

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed amendment of Rules 25-30.455, F.A.C., Staff Assistance in Rate Cases, 25-30.456, F.A.C., Staff Assistance in Alternative Rate Setting, and 25-30.457, F.A.C., Limited Alternative Increase for all water and wastewater utilities.

DOCKET NO. 080414-WS
ORDER NO. PSC-08-0687-NOR-WS
ISSUED: October 17, 2008

The following Commissioners participated in the disposition of this matter:

MATTHEW M. CARTER II, Chairman
LISA POLAK EDGAR
KATRINA J. McMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

NOTICE OF RULEMAKING

BY THE COMMISSION:

NOTICE is hereby given that the Florida Public Service Commission, pursuant to Section 120.54, Florida Statutes, has initiated rulemaking to amend Rules 25-30.455, 25-30.456, and 25-30.457, Florida Administrative Code, relating to staff assistance in ratemaking.

The attached Notice of Rulemaking will appear in the October 24, 2008 edition of the Florida Administrative Weekly.

If timely requested, a hearing will be held at a time and place to be announced in a future notice.

Written requests for hearing and written comments or suggestions on the rules must be received by the Office of Commission Clerk, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0862, no later than November 14, 2008.

By ORDER of the Florida Public Service Commission this 17th day of October, 2008.



ANN COLE
Commission Clerk

(SEAL)
RG

DOCUMENT NUMBER-DATE

09901 OCT 17 08

FPSC-COMMISSION CLERK

Notice of Proposed Rule

PUBLIC SERVICE COMMISSION

RULE NO: RULE TITLE

25-30.455: Staff Assistance in Rate Cases

25-30.456: Staff Assistance in Alternative Rate Setting

25-30.457: Limited Alternative Rate Increase

PURPOSE AND EFFECT: To implement the change in 367.0814, FS. The effect of the rule changes will be to allow more utilities to request staff assistance. Docket No. 080414-WS.

SUMMARY: These rules describe the water and wastewater utilities that are eligible to request and receive a staff assisted rate case from the Commission. These rules are being changed to implement the revision to 367.0814, FS. The statute has been changed to raise the level of staff assistance from \$150,000 to \$250,000 for a water or wastewater utility or from \$300,000 to \$500,000 when combined.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS: There should be minimal costs incurred by the Commission. More utilities will be eligible for staff assistance in rate cases and additional staff time will be required. However, staff time will be offset as less staff time will be spent on utility-sponsored rate cases. Fourteen more water and wastewater utilities will be eligible for staff assistance in rate cases. Their costs will likely decrease and ratepayers of the eligible utilities will potentially see a resulting decrease in rate case expense. There should be no negative impacts on small businesses, small cities, or small counties. 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.

SPECIFIC AUTHORITY: 350.127(2), 367.0814, 367.121 FS

LAW IMPLEMENTED: 367.0814 FS

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

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Rosanne Gervasi, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0862, (850) 413-6224.

THE FULL TEXT OF THE PROPOSED RULE IS:

25-30.455 Staff Assistance in Rate Cases.

(1) Water and wastewater utilities whose total gross annual operating revenues are ~~\$250,000~~~~\$150,000~~ or less for water service or ~~\$250,000~~~~\$150,000~~ or less for wastewater service, or ~~\$500,000~~~~\$300,000~~ or less on a combined basis, may petition the Commission for staff assistance in rate applications by submitting a completed staff assisted rate case application. In accordance with Section 367.0814(4), F.S., a utility that requests staff assistance waives its right to protest by agreeing to accept the final rates and charges approved by the Commission unless the final rates and charges would produce less revenue than the existing rates and charges. If a utility that chooses to utilize the staff assistance option employs outside experts to assist in developing information for staff or to assist in evaluating staff's schedules and conclusions, the reasonable and prudent expense will be recoverable through the rates developed by staff. A

utility that chooses not to exercise the option of staff assistance may file for a rate increase under the provisions of Rule 25-30.443, F.A.C.

(2) – (14) No change.

Specific Authority 350.127(2), 367.0814, 367.121 FS.

Law Implemented 367.0814 FS.

History–New 12-8-80, Formerly 25-10.180, Amended 11-10-86, 8-26-91, 11-30-93, 1-31-00.
25-30.456 Staff Assistance in Alternative Rate Setting.

(1) As an alternative to a staff assisted rate case as described in Rule 25-30.455, F.A.C., water and wastewater utilities whose total gross annual operating revenues are ~~\$250,000~~~~\$150,000~~ or less for water service or ~~\$250,000~~~~\$150,000~~ or less for wastewater service, or ~~\$500,000~~~~\$300,000~~ or less on a combined basis, may petition the Commission for staff assistance in alternative rate setting by submitting a completed staff assisted application for alternative rate setting.

(2) – (19) No change.

Specific Authority 350.127(2), 367.0814, 367.121 FS.

Law Implemented 367.0814 FS.

History–New 11-30-93, Amended 1-31-00.

25-30.457 Limited Alternative Rate Increase.

(1) As an alternative to a staff assisted rate case as described in Rules 25-30.455 and 25-30.456, F.A.C., water utilities whose total gross annual operating revenues are ~~\$250,000~~~~\$150,000~~ or less for water service and wastewater utilities whose total gross annual operating revenues are ~~\$250,000~~~~\$150,000~~ or less for wastewater service may petition the Commission for a limited alternative rate increase of up to 20 percent applied to metered or flat recurring rates of all classes of service by submitting a completed application that includes the information required by subsections (8) and (9). In accordance with Section 367.0814(6), F.S., a utility that requests staff assistance waives its right to protest by agreeing to accept the final rates and charges approved by the Commission unless the final rates and charges would produce less revenue than the existing rates and charges. The original and two copies of the application shall be filed with the Office of Commission Clerk.

(2) – (18) No change.

Specific Authority 350.127(2), 367.0814, 367.121 FS.

Law Implemented 367.0814 FS.

History–New 3-15-05.

NAME OF PERSON ORIGINATING PROPOSED RULE: Craig Hewitt

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

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: October 14, 2008

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: Volume 34,
Number 25, June 20, 2008