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CERTIFICATION OF

PUBLIC SERVICE COMMISSION ADMINISTRATIVE RULES

COMMISSION CLERK

FILED WITH THE

DEPARTMENT OF STATE

I do hereby certify:

/X/ (1) That all statutory rulemaking requirements of Chapter 120, F.S., have been complied with; and

/X/ (2) There is no administrative determination under subsection 120.56(2), F.S., pending on any rule covered by this certification; and

/X/ (3) All rules covered by this certification are filed within the prescribed time limitations of paragraph 120.54(3)(e), F.S. They are filed not less than 28 days after the notice required by paragraph 120.54(3)(a), F.S., and;

// (a) Are filed not more than 90 days after the notice; or

// (b) Are filed not more than 90 days after the notice not including days an administrative determination was pending; or

CMP _____

/X/ (c) Are filed more than 90 days after the notice, but not less than 21 days nor

COM _____

more than 45 days from the date of publication of the notice of change; or

CTR _____

ECR _____

// (d) Are filed more than 90 days after the notice, but not less than 14 nor more

GCL _____

OPC _____

than 45 days after the adjournment of the final public hearing on the rule; or

MMS _____

// (e) Are filed more than 90 days after the notice, but within 21 days after the

RCA _____

date of receipt of all material authorized to be submitted at the hearing; or

SCR _____

SEC | _____

OTH _____

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ALLAHABAD, INDIA
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// (f) Are filed more than 90 days after the notice, but within 21 days after the date the transcript was received by this agency; or

// (g) Are filed not more than 90 days after the notice, not including days the adoption of the rule was postponed following notification from the Joint Administrative Procedures Committee that an objection to the rule was being considered; or

// (h) Are filed more than 90 days after the notice, but within 21 days after a good faith written proposal for a lower cost regulatory alternative to a proposed rule is submitted which substantially accomplishes the objectives of the law being implemented; or

// (i) Are filed more than 90 days after the notice, but within 21 days after a regulatory alternative is offered by the small business ombudsman.

Attached are the original and two copies of each rule covered by this certification. The rules are hereby adopted by the undersigned agency by and upon their filing with the Department of State.

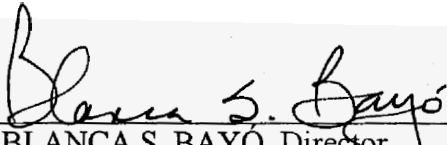
Rule No.

25-30.457

25-30.458

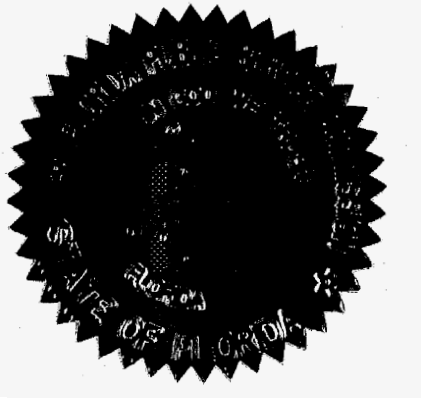
Under the provision of subparagraph 120.54(3)(e)6., F.S., the rules take effect 20 days from the date filed with the Department of State or a later date as set out below:

Effective: _____
(month) (day) (year)



BLANCA S. BAYO, Director
Division of the Commission Clerk
and Administrative Services

Number of Pages Certified



CTM

1 **25-30.457 Limited Alternative Rate Increase.**

2 (1) As an alternative to a staff assisted rate case as described in Rules 25-30.455
3 and 25-30.456, F.A.C., water utilities whose total gross annual operating revenues are
4 \$150,000 or less for water service and wastewater utilities whose total gross annual operating
5 revenues are \$150,000 or less for wastewater service may petition the Commission for a
6 limited alternative rate increase of up to 20 percent applied to metered or flat recurring rates of
7 all classes of service by submitting a completed application that includes the information
8 required by sections (8) and (9). In accordance with section 367.0814(6), F.S., a utility that
9 requests staff assistance waives its right to protest by agreeing to accept the final rates and
10 charges approved by the Commission unless the final rates and charges would produce less
11 revenue than the existing rates and charges. The original and two copies of the application
12 shall be filed with the Division of the Commission Clerk and Administrative Services.

13 (2) Upon filing a petition for a limited alternative rate increase, the utility shall
14 mail a copy of the petition to the chief executive officer of the governing body of each
15 municipality and county within the service areas included in the rate request and retain a copy
16 at the utility's business office.

17 (3) Within 30 days of receipt of the completed application, the Division of
18 Economic Regulation shall evaluate the application and determine the petitioner's eligibility
19 for a limited alternative rate increase.

20 (4) Upon reaching a decision to officially accept or deny the application, the
21 Director of the Division of Economic Regulation shall notify the petitioner by letter. If the
22 application is accepted, the Director will initiate limited alternative rate setting. If the
23 application is denied, the letter shall state the reasons for denial.

24 (5) The official date of filing will be 30 days after official acceptance of the
25 application by the Commission.

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TALLAHASSEE, FLORIDA

1 (6) A utility described in section (1) will qualify for limited alternative rate setting
2 if it satisfies the following criteria:

3 (a) The petitioner has filed all annual reports required by Rule 25-30.110(3),
4 F.A.C.:

5 (b) The petitioner has paid applicable regulatory assessment fees as required by
6 Rule 25-30.120, F.A.C.:

7 (c) The petitioner has at least 1 year's actual experience in utility operation;

8 (d) The petitioner has complied in a timely manner with all Commission decisions
9 affecting water and wastewater utilities for 2 years prior to the filing of the application under
10 review;

11 (e) The utility has not been granted a staff assisted rate case pursuant to Rule 25-
12 30.455, F.A.C., or a staff assisted alternative rate setting pursuant to Rule 25-30.456, F.A.C.,
13 within the 2-year period prior to the receipt of the application under review;

14 (f) The utility has not been granted a limited alternative rate increase pursuant to
15 this rule within the 3-year period prior to the receipt of the application under review;

16 (g) The utility is currently in compliance with any applicable water management
17 district permit conditions concerning rate structure; and

18 (h) A final order in a rate proceeding that established the utility's rate base, capital
19 structure, annual operating expenses and revenues has been issued for the utility within the 7-
20 year period prior to the receipt of the application under review.

21 (7) The Commission shall deny the application if a petitioner does not remit the
22 fee, as provided by section 367.145, F.S., and Rule 25-30.020(2)(f), F.A.C., within 30 days
23 after official acceptance of the application.

24 (8) Each petitioner for limited alternative rate increase shall provide the following
25 general information to the Commission:

- 1 (a) The name of the utility as it appears on the utility's certificate and the address
2 of the utility's principal place of business; and
- 3 (b) The type of business organization under which the utility's operations are
4 conducted: If the petitioner is a corporation, the date of incorporation and the names and
5 addresses of all persons who own 5 percent or more of the petitioner's stock; if the petitioner is
6 not a corporation, the names and addresses of the owners of the business.
- 7 (9) The petitioner shall provide a schedule showing:
- 8 (a) Annualized revenues by customer class and meter size for the most recent 12-
9 month period using the rates in effect at the time the utility files its application.
- 10 (b) Current and proposed rates for all classes of customers.
- 11 (10) The petitioner shall provide a statement that the figures and calculations upon
12 which the change in rates is based are accurate and that the change will not cause the utility to
13 exceed its last authorized rate of return on equity.
- 14 (11) A financial or engineering audit of the utility's financial or engineering books
15 and records shall not be required in conjunction with the application under review.
- 16 (12) The application will be approved, denied, or approved with modifications
17 within 90 days from the official filing date as established in subsection (5) above.
- 18 (13) In consideration of subsections (11) and (12), the utility agrees to hold any
19 revenue increase granted under the provisions of this rule subject to refund with interest in
20 accordance with Rule 25-30.360, F.A.C., for a period of 15 months after the filing of the
21 utility's annual report required by section 367.121, F.S., for the year the adjustment in rates
22 was implemented.
- 23 (14) To insure overearnings will not occur due to the implementation of this rate
24 increase, the Commission will conduct an earnings review of the utility's annual report to
25 determine any potential overearnings for the year the adjustment in rates was implemented.

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1 (15) If, within 15 months after the filing of a utility's annual report required by
2 section 367.121, F.S., the Commission finds that the utility exceeded the range of its last
3 authorized rate of return on equity after an adjustment in rates, as authorized by this rule, was
4 implemented within the year for which the report was filed, such overearnings, up to the
5 amount held subject to refund, with interest, shall be disposed of for the benefit of the
6 customers as provided in Section 367.081(4)(d), Florida Statutes.

7 (16) In the event of a protest of the proposed agency action (PAA) order pursuant to
8 Rule 28-106.201, F.A.C., by a substantially affected person other than the utility, unless the
9 PAA Order proposes a rate reduction, the utility may implement the rates established in the
10 PAA Order on a temporary basis upon the utility filing a staff assisted rate case application
11 pursuant to Rule 25-30.455, F.A.C., within 21 days of the date the protest is filed.

12 (17) In the event of a protest, the limit on the maximum increase provided in (1)
13 above shall no longer apply.

14 (18) If the utility fails to file a staff assisted rate case application within 21 days in
15 the event there is a protest, the application for a limited alternative rate increase will be
16 deemed withdrawn.

17 Specific Authority: 350.127(2), 367.0814, 367.121(1)(a), F.S.

18 Law Implemented: 350.123, 367.0814, 367.121, 367.145(2), F.S.

19 History: New XX/XX/XX.

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1 15-30.458 Notice of and Public Information for Application for Limited Alternative Rate
2 Increase.

3 (1) This rule applies to all requests for a limited alternative rate increase.

4 (2) No less than 14 days and no more than 30 days prior to the date of a customer
5 meeting, the utility shall provide, in writing, a customer meeting notice to all customers within
6 its service area and to all persons in the same service area who have filed a written request for
7 service or who have been provided a written estimate for service within the 12 calendar
8 months prior to the month the petition is filed. The customer meeting will be conducted by
9 the Commission staff no less than 21 days prior to Commission action on the application.

10 (3) The customer meeting notice shall be approved by Commission staff prior to
11 distribution and shall include the following:

12 a. The date the notice was issued;

13 b. The time, date, location, and purpose of the customer meeting;

14 c. A statement that the utility has applied for a limited alternative rate increase
15 and the general reason for doing so;

16 d. A statement of the location where copies of the application are available for
17 public inspection during the utility's regular business hours;

18 e. A comparison of current rates and charges and the proposed new rates and
19 charges;

20 f. The utility's address, telephone number, and regular business hours;

21 g. A statement that written comments regarding utility service or the proposed
22 rates and charges should be addressed to the Director, Division of the Commission Clerk and
23 Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0870, and
24 that such comments should identify the docket number assigned to the proceeding;

25 h. A statement that complaints regarding service may be made to the

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1 Commission's Division of Consumer Affairs at the following toll-free number: 1-800-342-
2 552;

3 i. The docket number assigned by the Commission's Division of the Commission
4 Clerk and Administrative Services.

5 (4) The customer meeting notice shall be mailed to the out-of-town address of all
6 customers who have provided the utility with an out-of-town address.

7 (5) If the Commission issues a proposed agency action (PAA) order granting a
8 limited alternative rate increase, the utility shall notify its customers of the order and any
9 revised rates. The customer notification shall be approved by Commission staff and be
10 distributed no later than with the first bill containing any revised rates.

11 Specific Authority: 350.127(2), 367.0814(9), 367.121(1), F.S.

Law Implemented: 367.0814, 367.121, F.S.

13 History: New XX/XX/XX.

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SUMMARY OF RULE

The proposed rule will establish an abbreviated procedure for a limited rate increase for small water and wastewater utilities under Section 376.0814, F.S., which should be less costly for utilities and their customers.

SUMMARY OF HEARINGS ON THE RULE

No hearing was requested and none was held.

FACTS AND CIRCUMSTANCES JUSTIFYING THE RULE

The rules are being proposed in an effort to implement more streamlined techniques and procedures to afford Class C water and wastewater utilities rate relief on an expedited basis, while reducing staff time and Commission costs in some limited circumstances.

FILED
2005 FEB 23 PM 4:00
DEPARTMENT OF STATE
TALLAHASSEE, FLORIDA