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STATE OF FLORIDA



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Public Service Commission

November 21, 2012

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To: Jurisdictional Class A and B Water and Wastewater Utilities

Re: Industry survey for legislative review of agency rules in effect on or before November 16, 2010
Docket No. 110303-OT

To whom this may concern:

Please see attached staff's survey questions. Your timely response to these survey questions regarding Rule 25-30.437, Florida Administrative Code (F.A.C.) will be important to complete the Commission's Compliance Economic Review required by Subsection 120.745(5), Florida Statutes. All responses should be filed in Docket No. 110303-OT by 5:00 p.m., December 20, 2012, and addressed to:

Bart Fletcher
c/o Ann Cole
Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

If you have any questions, please contact Todd Brown at (850) 413-6550 or tbrown@psc.state.fl.us or Ana VanEsselstine at (850) 413-6435 or avanesse@psc.state.fl.us. Thank you for your assistance.

Sincerely,

A handwritten signature in blue ink that reads "Bart Fletcher".

/s/ Bart Fletcher
Bart Fletcher
Public Utilities Supervisor
Division of Accounting and Finance

DOCUMENT NUMBER - DATE
7804 NOV 21 2012
FPSC - COMMISSION CLERK

Rule 25-30.437, F.A.C. - Survey Questions

The following survey questions apply to **Rule 25-30.437, F.A.C, Minimum Filing Requirements**. The Company's response data to these survey questions should be provided for the entire rule, unless the response data is available by rule section, in which case we request the response data be provided by rule section. Please present data in annualized format, if possible, and all cost or benefit dollar estimates should be stated in nominal terms. Please indicate whether the data is actual or projected. Relevant definitions are attached.

1. What are the Company's estimated transactional costs (as defined in Subparagraph 120.541(2)(d), F.S.) resulting from the Company's compliance with Rule 25-30.437, F.A.C., for the five-year period beginning July 1, 2011?
2. For the five-year period beginning July 1, 2011, which requirements of Rule 25-30.437, F.A.C., if any, would be performed by the Company assuming the rule were not in effect? Please explain.
 - a. For each of the requirements identified in question 2, what are the estimated transactional costs associated with such requirements for the five-year period beginning July 1, 2011?
3. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on small businesses (as defined by Section 288.703, F.S.) located in the Company's service territory, resulting from the implementation of 25-30.437, F.A.C., for the five-year period beginning July 1, 2011?
4. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on small counties and small cities (as defined in Section 120.52, F.S.) located in the Company's service territory, resulting from the implementation of 25-30.437, F.A.C., for the five-year period beginning July 1, 2011?
5. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on entities located in the Company's service territory other than those specifically identified in questions 3 and 4, resulting from the implementation of 25-30.437, F.A.C., for the five-year period beginning July 1, 2011?
6. What does the Company believe is the expected impact of Rule 25-30.437, F.A.C., on economic growth, private sector job creation or employment, and private sector investment for the five-year period beginning July 1, 2011 in the Company's service territory?
7. What does the Company believe is the expected impact of Rule 25-30.437, F.A.C., on business competitiveness, productivity, and innovation, including the ability of persons doing business in the Company's service territory to compete with persons doing

business in states other than Florida or other domestic markets for the five-year period beginning July 1, 2011?

8. What does the Company believe are the benefits of Rule 25-30.437, F.A.C.?

25-30.437 Financial, Rate and Engineering Information Required of Class A and B Water and Wastewater Utilities in an Application for Rate Increase.

Each Class A or B utility applying for a rate increase shall provide the information required by Commission Form PSC/ECR 19-W (11/93), entitled "Class A Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum Filing Requirements", or PSC/ECR 20-W (11/93), entitled "Class B Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum Filing Requirements", whichever is applicable. These forms are incorporated into this rule by reference and may be obtained from the Director, Division of Economic Regulation, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850. In compiling the required schedules, additional instructions are set forth below:

(1) Each section of this form shall be indexed and tabbed, including a table of contents listing the page numbers of each schedule.

(2) If information requested in the form described above is not applicable to the applicant, so state and provide an explanation on the specific schedule.

(3) If a projected test year is used, provide a complete set of Commission Form PSC/ECR 19-W (for Class A utilities) or PSC/ECR 20-W (for Class B utilities) (as described above) which require a designation of historical or projected information. Such schedules shall be submitted for the historical base year, and any year subsequent to the base year and prior to the projected test year, in addition to the projected test year. If no designation is shown on a schedule, submit that schedule for the test year only. In lieu of providing separate pages for the above required schedules, the information required can be combined on the same page by adding additional columns. In the rate base schedules, Section A, the beginning and end of year balances shall be shown. For any intermediate period or year, only the year-end balance shall be shown. A schedule shall also be included which describes in detail all methods and bases of projection, explaining the justification for each method or basis employed. If an historical test year is used, Schedule E-13 is not required.

(4) Only two copies of Schedule E-14, entitled Billing Analysis Schedules, shall be filed with the application. Each copy shall be submitted in a separate binder from the other required information.

(5) If a petition for interim rates is filed, a utility shall demonstrate that it is earning outside the range of reasonableness on rate of return calculated in accordance with Section 367.082(5), F.S. In doing such, the utility shall submit schedules of rate base, cost of capital and net operating income on an historical basis, with schedules of all adjustments thereto, consistent with Commission Form PSC/ECR 19-W (for a Class A utility) or PSC/ECR 20-W (for a Class B utility), (described above).

(6) In proposing rates, the utility shall use the base facility and usage charge rate structure, unless an alternative rate structure is adequately supported by the applicant. The base facility charge incorporates fixed expenses of the utility and is a flat monthly charge. This charge is applicable as long as a person is a customer of the utility, regardless of whether there is any usage. The usage charge incorporates variable utility expenses and is billed on a per 1,000 gallon or 100 cubic feet basis in addition to the base facility charge. The rates are first established with the 5/8" x 3/4" meter as the foundation. For meter sizes larger than 5/8", the base facility charge shall be based on the usage characteristics.

Specific Authority 367.121 FS. Law Implemented 367.081, 367.082 FS. History—New 6-10-75, Amended 10-16-77, 3-26-81, Formerly 25-10.176, Amended 11-10-86, 6-25-90, 11-30-93.

Excerpts from Florida Statutes

120.541 Statement of estimated regulatory costs.—

...

(2)(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. As used in this section, “transactional costs” are direct costs that are readily ascertainable based upon standard business practices, and include filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used or procedures required to be employed in complying with the rule, additional operating costs incurred, the cost of monitoring and reporting, and any other costs necessary to comply with the rule.

288.703 Definitions. — As used in ss. 288.702-288.706, the term:

...

(6) “Small business” means 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 applicable to sole proprietorships, the \$5 million net worth requirement shall include both personal and business investments.

120.52 Definitions. — As used in this act:

...

(18) “Small city” means any municipality that has an unincarcerated population of 10,000 or less according to the most recent decennial census.

(19) “Small county” means any county that has an unincarcerated population of 75,000 or less according to the most recent decennial census.