of receipt. Currently, water and wastewater utilities are required to keep records and reports of customers' service complaints for three years pursuant to Rule 25-30.110(1)(a), F.A.C., Records and Reports. However, staff believes that this three year retention period is obsolete because of recent changes to Section 367.0812(1)(c), F.S. These statutory changes require the Commission, in considering quality of service in rate cases, to consider complaints regarding applicable secondary water quality standards filed by customers with the Commission during the past five years.<sup>1</sup> Because the Commission in practice reviews five years of customer complaints

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<sup>1</sup> Because of these changes to Section 367.0812(1)(c), F.S., the Commission amended Rules 25-30.440 (11) and 25-30.037(1)(r)4, F.A.C., to require water and wastewater utilities' rate case applications and applications for authority to transfer an existing water utility to include a copy of all customer complaints that the utility has received regarding DEP secondary water quality standards during the past five years. Order No. PSC-15-0567-FOF-WS, issued December 16, 2015, in Docket No. 150198-WS, *In re: Proposed Adoption of Rules*; Order No. PSC-15-0055-FOF-WS, issued January 21, 2015, in Docket No. 140205-WS, *In re: Proposed Adoption of Rule*.

concerning secondary water treatment standards in compliance with current law, staff believes it is reasonable to update the rule to require that water and wastewater utilities keep a record of all customer complaints for five years.

As mentioned in the Case Background, the Commission has a rule applicable to all industries that establish a procedure to resolve customer complaints that are filed with the Commission, Rule 25-22.032, F.A.C., Customer Complaints. This Customer Complaints rule requires a utility to keep copies of documentation relating to each Commission complaint for two years after the date the complaint was closed by the Commission. This is a different recordkeeping requirement than the requirement that water and wastewater utilities retain a record of each complaint received directly from a customer for five years under Rule 25-30.130, F.A.C., addressed in this docket. Staff recommends that for clarity, the Commission should add language to Rule 25-30.130, F.A.C., specifying that documentation relating to customer complaints filed with the Commission under the Commission's Customer Complaints rule, Rule 25-22.032, F.A.C., shall be retained as set forth in Rule 25-22.032(10)(a), F.A.C.

***Requirement for utilities to provide records of complaints to Commission staff upon request***

Staff is recommending that Rule 25-30.130, F.A.C., be amended to include a requirement in subsection (2) that utilities provide records of complaints to Commission staff upon request. Staff believes that this is the intent of Rule 25-30.130, F.A.C. Water and wastewater utilities are required by Rule 25-30.110(1)(b), F.A.C., to maintain their records at their offices in Florida, unless otherwise authorized by the Commission, and they must keep those records open for inspection by Commission staff during business hours. However, there is no specific Commission rule requiring utilities to provide records of complaints to the Commission upon Commission staff's request. Amending Rule 25-30.130, F.S., to specifically include this requirement will give clarity to assure that utilities keep their records of complaints in such a format or manner that the records are readily available to Commission staff when requested.<sup>2</sup>

**Rule 25-30.355, F.A.C., Complaints**

Staff's recommended amendments to this rule incorporate modifications resulting from the March 1, 2018 staff rule development workshop. Staff's analysis of the recommended amendments is explained below.

***Acknowledgment of and Response to Complaints***

Subsection (1) of Rule 25-30.355, F.A.C., requires water and wastewater utilities to make a full and prompt acknowledgement and investigation of all customer complaints. Staff believes that it is important for the utility to make clear when acknowledging customer complaints whether the customer should expect further action by the utility. For this reason, staff recommends that Section (1) be amended to require a utility to specify in its acknowledgement of a customer

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<sup>2</sup> The Commission has rules that specifically require utilities to provide other types of records upon staff's request. For example, Rule 25-30.245(2), F.A.C., requires each water and wastewater utility to furnish its accident reports to the Commission upon request of Commission staff. Rule 25-22.032(6)(e), F.A.C., addressing unresolved customer complaints filed with Commission, states that Commission staff may request and the utility is required to provide copies of information necessary to resolve a dispute between the utility and the customer.

complaint whether any additional action would be taken on the issue(s) raised by the customer's complaint.

Further, staff believes that Section (1) should be amended to specify the number of days in which a utility must acknowledge and respond to customer complaints. The time frames recommended by staff are intended to codify the time frames the Commission would expect utilities to already be meeting when acknowledging and responding to customer complaints.

Staff considered whether the time for acknowledging a customer complaint should be 3 days or 3 business days. As explained in the Case Background, in response to staff's second data request to all regulated water and wastewater utilities, staff received one written response from Mr. Mike Smallridge. Mr Smallridge stated that he would need to hire a full time staff person whose job it would be to respond to customer complaints within the 3 day time period and to investigate the complaint and give the customer a verbal or written response within 15 days. In addition, Mr. Smallridge asked the Commission to consider changing the 3 day acknowledgement requirement to 3 business days to compensate for holiday weekends.

At the March 1, 2018 staff rule development workshop, Utilities, Inc. of Florida, and Collective Utilities argued in favor of requiring a utility to acknowledge a complaint within 3 business days instead of 3 days after it receives the complaint. The utilities explained that requiring an acknowledgment in 3 days is a problem for small utilities. Call centers or personnel answering the telephone on weekends or holidays may not know if additional utility action is needed in response to a complaint. The Office of Public Counsel was satisfied that if a call was an emergency it would be addressed quickly as required by new Section (3) of the rule and that most customers would not expect a response to a non-emergency complaint on a weekend.

As previously stated, staff looked to the Commission's general customer complaint Rule 25-22.032, F.A.C., in order to maintain consistency between that rule and the water and wastewater Complaint rule, Rule 25-30.355, F.A.C., regarding requirements imposed on utilities when acknowledging and responding to customer complaints. Rule 25-22.032, F.A.C., essentially applies in situations where a customer and utility have been unable to resolve a complaint between themselves, and the Commission staff becomes involved. Under Section (5) of Rule 25-22.032, F.A.C., a complaint will not be reported in the total number of complaints shown for that company if it is satisfactorily resolved with the customer within 3 business days. Staff notes that the Uniform Rules of Procedure Rule 28-106.103, F.A.C., concerning computation of time in proceedings for decisions determining substantial interests, also excludes Saturdays, Sundays, and legal holidays when the period of time allowed for an action is less than 7 days.

Based on the comments received from the Office of Public Counsel, water and wastewater utilities, and use of business days in response times required by Rule 25-22.032, F.A.C., staff believes that it is reasonable to require a utility to acknowledge a customer's complaint within 3 business days of receipt of a customer complaint. There have been no comments submitted in this docket objecting to amending Rule 25-30.355, F.A.C., to require a utility to investigate the complaint and give the customer a verbal or written response within 15 days. Staff believes that 15 days is an appropriate and sufficient amount of time for a utility to investigate a complaint and give the customer a verbal or written response to the customer's complaint.

### ***Customer Service Requests***

Subsection (1) of Rule 25-30.355, F.A.C., also requires water and wastewater utilities to “respond fully and promptly to all customer requests.” Staff is recommending that this requirement be deleted from Rule 25-30.355, F.A.C., because it is duplicative of other rule requirements that better explain the utilities’ responsibilities to address customer service requests. In this regard, Rule 25-30.310(2), F.A.C., addresses initiation of service; Rule 25-30.250(1), F.A.C., requires water and wastewater utilities to re-establish service with the shortest possible delay consistent with the safety of its consumers and the general public; Rule 25-30.320, F.A.C., addressing refusal or discontinuance of service, contains customer notification requirements; and Rule 25-30.266, F.A.C., contains provisions that apply when a customer requests the utility to test for meter error. Further, customer service requests are appropriately addressed in the rules described above instead of in the customer complaint rule because customer service requests are not complaints.<sup>3</sup>

### ***Definition of Complaint***

Subsection (2) of Rule 25-30.355, F.A.C., defines a complaint, in part, as an objection made to the utility by the customer as to the utility’s charges, facilities, or service that requires action on the part of the utility. Staff believes that the rule should be amended to make clear that the customer may inform the utility of his or her complaint by telephone call, e-mail, letter, or utility’s web-site form. This specificity will mean that all such customer complaints will be recorded and retained as required in Rule 25-30.130, F.A.C., and will be responded to within the time frames specified in Rule 25-30.355, F.A.C.

### ***Commission Staff Inquiries***

Subsection (3) of Rule 25-30.355, F.A.C., requires water and wastewater utilities to reply in writing to Commission staff inquiries within 15 days from the date of the inquiry. Staff recommends that this requirement should be deleted because this same requirement is already properly included in Commission Rule 25-22.032, F.A.C., Customer Complaints, and does not belong in Rule 25-30.355, F.A.C. The focus of Rule 25-30.355, F.A.C., Complaints, is on the utility’s responsibility to acknowledge, investigate and respond to customer complaints and attempt to resolve those complaints without Commission staff’s involvement. If Commission staff has become involved and is requesting information from the utility, it means the complaint has not been resolved by the utility and customer, and the customer has filed a complaint with the Office of Consumer Assistance and Outreach for resolution under Rule 25-22.032, F.A.C.

### ***Emergency Calls***

Staff recommends that Section (3) of Rule 25-30.355, F.A.C., be amended to require each water and wastewater utility to have a procedure for receiving and responding to emergency calls 24 hours a day. Staff believes this amendment is necessary because although another Commission rule, Rule 25-30.330(1), F.A.C., Information to Customers, requires water and wastewater utilities to provide their customers, at least annually, their telephone numbers for regular and after hours, the rule does not address emergency calls. Staff believes it is appropriate for water and wastewater utilities to be required to have a procedure for receiving and responding to

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<sup>3</sup> If a customer believes that his or her service request has not been addressed promptly as required by the Commission rules discussed above for service requests, the customer may make a complaint to the utility.

emergency calls 24 hours a day, as is currently required of regulated gas and electric utilities.<sup>4</sup> For clarity, staff recommends that Section (3) of the Complaints rule state that examples of emergencies shall include reports of water or wastewater main breaks or conditions caused by utility-owned facilities where property damage or personal injury is reasonably foreseeable.

### **Statement of Estimated Regulatory Costs**

Pursuant to Section 120.54(3)(b)1., F.S., agencies are encouraged to prepare a statement of estimated regulatory costs (SERC) before the adoption, amendment, or repeal of any rule. A SERC was prepared for this rulemaking and is appended as Attachment B. As required by Section 120.541(2)(a)1., F.S., the SERC analysis includes whether the rule amendments are likely to have an adverse impact on economic growth, private sector job creation or employment, or private sector investment in excess of \$1 million in the aggregate within 5 years after implementation. Section 120.541(2)(a)1., F.S. None of the impact/cost criteria will be exceeded as a result of the recommended revisions.

The SERC concludes that the rule amendments are not likely to directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate in Florida within 1 year after implementation. Further, the SERC concludes that the rule amendments will not likely increase regulatory costs, including any transactional costs or have an adverse impact on business competitiveness, productivity, or innovation in excess of \$1 million in the aggregate within 5 years of implementation. Thus, the rule amendments do not require legislative ratification, pursuant to Section 120.541(3), F.S. In addition, the SERC states that the rule amendments would have minimal impact on small businesses, would have no implementation or enforcement cost on the Commission or any other state and local government entity, and would have no impact on small cities or small counties. The SERC states that if transactional costs are to be incurred by individuals and entities required to comply with the requirements of the rule, they are expected to be minimal.

### **Minor Violation Rules Certification**

Pursuant to Section 120.695, F.S., beginning July 1, 2017, for each rule filed for adoption, the Commission is required to certify whether any part of the rule is designated as a rule the violation of which would be a minor violation. A list of the Commission rules designated as minor violation rules is published on the Commission's website, as required by Section 120.695(2), F.S. Currently, Rules 25-30.130 and 25-30.355, F.A.C., are on the Commission's list of rules designated as minor violations. If the Commission proposes the amendment of Rules 25-30.130 and 25-30.355, F.A.C., the rules would continue to be considered minor violation rules. Therefore, for purposes of filing the amended rules for adoption with the Department of State, staff recommends that the Commission certify proposed amended Rules 25-30.130 and 25-30.355, F.A.C., as minor violation rules.

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<sup>4</sup> Rules 25-6.094, 25-7.080(2), 25-12.041 and 25-12.042, F.A.C.

**Conclusion**

For the reasons described above, staff recommends that the Commission should propose the amendment of Rules 25-30.130 and 25-30.355, F.A.C., as set forth in Attachment A. Staff recommends that the Commission certify the proposed amended Rules 25-30.130 and 25-30.355, F.A.C., as minor violation rules.

**Issue 2:** Should this docket be closed?

**Recommendation:** Yes. If no requests for hearing or comments are filed, the rules should be filed with the Department of State, and the docket should be closed. (Cowdery)

**Staff Analysis:** If no requests for hearing or comments are filed, the rules should be filed with the Department of State, and the docket should be closed.

1       **25-30.130 Record of Complaints.**

2       (1) Each utility shall maintain a record of all complaints ~~each signed, written complaint~~  
3 received by the utility from any of that utility's customers.

4       ~~(2) Each~~ The record shall show include the name and address of the complainant; the  
5 nature of the complaint; the date received; the result of any ~~the~~ investigation; the disposition  
6 of the complaint; and the date of ~~the disposition of the complaint~~. The word "complaint" as  
7 used in this rule is defined in subsection 25-30.355(2), F.A.C.

8       (2) Notwithstanding the requirements of paragraph 25-30.110(1)(a), F.A.C., utilities shall  
9 maintain a record of each complaint for a minimum of five years from the date of receipt and  
10 shall provide a copy of records of complaints to the Commission upon Commission staff's  
11 request. Documentation relating to customer complaints processed under Rule 25-22.032,  
12 F.A.C., shall be retained as set forth in paragraph 25-22.032(10)(a), F.A.C.

13 *Rulemaking Authority 350.127(2), 367.0812(5), 367.121(1) FS. Law Implemented*  
14 *367.0812(1), 367.111, 367.121(1) FS. History—New 9-12-74, Formerly 25-10.30, 25-10.030,*  
15 *Amended 11-10-86, \_\_\_\_\_.*

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CODING: Words underlined are additions; words in ~~struck through~~ type are deletions from existing law.

1       **25-30.355 Complaints.**

2       (1) A utility shall give a customer verbal or written acknowledgement of the utility's  
3 receipt of the customer's complaint no later than three business days after it receives the  
4 complaint. The utility shall specify in its acknowledgement whether any additional action will  
5 be taken on the issue(s) raised by the customer. A utility shall investigate the complaint and  
6 give the customer a verbal or written response no later than 15 days after it receives the  
7 complaint. ~~make a full and prompt acknowledgement and investigation of all customer~~  
8 ~~complaints and shall respond fully and promptly to all customer requests.~~

9       (2) ~~For the purpose of this rule~~ The word "complaint" as used in this rule means shall  
10 ~~mean~~ an objection made to the utility by a the customer by telephone call, by e-mail, by letter,  
11 or on the utility's website form as to the utility's charges, facilities or service; that where the  
12 ~~disposal of the complaint~~ requires action by on the part of the utility.

13       (3) Each utility shall have a procedure for receiving and responding to emergency calls 24  
14 hours a day. Examples of emergencies shall include reports of water or wastewater main  
15 breaks or conditions caused by utility-owned facilities where property damage or personal  
16 injury is reasonably foreseeable. ~~Replies to inquiries by the Commission's staff shall be~~  
17 ~~furnished within fifteen (15) days from the date of the inquiry and shall be in writing, if~~  
18 ~~requested.~~

19 *Rulemaking Authority 350.127(2), 367.0812(5), 367.121(1) FS. Law Implemented*  
20 *367.0812(1), 367.111, 367.121(1) FS. History—New 9-12-74, Formerly 25-10.70, 25-10.070,*  
21 *Amended 11-10-86, \_\_\_\_\_.*

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## Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** March 12, 2018

**TO:** Kathryn Gale Winter Cowdery, Senior Attorney, Office of the General Counsel

**FROM:** Sevini K. Guffey, Public Utility Analyst I, Division of Economics *SK.G.*

**RE:** Statement of Estimated Regulatory Costs (SERC) for proposed Revisions to Rules 25-30.130 and 25-30.355, Florida Administrative Code (F.A.C.)

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The purpose of this rulemaking initiative is to update, clarify, and streamline certain Commission rules pertaining to records of complaints and the definition of the term "complaints" related to water and wastewater utilities. Specifically, staff is proposing to amend Rule 25-30.130, F.A.C. to require water and wastewater utilities to maintain a record of all complaints as defined in Rule 25-30.355(2), F.A.C., for five years. The current requirement to maintain records of complaints is three years. Rule 25-30.130, F.A.C., is also amended to state that utilities must provide a copy of records of complaints upon request of Commission staff. Current Rule 25-30.355(1), F.A.C. requires a utility to make a full and prompt acknowledgement and investigate all customer complaints, and respond fully and promptly to all customer requests. Staff's proposed amendment to Rule 25-30.355, F.A.C., provides specific parameters to utilities how soon the utility should acknowledge, investigate and respond to customer complaints. Proposed rule revisions requires the utility to acknowledge receipt of a complaint no later than three business days after the receipt of the complaint, investigate the complaint and provide the customer a verbal or written response within 15 days of the utility's receipt of a complaint and revises the definition of complaint to mean an objection made by a customer to the utility by telephone call, e-mail, letter, or the utility's website form as to the utility's charges, facilities, or service that requires action by the utility.

The attached SERC addresses the considerations required pursuant to Section 120.541, Florida Statutes (F.S.). Workshops to solicit input on the proposed rule revisions were conducted by Commission staff on February 28, 2017, June 27, 2017, and on March 1, 2018. Comments that either were received during the workshops or were filed subsequently were incorporated into the draft rules to provide additional clarification. Staff issued three data requests to water and wastewater utilities on August 24, 2017, December 14, 2017, and on February 21, 2018. As of October 3, 2017, staff received responses from 33 water and wastewater utilities who stated that the proposed rule revisions will have minimal to no economic impact on the utilities as a result of proposed revisions. On December 23, 2017, staff received one response to the second data request stating that the annual cost to implement the proposed revised rule will cost the utility \$186,090 for five years (excludes performance based annual salary increases). On March 8, 2018, the same respondent stated that the costs indicated above will be applicable to comply with the currently proposed rule revisions. No regulatory alternatives were submitted pursuant to

Section 120.541(1) (a), F.S. None of the impact/cost criteria established in Section 120.541(2) (a), F.S. will be exceeded as a result of the proposed revisions.

Cc: Draper, Daniel, Shafer, King, SERC file

FLORIDA PUBLIC SERVICE COMMISSION  
STATEMENT OF ESTIMATED REGULATORY COSTS  
Rules 25-30.130 and 25.30.355, F.A.C.

1. Will the proposed rule have an adverse impact on small business?  
[120.541(1)(b), F.S.] (See Section E., below, for definition of small business.)

Yes  No

If the answer to Question 1 is "yes", see comments in Section E.

2. Is the proposed rule likely to directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate in this state within 1 year after implementation of the rule? [120.541(1)(b), F.S.]

Yes  No

If the answer to either question above is "yes", a Statement of Estimated Regulatory Costs (SERC) must be prepared. The SERC shall include an economic analysis showing:

A. Whether the rule directly or indirectly:

(1) Is likely to have an adverse impact on any of the following in excess of \$1 million in the aggregate within 5 years after implementation of the rule?  
[120.541(2)(a)1, F.S.]

Economic growth Yes  No

Private-sector job creation or employment Yes  No

Private-sector investment Yes  No

(2) Is likely to have an adverse impact on any of the following in excess of \$1 million in the aggregate within 5 years after implementation of the rule?  
[120.541(2)(a)2, F.S.]

Business competitiveness (including the ability of persons doing business in the state to compete with persons doing business in other states or domestic markets) Yes  No

Productivity Yes  No

Innovation Yes  No

(3) Is likely to increase regulatory costs, including any transactional costs, in excess of \$1 million in the aggregate within 5 years after the implementation of the rule? [120.541(2)(a)3, F.S.]

Yes  No

Economic Analysis: A summary of the recommended rule revisions is included in the attached memorandum to Counsel. Specific elements of the associated economic analysis are discussed below in Sections B through F of this SERC. Staff believes that none of the impact/cost criteria established in Paragraph 120.541(2)(a), F.S., will be exceeded as a result of the proposed rule revisions.

B. A good faith estimate of: [120.541(2)(b), F.S.]

(1) The number of individuals and entities likely to be required to comply with the rule.

Potentially affected entities include 132 investor-owned water and wastewater utilities that serve approximately 180,000 Florida customers. Water and wastewater utilities which come under the jurisdiction of the Commission in the future also would be required to comply.

(2) A general description of the types of individuals likely to be affected by the rule.

The 132 investor-owned water and wastewater utilities that are located in 38 counties.

C. A good faith estimate of: [120.541(2)(c), F.S.]

(1) The cost to the Commission to implement and enforce the rule.

- None. To be done with the current workload and existing staff.
- Minimal. Provide a brief explanation.
- Other. Provide an explanation for estimate and methodology used.

(2) The cost to any other state and local government entity to implement and enforce the rule.

- None. The rule will only affect the Commission.
- Minimal. Provide a brief explanation.

Other. Provide an explanation for estimate and methodology used.

(3) Any anticipated effect on state or local revenues.

None.

Minimal. Provide a brief explanation.

Other. Provide an explanation for estimate and methodology used.

D. A good faith estimate of the transactional costs likely to be incurred by individuals and entities (including local government entities) required to comply with the requirements of the rule. "Transactional costs" include filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used, procedures required to be employed in complying with the rule, additional operating costs incurred, the cost of monitoring or reporting, and any other costs necessary to comply with the rule. [120.541(2)(d), F.S.]

None. The rule will only affect the Commission.

Minimal. Provide a brief explanation. The 33 water and wastewater utilities that responded to staff's first data request stated that the proposed rule changes will have no economic impact on how the utilities address customer complaints, how complaints are recorded and maintained and no additional costs to respond to emergency calls 24 hours per day; the utilities are currently implementing the proposed requirements. In response to staff's second data request, one utility representative stated that the utility will need to hire one full time staff person to comply with the proposed rule requirement to respond to customer complaints within 3 days or 3 business days and to investigate the complaint and give verbal or written response within 15 days. The cost estimate is indicated below:

Hourly rate = \$13.00 = \$27,040 Annual Salary

Annual payroll tax =\$ 2,080

Annual workers compensation=\$70

Annual Health Insurance =\$ 6,000 (estimated)

Annual Allowance for overtime=\$ 2,028

Annual Cost for new employee=\$ 37,218.

Annual Cost for new employee x 5 years= \$ 186,090( this figure excludes annual salary raises which is performance based)

Other. Provide an explanation for estimate and methodology used.

E. An analysis of the impact on small businesses, and small counties and small cities:  
[120.541(2)(e), F.S.]

(1) "Small business" is defined by Section 288.703, F.S., as an independently owned and operated business concern that employs 200 or fewer permanent full-time employees and that, together with its affiliates, has a net worth of not more than \$5 million or any firm based in this state which has a Small Business Administration 8(a) certification. As to sole proprietorships, the \$5 million net worth requirement shall include both personal and business investments.

No adverse impact on small business.

Minimal. Provide a brief explanation. The current Rule 25-30.355(1), F.A.C. requires a utility to make a full and prompt acknowledgement and investigate all customer complaints, and respond fully and promptly to all customer requests. The proposed rule revision provide specific parameters and guidance to utilities how soon the utility should acknowledge, investigate and respond to customer complaints. While it is difficult to estimate the number of affected entities that would meet the definition of "Small Business" as defined in Section 288.703, F.S., it is reasonable to assume that many of the affected entities would meet the statutory definition. As stated in Section D above, one respondent to staff's second data request stated that they would incur an additional cost of \$37,218 for a new employee and for five years the cost would be \$186,090 (excluding performance based salary increases).

Other. Provide an explanation for estimate and methodology used.

(2) A "Small City" is defined by Section 120.52, F.S., as any municipality that has an unincarcerated population of 10,000 or less according to the most recent decennial census. A "small county" is defined by Section 120.52, F.S., as any county that has an unincarcerated population of 75,000 or less according to the most recent decennial census.

No impact on small cities or small counties.

Minimal. Provide a brief explanation.

Other. Provide an explanation for estimate and methodology used.

F. Any additional information that the Commission determines may be useful.  
[120.541(2)(f), F.S.]

None.

Additional Information: Workshops to solicit input on the recommended rules was conducted by Commission staff on February 28, 2017, June 27, 2017, and on March 1, 2018. Comments that either were received during the workshop or were filed subsequently were incorporated into the draft rules to provide additional clarification.

G. A description of any regulatory alternatives submitted and a statement adopting the alternative or a statement of the reasons for rejecting the alternative in favor of the proposed rule. [120.541(2)(g), F.S.]

No regulatory alternatives were submitted.

A regulatory alternative was received from

Adopted in its entirety.

Rejected. Describe what alternative was rejected and provide a statement of the reason for rejecting that alternative.