

STATE OF FLORIDA

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OFFICE OF THE GENERAL COUNSEL
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(850) 413-6199

Public Service Commission

March 4, 2021

Mr. Andrew King, Director
Rules Ombudsman in
The Executive Office of the Governor
Reg.Reform@eog.myflorida.com

VIA E-MAIL

Re: Docket No.: 20200119-WS, Rule 25-30.335, Customer Billing, F.A.C.

Dear Mr. King:

The Florida Public Service Commission proposed the above-listed rule at its regular agenda conference on March 2, 2021. The Commission has determined that this rule will affect small businesses. Attached are copies of the following:

- The notice of the proposed rule, which was published in the March 4, 2021 edition of the Florida Administrative Register, as required by Section 120.54(3)(b)2.b. (I), Florida Statutes.
- The statement of estimated regulatory costs (SERC). The SERC concluded that the proposed rule amendments will not have an adverse effect on small business.
- The OFARR rulemaking notification form.

If there are any questions with respect to these rules, please contact me at kcowdery@psc.state.fl.us.

Sincerely,

/s/ Kathryn G.W. Cowdery
Kathryn G.W. Cowdery
Senior Attorney

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2021 MAR -4 PM 12:04
COMMISSION
CLERK

Enclosures

cc: Office of the Commission Clerk

Notice of Proposed Rule

PUBLIC SERVICE COMMISSION

RULE NO: RULE TITLE:

25-30.335 Customer Billing

PURPOSE AND EFFECT: The purpose and effect of this rulemaking is to update and clarify the water and wastewater customer billing rule requirements, including billing requirements for customers who request temporary discontinuance of service and customers who request a permanent termination of service.

Docket No. 20200119-WS

SUMMARY: The rule specifies what rates and charges a utility must bill and a customer must pay if a customer requests a temporary discontinuance of service or is out of residence and if a customer requests a permanent termination of service and subsequently requests service at the same location within 12 months of termination.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION: The agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has been prepared by the agency. The SERC examined the factors required by Section 120.541(2), FS, and concluded that the rule amendment will not have an adverse impact on economic growth, business competitiveness, or small business and that there would likely be no transactional costs to the individual and entities, including government entities, required to comply with the rule.

The agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: based upon the information contained in the SERC.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

RULEMAKING AUTHORITY: 350.127(2), 367.121 FS.

LAW IMPLEMENTED: 367.121, FS.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAR.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Kathryn Cowdery, Office of General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, (850)413-6216, kcowdery@psc.state.fl.us

THE FULL TEXT OF THE PROPOSED RULE IS:

25-30.335 Customer Billing.

(1) Except as provided in this rule, a utility ~~must shall~~ render bills to customers at regular intervals, and each bill ~~must shall~~ indicate: the billing period covered; ~~the applicable rate schedule~~; beginning and ending meter reading; the amount of the bill; the delinquent date or the date after which the bill becomes past due; and any authorized late payment charge.

(2) No change.

(a) If the utility estimates a bill, ~~the bill statement shall prominently show~~ the word "Estimated" must be prominently displayed on the face of the bill.

(b) The utility is obligated to timely correct any problems within the utility's control causing the need to estimate bills. In no event ~~may shall~~ a utility provide an estimated bill to any one customer account more than four times in any 12-month period due to circumstances that are within the utility's control and service obligations.

(c) Upon issuance of a second estimated bill in a 6-month period, the utility ~~must shall~~ provide the customer with an explicit written explanation for the estimation, along with the utility contact information and the Commission toll-free complaint number, 1(800) 342-3552.

(d) The utility ~~must shall~~ maintain records, for a minimum of two years, detailing the number, frequency, and causes of estimated bills, and those records must ~~which shall~~ be made available upon request to the Commission or to any party to a rate proceeding for the utility.

(3) When service is rendered for less than 50 percent of the normal billing cycle, the utility ~~must shall~~ prorate the base facility charges, flat rates. or rates that include minimum usage as though the normal billing cycle were 30

days, ~~except that~~ The utility may elect not to not issue an initial bill for service if the service is rendered for during a time period which is less than 50 percent of the normal billing cycle. Instead, the utility may elect to issue a single bill combining combine the amount owed for the service rendered during the initial time period with the amount owed for the next billing cycle, and issue a single bill for the combined time period. For service taken under flat rate schedules, 50 percent of the normal charges may be applied.

(4) If a customer requests a temporary discontinuance of service or is out of residence:

(a) Utilities that have the base facility charge rate structure must continue to bill the base facility charge.

(b) Utilities that have a flat rate or a rate that includes minimum usage must bill the customer 40 percent of the flat or minimum rate contained on the applicable tariff.

(5) If a customer requests a permanent termination of service and the same customer subsequently requests service at the same location within 12 months of that termination, the utility must bill the customer the base facility charges or 40 percent of the flat rate or rates that include minimum usage for the service termination period. The customer is responsible for payment of all outstanding rates and charges for the termination period in order for service to be restored.

(6)(4) A utility may not consider a customer delinquent in paying his or her bill until the 21st day after the utility has mailed or presented the bill for payment.

(7)(5) A Each utility must shall establish each point of delivery as an independent customer account and must shall calculate the amount of the bill accordingly, except where physical conditions make it necessary to use additional meters or points of delivery for one class of service to a single customer on the same premises, or where such multiple meters or delivery points are used for the convenience of the utility.

(8)(6) A utility may not incorporate municipal or county franchise fees into the amount indicated as the cost for service on the customer's bill. Rather, the utility must shall show any such franchise fee as a separate item.

(9)(7) The utility must shall maintain a record of each customer's account for the most current 2 years so as to permit reproduction of the customer's bills during the time that the utility provided service to that customer.

~~(8) If a utility utilizes the base facility and usage charge rate structure and does not have a Commission authorized vacation rate, the utility shall bill the customer the base facility charge regardless of whether there is any usage.~~

Rulemaking Authority 350.127(2), 367.121 FS. Law Implemented 367.094, 367.121 FS. History--New 9-14-74, Amended 6-21-79, Formerly 25-10.97, 25-10.097, Amended 11-10-86, 11-30-93, 6-17-13, _____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Shannon Hudson

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Florida Public Service Commission

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: March 2, 2021

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: Volume 46, Number 5, January 8, 2020.

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: December 22, 2020

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

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

RE: **Statement of Estimated Regulatory Costs** for the Proposed Adoption of Rule 25-30.335, Florida Administrative Code, Customer Billing.

Commission staff is proposing revisions to Rule 25-30.335, Florida Administrative Code (F.A.C.), Customer Billing. The rule is applicable to all water and wastewater utilities that are under the Commission's jurisdiction. The purposes of these proposed rule revisions are to allow utilities to recover charges such as base facility charges during a customer's temporary discontinuance of service. Furthermore, the proposed rule would require the customer to pay all outstanding rates and charges for the service termination period prior to requesting new service at the same address within 12 months of the termination. The recommended revisions are discussed in detail in the staff recommendation. The proposed revisions will enable the utilities to maintain appropriate cash flow and achieve their authorized rate of return.

The attached Statement of Estimated Regulatory Costs (SERC) addresses the economic impacts and considerations required pursuant to Section 120.541, Florida Statutes (F.S.). The SERC analysis indicates that the proposed 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 five years of implementation. The proposed rule amendments would not potentially have adverse impacts on small businesses, would have no implementation cost to the Commission or other state and local government entities, and would have no impact on small cities or counties.

No regulatory alternatives were submitted pursuant to Section 120.541(1)(g), F.S. The SERC concludes that none of the impacts/cost criteria established in Sections 120.541(2)(a), (c), (d), and (e), F.S., will be exceeded as a result of the proposed rule revisions.

cc: SERC File

FLORIDA PUBLIC SERVICE COMMISSION
STATEMENT OF ESTIMATED REGULATORY COSTS
Rule 25-30.335, 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: The recommended amendments to Rule 25-30.335, F.A.C., will allow the utility to recover charges that have accrued during a customer's temporary discontinuance of service and ensure a more stable revenue stream for the utility. Regulatory or transactional costs will not exceed \$1 million in the aggregate within 5 years after the implementation 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.

Potentially affected entities include 132 investor-owned water and wastewater utilities that serve approximately 177,256 customers in Florida. Water and wastewater utilities which come under the jurisdiction of the Commission in the future also may be affected by the new rule.

(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.

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.

Office of Fiscal Accountability and Regulatory Reform
Rulemaking Notification

(Executive Order 11-211 requires agencies must submit all rulemaking notices to OFARR at least 1 week prior to publication)

To: Andrew King, Director

Submitted By: **Name, Title:** Kathryn G.W. Cowdery, Senior Attorney
Agency, Board: Florida Public Service Commission
Phone Number: 413-6199

Re: Rulemaking Notification for:

Rule Number: 25-30.335 **Rule Title:** Customer Billing

Rule Summary: This rule clarifies what rates and charges must be billed by a water or wastewater utility and paid by a customer if they request a temporary discontinuance of service or are out of residence or if they request a permanent termination of service and subsequently request service at the same location within 12 months of termination.

List EACH rule separately. Add tables as needed.

Date: [Date request sent to 3/4/2021 OFARR] Date of anticipated 3/4/2021 publication:

Does this rule qualify for Rules Ombudsman review in accordance with section 120.54(3)(b), F.S.? Yes No

Please complete this form when submitting rulemaking notification to the Office of Fiscal Accountability and Regulatory Reform (OFARR) pursuant to Executive Order 11-211 and Directive published on November 11, 2019. If any information or documents are missing, the notification will be returned without review. OFARR will indicate what is missing, and the completed notification must be resubmitted.

1. Proposed Rulemaking Activity:

- Notice of Development of Rulemaking – Attach the proposed Notice. If no text is available, give a detailed explanation of the rulemaking, including why it is necessary.
- Notice of Proposed Rule – Attach the proposed Notice, “Is a SERC Required” Checklist, and SERC (if required), all materials incorporated by reference, and all forms referenced or required by the rule.
- Notice of Emergency Rule – Attach the proposed Notice. Explain fully why emergency rulemaking is appropriate.
- Notice of Change – Attach the proposed Notice. Be sure the text is coded correctly according to Rule 1B-30.003(5)(f), F.A.C. Explain why a change is required. Attach any correspondence from JAPC or the public. If no documents exist, summarize any public comment the agency has received or public hearings/workshops the agency has held.
- Notice of Withdrawal – Attach the proposed Notice. Explain why it is necessary to withdraw the rulemaking. Include any JAPC correspondence.

Office of Fiscal Accountability and Regulatory Reform

Rulemaking Notification

(Executive Order 11-211 requires agencies must submit all rulemaking notices to OFARR at least 1 week prior to publication)

Other – Attach the proposed Notice. Include detailed information about the rulemaking.

2. Is this rulemaking included in the agency's Annual Regulatory Plan (ARP)? Yes No

3a. Does each amendment or new rule:

Rule Number: Rule Title:

Increase Fees? Yes No N/A

Increase Regulation? (I.E., Additional Licensure, Continuing Education Requirements, etc.) Yes No N/A

List EACH rule separately. Add tables as needed.

3b. For each new rule, the following information is required:

Rule Number: Rule Title:

Statute Authorizing Rulemaking: Statutory language authorizing rulemaking authority:

Statute Mandating Rulemaking: Statutory language requiring rulemaking:

New rule is due to a Legislative change occurring within the past 24 months: Yes No Provide chapter law and effective date:

List each rule separately. Add tables as needed.

4. Has the agency received any public comment about this rulemaking since the last rulemaking notification?

Yes No

If yes, please summarize the comment and the agency's position regarding the comment (i.e. has made or intends to make changes based on the comment, disagrees with the comment, etc.) and attach any documents.

5. Has the agency received any comment from JAPC since the last rulemaking notification?

Yes No

Office of Fiscal Accountability and Regulatory Reform
Rulemaking Notification

(Executive Order 11-211 requires agencies must submit all rulemaking notices to OFARR at least 1 week prior to publication)

If yes, please summarize the comment and attach any documents.

For Notice of Proposed Rules Only

6. Describe the public need for the proposed rule and an explanation of how the proposed rule will address that need.

See attached SERC

7. Has the agency received, been made aware of, or contemplated/reviewed any lower cost regulatory alternatives (LCRA)?

Yes No

If yes, describe in detail what action the agency took in response to the LCRA. If no, please explain.

8. Summarize qualitative and quantitative *benefits* of the proposed rule. Benefits may include but are not limited to: productivity, efficiency, employment and accessibility, enhancement of health and safety, and protection of the environment.

See attached SERC

Office of Fiscal Accountability and Regulatory Reform
Rulemaking Notification

(Executive Order 11-211 requires agencies must submit all rulemaking notices to OFARR at least 1 week prior to publication)

9. Summarize qualitative and quantitative costs of the proposed rule. Costs may include but are not limited to: cost to government in administering the regulation, costs to businesses and professionals in complying with the regulation, adverse effects on the economy, private markets, health, safety and the environment.

See attached SERC

10. Does the proposed rule include a sunset provision (not to exceed five years)?

Yes No

If no, please detail why and attach any supplemental documentation.

This rule implements Section 367.121(1)(a), F.S., is an important service rule for water and wastewater utilities and their customers, and does not require a sunset provision.