

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: February 28, 2013
TO: Ann Cole, Commission Clerk, Office of Commission Clerk
FROM: Todd M. Brown, Regulatory Analyst IV, Division of Accounting & Finance
RE: Docket No. 110303-OT - Section 120.745, F.S. (2011), Legislative Review of Agency Rules in Effect on or Before November 16, 2010

RECEIVED-FPSC
13 FEB 28 PM 3:27
COMMISSION CLERK

The attached documents were received from Pluris Holdings, LLC via e-mail on February 7, 2013. Please incorporate the e-mail and attached survey responses into the docket file.

DOCUMENT NUMBER-DATE

01055 FEB 28 2013

FPSC-COMMISSION CLERK

Todd Brown

From: Maurice Gallarda <mgallarda@plurisusa.com>
Sent: Thursday, February 07, 2013 1:02 PM
To: Todd Brown
Subject: RE: Industry survey for legislative review of agency rules
Attachments: 25-30 437 Water MFR survey 11-20-12 - Pluris response.doc; 25-30 120 Water RAF survey 11-20-12 Pluris Response.doc

Hi Todd,

Please see the attached survey responses on both surveys you emailed me. For convenience responses are highlighted in blue immediately following each individual questions.

If you have any additional questions, feel free to contact us.

Best regards,

Maurice Gallarda

Maurice W. Gallarda, PE
Managing Member and Principal Engineer



Pluris Holdings LLC

T 214.220.3412 / F 214.965.9090

2100 McKinney Avenue, Suite 1550, Dallas, TX 75201

This e-mail is subject to the Pluris Holdings email disclaimer.

[Click to read full disclaimer.](#)

From: Todd Brown [<mailto:TBrown@PSC.STATE.FL.US>]
Sent: Wednesday, February 06, 2013 3:33 PM
To: Maurice Gallarda
Cc: Cheryl Bulecza-Banks; Bart Fletcher; Andrew Maurey
Subject: Industry survey for legislative review of agency rules

Mr. Gallarda:

It was a pleasure speaking with you this afternoon. Attached, please find copies of the surveys we discussed regarding the economic impacts of Rule 25-30.120, F.A.C. (Regulatory Assessment Fees) and Rule 25-30.437, F.A.C. (Minimum Filing Requirements). Our goal is to gain insight from our water and wastewater utilities as a part of our ongoing evaluation of these rules. I appreciate your willingness to review the surveys and provide any feedback that you may have regarding these issues. It would be helpful if you could focus your attention on the MFR survey first.

DOCUMENT NUMBER-DATE

01055 FEB 28 2013

FPSC-COMMISSION CLERK

If you have any questions, please feel free to give me a call at 850-413-6550.

Thank you,

Todd Brown
Regulatory Analyst IV
Division of Accounting and Finance

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Phone: (850) 413-6550

Fax: (850) 413-6551

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? *Pluris filed an application for a rate increase with the Calendar year of 2011 being the "Test Year". Total cost as of 12.31.12 for the transaction cost was \$120,000 . We contemplate on the order of \$30,000 through the balance of the proceedings, anticipated to be completed in 2013. There are no plans for additional transactions costs for the years of 2014 and 2015.*
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. *All. Pluris would continue to use the same format whether the rule was in effect or not.*
 - 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? *See 1. above.*
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? *The cost impact has been measured as stated in 1. above. Pluris believes the rule is neutral on any benefit. The MFRs are actually a template necessary to provide the required information to assist PSC staff in their analysis for the rate case application. Some small businesses may see an initial cash flow impact in having to complete all the items in the rule until interim rates are implemented to offset cash flow related to costs.*
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? *These entities are not regulated by the PSC.*
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? *Do not know but Pluris assumes negligible.*
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? *Do not know but Pluris assumes negligible. Most companies utilize outside services including accountants and legal firms to meet the requirements in the rule so that extent there is job creation.*

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? *None or very little impact. "Persons" doing business in Florida have the advantage as does Texas and Nevada of not paying personal income taxes. The economics of this alone has considerably greater impact as businesses consider where to relocate.*
8. What does the Company believe are the benefits of Rule 25-30.437, F.A.C.? *The primary benefit is that there is uniformity in the information required which reduces future costs related to initial "setup-up" costs in producing the first template. These set-up costs will not be incurred in the future.*

Rule 25-30.120, F.A.C. - Survey Questions

The following survey questions apply to **Rule 25-30.120, F.A.C, Regulatory Assessment Fees**. 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 25-30.120, F.A.C., for the five year period beginning July 1, 2011?

2011 Water	\$44,911.87
2011 Wastewater	\$32,920.15

2012 Water	\$47,153.50
2012 Wastewater	\$34,796.28

2013 Water	\$47,153.50
2013 Wastewater	\$34,796.28

2014 Water	\$47,153.50
2014 Wastewater	\$34,796.28

2015 Water	\$47,153.50
2015 Wastewater	\$34,796.28

- a. Please identify regulatory assessment fees separately from all other transactional costs required to comply with the rule.
2. Of the costs provided in response to question 1 above, which, if any, would be incurred by the Company if Rule 25-30.120, F.A.C., were not in effect? *Although the rule would not be in effect, Section 350.113, F.S would still require the regulatory fee to be paid.*
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 25-30.120, F.A.C., for the five year period beginning July 1, 2011? *Neutral since regulatory fees have always been required.*
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 25-30.120, F.A.C., for the five year period beginning July 1, 2011? *These entities are not regulated by the PSC and thus are not required to pay the regulatory fees.*
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 25-30.120, F.A.C., for the five year period beginning July 1, 2011? *Do not know but Pluris assumes negligible.*

6. What does the Company believe is the expected impact of Rule 25-30.120, 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? *None or very little impact. "Persons" doing business in Florida have the advantage as does Texas and Nevada of not paying personal income taxes. The economics of this alone has considerably greater impact as businesses consider where to relocate.*
7. What does the Company believe is the expected impact of Rule 25-30.120, 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? *None or very little impact. "Persons" doing business in Florida have the advantage as does Texas and Nevada of not paying personal income taxes. The economics of this alone has considerably greater impact as businesses consider where to relocate.*
8. What does the Company believe are the benefits of Rule 25-30.120, F.A.C.? *The state receives revenues.*