

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-

DATE: June 26, 2019

TO: Office of Commission Clerk (Teitzman)

FROM: Office of the General Counsel (Davis) *(6)*
Division of Accounting and Finance (Norris) *WBB AMM BZ ALM*
Division of Economics (Guffey) *SKG E6 JOT*

RE: Docket No. 20190055-WS – Proposed amendment of Rule 25-30.420, F.A.C., Establishment of Price Index, Adjustment of Rates; Requirement of Bond; Filings After Adjustment; Notice to Customers.

AGENDA: 07/09/19 – Regular Agenda – Rule Proposal – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Polmann

RULE STATUS: Proposal May Be Deferred

SPECIAL INSTRUCTIONS: None

Case Background

Pursuant to Section 367.081(4)(a), Florida Statutes (F.S.), the Commission was given the authority to establish by rule the procedure by which a water and/or wastewater utility may implement an increase or decrease in rates based on the application of the Commission's price index. The price index is based on changes for major categories of the utility's operating costs. Rule 25-30.420, Florida Administrative Code (F.A.C.), sets forth the Commission's price index application procedure. Each year the Commission sends an informational packet to all water and wastewater utilities to notify them of the availability of the price index. Rule 25-30.420(1), F.A.C., is being amended to update and clarify the rule. In particular, staff recommends an amendment to the example form that all water and wastewater utilities may use when applying for index or pass-through rate adjustments.

Docket No. 20190055-WS

Date: June 26, 2019

Notice of the rule development appeared in the September 20, 2018 edition of the Florida Administrative Register, Vol. 44, No. 184. There was no request for a workshop, and no workshop was held. This recommendation addresses the amendment of Rule 25-30.420, F.A.C. The Commission has jurisdiction pursuant to Section 367.081(4)(a), F.S.

Date: June 26, 2019

Discussion of Issues

Issue 1: Should the Commission propose the amendment of Rule 25-30.420, F.A.C., Establishment of Price Index, Adjustment of Rates; Requirement of Bond; Filings After Adjustment; Notice to Customers?

Recommendation: Yes, the Commission should propose the amendment of Rule 25-30.420, F.A.C., as set forth in Attachment A. The Commission should also certify that Rule 25-30.420, F.A.C., is not a rule that the violation of which would be a minor violation pursuant to Section 120.695, F.S. (Davis, Norris, Guffey)

Staff Analysis: Staff is recommending that Rule 25-30.420, F.A.C., be amended as set forth in Attachment A, to update and clarify the rule. Below, staff explains in more detail the substantive recommended amendments to the rule.

Rule 25-30.420, F.A.C., currently references Form PSC/AFD 15 (4/99), titled “Index Application,” which can be obtained from the Commission’s Division of Accounting and Finance and may be used by water and wastewater utilities to apply for index and/or pass-through rate adjustments. The form serves as a guideline for calculating the index rate adjustment and provides sample language to assist in meeting rule requirements, such as noticing. The Commission annually approves a package mailed by the Commission Clerk to every regulated water and wastewater utility that includes the “Index Application” form. In an effort to increase the number of water and wastewater utilities taking advantage of the annual price index and pass-through programs, the package also includes a cover letter from the Director of the Division of Accounting and Finance in order to explain the purpose of the index and pass-through applications and to communicate that Commission staff is available to assist them. Using an administrative process, Commission staff reviews all applications submitted by the utilities for completeness and accuracy prior to any index and/or pass-through rate adjustment being approved.

Staff recommends the Commission amend the rule, Attachment A, to update the example application form. The form currently referenced in the rule would be replaced with Form PSC 1022 (9/18), which is included in Attachment B.

Staff is also recommending that an e-mail address be added to the rule, which will give the utility the option to either file the form with the Division of Accounting and Finance by mail or electronically.

Staff also recommends that, in order to reduce the postage burden, utilities need no longer submit five copies of their documents to be reviewed by the Division of Accounting and Finance. Only one copy would be required if the rule is amended, as recommended by staff.

Staff further recommends that subsection (4) of the rule be amended to change the word “may” to “shall.” This is necessary because use of the word “may” does not comport with Sections 120.52(8)(d), F.S., and 120.545(1), F.S., as it vests the Commission with unbridled discretion.

Date: June 26, 2019

Although no workshop was requested, a comment was filed by the owner of several small water and wastewater utilities. In discussing the “Index Application” form and the suggested language for customer notices that must be mailed out, it was suggested that, in addition to including a customer notice for the price index adjustment and a separate customer notice for the pass-through rate adjustment in the form, there should be combined notices as well. The two customer notices are included for the purpose of providing sample language and may be combined into one notice for a utility filing a combined index and pass-through application. To clarify this practice, staff recommends that a sentence confirming that utilities may combine the notices themselves be included in the yearly application packet cover letter.

Minor Violation Rule Certification

Pursuant to Section 120.695, F.S., beginning July 1, 2017, for each rule filed for adoption the agency head shall certify whether any part of the rule is designated as a rule the violation of which would be a minor violation. Rule 25-30.420, F.A.C., is not a rule for which a violation would be minor because violation of the rule would result in economic harm to ratepayers. Thus, staff recommends that the Commission certify that Rule 25-30.420, F.A.C., is not a rule that the violation of which would be a minor violation pursuant to Section 120.695, F.S.

Statement of Estimated Regulatory Costs

Pursuant to Section 120.54, F.S., agencies are encouraged to prepare a statement of estimated regulatory costs (SERC) before the adoption, amendment, or repeal of any rule. The SERC is appended as Attachment C to this recommendation. The SERC analysis also includes whether the rule is likely to have an adverse impact on growth, private sector job creation or employment, or private sector investment in excess of \$1 million in the aggregate within five years of implementation.

The SERC concludes that the rule will not likely directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate in Florida within one year after implementation. Further, the SERC concludes that the rule will not likely have an adverse impact on economic growth, private sector job creation or employment, private sector investment, business competitiveness, productivity, or innovation in excess of \$1 million in the aggregate within five years of implementation. Thus, the rule does not require legislative ratification pursuant to Section 120.541(3), F.S. In addition, the SERC states that the rule will not have an adverse impact on small business and will have no impact on small cities or counties. No regulatory alternatives were submitted pursuant to paragraph 120.541(2)(g), F.S. None of the impact/cost criteria established in paragraph 120.541(2)(a), F.S., will be exceeded as a result of the recommended revision.

Conclusion

Staff recommends that the Commission propose the amendment of Rule 25-30.420, F.A.C., as set forth in Attachment A. In addition, the Commission should certify that Rule 25-30.420, F.A.C., is not a rule that the violation of which would be a minor violation pursuant to Section 120.695, F.S.

Issue 2: Should this docket be closed?

Recommendation: Yes, if no requests for hearing or comments are filed the rule should be filed with the Department of State, and the docket should be closed. (Davis)

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

1 **25-30.420 Establishment of Price Index, Adjustment of Rates; Requirement of Bond;**
2 **Filings After Adjustment; Notice to Customers.**

3 (1) On or before March 31 of each year, ~~The Commission shall, on or before March 31 of~~
4 ~~each year,~~ establish a price increase or decrease index as required by Section 367.081(4)(a),
5 F.S. The Office of Commission Clerk shall mail each regulated water and wastewater utility a
6 copy of the proposed agency action order establishing the index for the year and a copy of ~~the~~
7 ~~application.~~ Form PSC 1022 (9/18) ~~PSC/AFD 15 (4/99)~~, entitled “Index Application”, which
8 is incorporated into this rule by reference and may be obtained from [Dept of State hyperlink]
9 and the Commission’s Division of Accounting and Finance. Applications for the newly
10 established price index will be accepted from April 1 of the year the index is established
11 through March 31 of the following year.

12 (a) The index shall be applied to all operation and maintenance expenses, except for
13 amortization of rate case expense, costs subject to pass-through adjustments pursuant to
14 Section 367.081(4)(b), F.S., and adjustments or disallowances made in a utility’s most recent
15 rate proceeding.

16 (b) In establishing the price index, the Commission will consider cost statistics compiled
17 by government agencies or bodies, cost data supplied by utility companies or other interested
18 parties, and applicable wage and price guidelines.

19 (2) Any utility seeking to increase or decrease its rates based upon the application of the
20 index established pursuant to subsection (1) and as authorized by Section 367.081(4)(a), F.S.,
21 shall file ~~an original and five copies of~~ a notice of intention and the materials listed in
22 paragraphs (a) through (i) below with the Commission’s Division of Accounting and Finance
23 either by mail at 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399 or by e-mail at
24 Applications@psc.state.fl.us at least 60 days prior to the effective date of the increase or
25 decrease. Form PSC 1022 (9/18) is an example application that may be completed by the

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

1 applicant to comply with this subsection. The adjustment in rates shall take effect on the date
2 specified in the notice of intention unless the Commission finds that the notice of intention or
3 accompanying materials do not comply with Section 367.081(4), F.S. or this rule ~~the law, or~~
4 ~~the rules or orders of the Commission.~~ The notice shall be accompanied by:

5 (a) Revised tariff sheets;

6 (b) A computation schedule showing the increase or decrease in annual revenue that will
7 result when the index is applied;

8 (c) The affirmation required by Section 367.081(4)(c), F.S.;

9 (d) A copy of the notice to customers required by subsection (6);

10 (e) The rate of return on equity that the utility is affirming it will not exceed pursuant to
11 Section 367.081(4)(c), F.S.;

12 (f) An annualized revenue figure for the test year used in the index calculation reflecting
13 the rate change, along with an explanation of the calculation, if there has been any change in
14 the utility's rates during or subsequent to the test year;

15 (g) The utility's Department of Environmental Protection Public Water System
16 identification number and Wastewater Treatment Plant Operating Permit number;-

17 (h) A statement that the utility does not have any active written complaints, corrective
18 orders, consent orders, or outstanding citations with the Department of Environmental
19 Protection (~~DEP~~) or the County Health Department(s) or that the utility does have active
20 written complaints, corrective orders, consent orders, or outstanding citations with the
21 Department of Environmental Protection or the County Health Department(s);-

22 (i) A copy of any active written complaints, corrective orders, consent orders, or
23 outstanding citations with the Department of Environmental Protection (~~DEP~~) or the County
24 Health Department(s).

25 (3) If the Commission, upon its own motion, implements an increase or decrease in the
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existing law.

1 rates of a utility based upon the application of the index established pursuant to subsection (1)
2 and as authorized by Section 367.081(4)(a), F.S., the Commission will require a utility to file
3 the information required in subsection (2).

4 (4) Upon a finding of good cause, the Commission shall ~~may~~ require that a rate increase
5 pursuant to Section 367.081(4)(a), F.S., be implemented under a bond or corporate
6 undertaking in the same manner as interim rates. For purposes of this subsection, “good
7 cause” shall include:

8 (a) Inadequate service by the utility;

9 (b) Inadequate record-keeping by the utility such that the Commission is unable to
10 determine whether the utility is entitled to implement the rate increase or decrease under this
11 rule.

12 (5) Prior to the time a customer begins consumption at the rates established by application
13 of the index, the utility shall notify each customer of the increase or decrease authorized and
14 explain the reasons therefore.

15 (6) No utility shall file a notice of intention pursuant to this rule unless the utility has filed
16 ~~on file~~ with the Commission an annual report as required by subsection 25-30.110(3), F.A.C.,
17 for the test year specified in the order establishing the index for the year.

18 (7) No utility shall implement a rate increase pursuant to this rule within one year of the
19 official date that it filed a rate proceeding, unless the rate proceeding has been completed or
20 terminated.

21 *Rulemaking Authority 350.127(2), 367.081(4)(a), 367.121(1)(c), (f) FS. Law Implemented*
22 *367.081(4), 367.121(1)(c), (g) FS. History—New 4-5-81, Amended 9-16-82, Formerly 25-*
23 *10.185, Amended 11-10-86, 6-5-91, 4-18-99, 12-11-03, _____*

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25

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FLORIDA PUBLIC SERVICE COMMISSION
 PRICE INDEX APPLICATION
 APPLICABLE TEST YEAR _____

Department of Environmental Protection Public Water System ID NO. _____
 Department of Environmental Protection Wastewater Treatment Plant ID NO. _____

	WATER	WASTEWATER
Operation & Maintenance Expenses ¹	\$ _____	\$ _____
LESS:		
(a) Pass-through Items:		
(1) Purchased Power	_____	_____
(2) Purchased Water	_____	_____
(3) Purchased Wastewater Treatment	_____	_____
(4) Sludge Removal	_____	_____
(5) Other ²	_____	_____
(b) Rate Case Expense Included in Expenses	_____	_____
(c) Adjustments to Operation & Maintenance Expenses from last rate case, if applicable: ³		
(1) _____	_____	_____
(2) _____	_____	_____
Costs to be Indexed	\$ _____	\$ _____
Multiply by Annual Commission-Approved Price Index	_____ %	_____ %
Total Indexed Costs	\$ _____	\$ _____
Add Change in Pass-Through Items: ⁴		
(1) _____	_____	_____
(2) _____	_____	_____
Divide Index and Pass-Through Sum by Expansion Factor for Regulatory Assessment Fees	<u> .955 </u>	<u> .955 </u>
Increase in Revenue	_____	_____
Divide by Applicable Test Year Revenue ⁵	\$ _____	\$ _____
Percentage Increase in Rates	_____ %	_____ %

FOOTNOTES APPEAR ON THE FOLLOWING PAGE

PSC 1022 (09/18)

PAGE 1 FOOTNOTES

¹This amount must match last year's annual report.

²Other expense items may include increases in required Department of Environmental Protection testing, ad valorem taxes, permit fees charged by the Department of Environmental Protection or a local government authority, National Pollutant Discharge Elimination System fees, and regulatory assessment fees. These items should not be currently embedded in the utility's rates.

³This may include adjustments that follow a methodology referenced in the Order from a utility's last rate case (i.e. averaged bad debt expense or excessive unaccounted for water percentage applied to chemicals expense).

⁴This may include an increase in purchased power, purchased water, purchased wastewater treatment, sludge hauling, required Department of Environmental Protection testing, ad valorem taxes, and permit fees charged by the Department of Environmental Protection or a local government authority providing that those increases have been incurred within the 12-month period prior to the submission of the pass-through application. Pass-through National Pollutant Discharge Elimination System fees and increases in regulatory assessment fees are eligible as pass-through costs but not subject to the twelve month rule. All pass-through items require invoices. See Rule 25-30.425, F.A.C. for more information.

⁵If rates changed after January 1 of the applicable test year, the book revenues must be adjusted to show the changes and an explanation of the calculation should be attached to this form. See Annualized Revenue Worksheet for instructions and a sample format.

ANNUALIZED REVENUE WORKSHEET

Have the rates charged for customer services changed since January 1, of the applicable test year?

- () If no, the utility should use actual revenues. This form may be disregarded.
- () If yes, the utility must annualize its revenues. Read the remainder of this form.

Annualizing calculates the revenues the utility would have earned based upon the previous year's customer consumption at the most current rates in effect. To complete this calculation, the utility will need consumption data for the previous year to apply to the existing rate schedule. Below is a sample format which may be used.

CALCULATION OF ANNUALIZED REVENUES*
 Consumption Data for Applicable Test Year

	Number of Bill/Gal. Sold	X	Current Rates	Annualized Revenues
Residential Service:				
Bills:				
5/8"x3/4" meters	_____		_____	_____
1" meters	_____		_____	_____
1 1/2" meters	_____		_____	_____
2" meters	_____		_____	_____
Gallons Sold	_____		_____	_____
General Service:				
Bills:				
5/8"x3/4" meters	_____		_____	_____
1" meters	_____		_____	_____
1 1/2" meters	_____		_____	_____
2" meters	_____		_____	_____
3" meters	_____		_____	_____
4" meters	_____		_____	_____
6" meters	_____		_____	_____
Gallons Sold	_____		_____	_____
Total Annualized Revenues for the Applicable Test Year				\$ _____

*Annualized revenues must be calculated separately if the utility consists of both a water system and a wastewater system. This form is designed specifically for utilities using a base facility charge rate structure. If annualized revenues must be calculated and further assistance is needed, contact the Commission Staff at (850) 413-6900.

AFFIRMATION

I, _____, hereby affirm that the figures and calculations upon which the change in rates is based are accurate and that the change will not cause _____ to exceed the range of its last authorized rate of return on equity, which is _____.
(name of utility)

This affirmation is made pursuant to my request for a price index and/or pass-through rate increase, in conformance with Section 367.081(4), Florida Statutes.

Further, I am aware that pursuant to Section 367.081(4)(c), Florida Statutes, whoever makes a false statement in in this affirmation, which statement he or she does not believe to be true in regard to any material matter, is guilty of a felony of the third degree, punishable as provided in Sections 775.082, 775.083, or Section 775.084, Florida Statutes.

Signature: _____
Title: _____
Telephone Number: _____
Fax Number: _____

Sworn to and subscribed before me this _____ day of _____, 20__.

My Commission expires:

(SEAL)

Notary Public
State of Florida

STATEMENT OF QUALITY OF SERVICE

Pursuant to paragraphs 25-30.420(2)(h) and (i), Florida Administrative Code,

(name of utility)

[] does not have any active written complaints, corrective orders, consent orders, or outstanding citations with the Department of Environmental Protection (DEP) or the County Health Departments.

[] does have the attached active written complaint(s), corrective order(s), consent order(s), or outstanding citation(s) with the DEP or the County Health Department(s). The attachment(s) includes the specific system(s) involved with DEP permit number and the nature of the active complaint, corrective order, consent order, or outstanding citation.

Name: _____
Title: _____
Telephone Number: _____
Fax Number: _____
Date: _____

NOTICE TO CUSTOMERS

Pursuant to Section 367.081(4)(a), Florida Statutes, water and wastewater utilities are permitted to adjust the rates and charges to its customers without those customers bearing the additional expense of a public hearing. These adjustments in rates would depend on increases or decreases in noncontrollable expenses subject to inflationary pressures such as chemicals, and other general operation and maintenance costs.

On _____, _____ filed its notice of
(date) (name of utility)
intention with the Florida Public Service Commission to increase water and wastewater rates in _____ County pursuant to this Statute. The filing is subject to review by the Commission Staff for accuracy and completeness. Water rates will increase by approximately _____% and wastewater rates by _____%. These rates should be reflected for service rendered on or after _____.
(date)

Exception

_____ hereby waives the right to implement
(name of utility)
a pass-through rate increase within 45 days of filing, as provided by Section 367.081(4)(b),
Florida Statutes, in order that the pass-through and index rate increase may both be implemented
together 60 days after the official filing date of this notice of intention.

Signature: _____

Title: _____

(To be used if an index and pass-through rate increase are requested jointly.)

NOTICE TO CUSTOMERS

Pursuant to Section 367.081(4)(b), Florida Statutes, water and wastewater utilities are permitted to pass through, without a public hearing, a change in rates resulting from: an increase or decrease in rates charged for utility services received from a governmental agency or another regulated utility and which services were redistributed by the utility to its customers; an increase or decrease in the rates that it is charged for electric power, the amount of ad valorem taxes assessed against its used and useful property, the fees charged by the Department of Environmental Protection in connection with the National Pollutant Discharge Elimination System Program, or the regulatory assessment fees imposed upon it by the Commission; costs incurred for water quality or wastewater quality testing required by the Department of Environmental Protection; the fees charged for wastewater bio solids disposal; costs incurred for any tank inspection required by the Department of Environmental Protection or a local governmental authority; treatment plant and water distribution system operator license fees required by the Department of Environmental Protection or a local governmental authority; water or wastewater operating permit fees charged by the Department of Environmental Protection or a local governmental authority; and consumptive or water use permit fees charged by a water management district.

On _____, _____ filed its notice of
(date) (name of utility)
intention with the Florida Public Service Commission to increase water and wastewater rates in _____ County pursuant to this Statute. The filing is subject to review by the Commission Staff for accuracy and completeness. Water rates will increase by approximately _____% and wastewater rates by _____%. These rates should be reflected on your bill for service rendered on or after _____.
(date)

If you should have any questions, please contact your local utility office. Be sure to have account number handy for quick reference.

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-

DATE: November 30, 2018

TO: Lauren Davis, Senior Attorney, Office of the General Counsel

FROM: Sevini K. Guffey, Public Utility Analyst II, Division of Economics *SKG*

RE: Statement of Estimated Regulatory Costs for Proposed Adoption of Rule 25-30.420, Florida Administrative Code (F.A.C.), Establishment of Price Index, Adjustment of Rates; Requirement of Bond; Filings After Adjustment; Notice to Customers

Rule 25-30.420, F.A.C., allows the Commission to establish a price increase or decrease index for all water and wastewater utilities that are regulated by the Commission. The rule references Form PSC/AFD 15 (4/99), titled "Index Application," which is available to all water and wastewater utilities to aid in applying for index or pass-through rate adjustments.

The rule is being revised to reference the updated revised date of September 2018 on Form PSC 1022 (9/18). The form has been also updated to include explanatory notes and instructions that reflect the expansion of eligible pass-through costs permitted by a 2016 statutory change in Section 367.081, F.S.

The attached Statement of Estimated Regulatory Costs (SERC) addresses the considerations required pursuant to Section 120.541, Florida Statutes (F.S.). No rule development workshop was held regarding this rule revision. No regulatory alternatives were submitted pursuant to Section 120.541(1)(a), F.S. None of the impacts/cost criteria established in Section 120.541(2)(a), F.S. will be exceeded as a result of the proposed rule revisions. The rule modifications will only affect utilities requesting an index or pass-through rate increase or decrease. There are no new costs to the utility as a result of the modifications to this rule.

cc: SERC File

FLORIDA PUBLIC SERVICE COMMISSION
STATEMENT OF ESTIMATED REGULATORY COSTS
Rule 25-30.420, 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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Private-sector job creation or employment	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Private-sector investment	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

(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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Productivity	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Innovation	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

(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. Staff believes that none of the impacts/cost criteria established in Paragraph 120.541(2)(a), F.S. will be exceeded as a result of the proposed rule revisions. The proposed rule revisions are not imposing any new regulatory requirements, only reflect and updated revision date of form PSC/AFD 15 (4/99), which is titled "Index Application.". The updated revised date is (12/17). The modified rule 25-30.420, F.A.C. outlines the process by which water and wastewater utilities are able to adjust rates based on current specific expenses without applying for a rate case. There are no new costs to the utility as a result of the modification of this rule.

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.

The potentially affected entities include 132 investor-owned water and wastewater utilities that serve approximately 178,041 customers in Florida. The proposed revisions will also be applicable to water and wastewater utilities which may come under the jurisdiction of the Commission in the future.

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

The 132 investor-owned water and wastewater utilities and customers of those utilities are likely to be affected by this rule.

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.
- 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.
- 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:

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.