

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition by Florida) DOCKET NO. 930385-WS
Waterworks Association to) ORDER NO. PSC-93-0923-FOF-WS
Initiate Rulemaking Proceedings) ISSUED: June 18, 1993
to Amend Rule 25-30.311(4),)
F.A.C.)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
JULIA L. JOHNSON

ORDER GRANTING PETITION TO INITIATE RULEMAKING PROCEEDINGS

BY THE COMMISSION:

On April 14, 1993, the Florida Waterworks Association (FWWA) filed a Petition to Initiate Rulemaking, asking the Commission to amend Rule 25-30.311(4), F.A.C., relating to the rate of interest paid on customer deposits. FWWA asserted that the current rule does not reflect existing market conditions and does not recognize that interest rates fluctuate substantially over time.

The Commission's rules on customer deposits for each of the industries it regulates--not solely water and wastewater utilities--require payment of eight percent per annum interest on residential customer deposits and nine percent on nonresidential customer deposits. Rules 25-4.109(5), 25-6.097(4)(a), 25-7.083(5) and 25-30.311(4), F.A.C. The interest rate was last changed in 1980, when it was increased from six to eight percent to reflect the economic conditions at that time. (Order No. 9338, May 21, 1980)

FWWA proposed that the Commission annually establish the appropriate rate of interest on customer deposits based on either the average rate of interest paid on one-year Federal Treasury Bills, or "such other indexes the Commission may deem appropriate for such purpose." According to FWWA, this will eliminate the need for future rulemaking as economic conditions change.

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ORDER NO. PSC-93-0923-FOF-WS
DOCKET NO. 930385-WS
PAGE 2

We agree that the present interest rate provided in the rules does not reflect current market conditions and that it may be appropriate to tie the rate to an index to reflect changing economic conditions without requiring additional rulemaking. Staff is directed to schedule a workshop to gather information from the utilities and recommend rule amendments for our consideration.

Based upon the foregoing, it is

ORDERED by the Florida Public Service Commission that the petition to initiate rulemaking proceedings to amend Rule 25-30.311(4), F.A.C., is granted. It is further

ORDERED by the Florida Public Service Commission that this docket be expanded to include consideration of amendments to Rules 25-4.109(5), 25-6.097(4)(a), and 25-7.083(5), F.A.C.

By ORDER of the Florida Public Service Commission this 18th day of June, 1993.



STEVE TRIBBLE, Director
Division of Records and Reporting

CTM

(S E A L)

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Civil Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.