

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed amendment of Rule 25-30.445,  
F.A.C., General Information and Instructions  
Required of Water and Wastewater Utilities in  
an Application for a Limited Proceeding.

DOCKET NO. 160239-WS  
ORDER NO. PSC-17-0167-FOF-WS  
ISSUED: May 11, 2017

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman  
ART GRAHAM  
RONALD A. BRISÉ  
JIMMY PATRONIS  
DONALD J. POLMANN

NOTICE OF ADOPTION OF RULE

BY THE COMMISSION:

NOTICE is hereby given that pursuant to Section 120.54, Florida Statutes, the Florida Public Service Commission has adopted without changes Rule 25-30.445, Florida Administrative Code.

The rule was filed with the Department of State on May 10, 2017, and will be effective on May 30, 2017. A copy of the rule as filed with the Department is attached to this Notice.

This docket is closed upon issuance of this Notice.

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By ORDER of the Florida Public Service Commission this 11th day of May, 2017.



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HONG WANG

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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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**25-30.445 General Information and Instructions Required of Water and Wastewater Utilities in an Application for a Limited Proceeding.**

(1) Each applicant for a limited proceeding shall provide the following general information to the Commission:

(a) The name of the applicant as it appears on the applicant's certificate and the address of the applicant's principal place of business;

(b) The type of business organization under which the applicant's operations are conducted; if the applicant is a corporation, the date of incorporation; the names and addresses of all persons who own 5 percent or more of the applicant's stock; or the names and addresses of the owners of the business.

(c) The number(s) of the Commission order(s), if any, in which the Commission most recently considered the applicant's rates for the system(s) involved.

(d) The address within the service area where the application is available for customer inspection during the time the rate application is pending.

(e) A statement signed by an officer of the utility that the utility will comply with the noticing requirements in Rule 25-30.446, F.A.C.

(2) In a limited proceeding application:

(a) Each schedule shall be cross-referenced to identify related schedules.

(b) Except for handwritten official company records, all data in the petition and application shall be typed.

(c) The original and seven copies shall be filed with the Office of Commission Clerk.

(3) A filing fee as required in Rule 25-30.020, F.A.C., shall be submitted at the time of application.

(4) The following minimum filing requirements shall be filed with the utility's application for limited proceeding for a Class A or B water or wastewater utility:

(a) A detailed statement of the reason(s) why the limited proceeding has been requested.

(b) If the limited proceeding is being requested to recover costs required by a governmental or regulatory agency, provide the following:

1. A copy of any rule, regulation, order or other regulatory directive that has required or will require the applicant to make the improvement or the investment for which the applicant seeks recovery.

2. An estimate by a professional engineer, or other person, knowledgeable in design and construction of water

and wastewater plants, to establish the projected cost of the applicant's investment and the period of time required for completion of construction.

(c) A schedule that provides the specific rate base components for which the utility seeks recovery. Supporting detail shall be provided for each item requested, including:

1. The actual or projected cost(s);
2. The date the item will be or is projected to be placed in service;
3. Any corresponding adjustments that are required as a result of adding or removing the requested component(s) from rate base, which may include retirement entries; and
4. Any other relevant supporting information.

(d) If the utility's application includes a request for recovery of plant in service, accumulated depreciation and depreciation expense, supporting detail shall be provided by primary account as defined by the NARUC Uniform System of Accounts, in accordance with Rule 25-30.110, F.A.C.

(e) A calculation of the weighted average cost of capital shall be provided for the most recent 12-month period, using the mid-point of the range of the last authorized rate of return on equity, the current embedded cost of fixed-rate capital, the actual cost of short-term debt, the actual cost of variable-cost debt, and the actual cost of other sources of capital which were used in the last individual rate proceeding of the utility. If the utility does not have an authorized rate of return on equity, the utility shall use the current leverage formula pursuant to Section 367.081(4)(f), F.S.

(f) If the utility is requesting recovery of operating expenses, the following information shall be provided:

1. A detailed description of the expense(s) requested;
2. The total cost by primary account pursuant to the NARUC Uniform System of Accounts;
3. Supporting documentation or calculations; and
4. Any allocations that are made between systems, affiliates or related parties. If allocations are made, submit full detail that shows the total amount allocated, a description of the basis of the allocation methodology, the allocation percentage applied to each allocated cost, and the workpapers supporting the calculation of the allocation percentages.

(g) Calculations for all items that will create cost savings or revenue impacts from the implementation of the

requested cost recovery items.

(h) If the utility includes any other items where calculations are required, supporting documentation shall be filed that reflects the calculations or assumptions made.

(i) A calculation of the revenue increase including regulatory assessment fees and income taxes, if appropriate.

(j) Annualized revenues for the most recent 12-month period using the rates in effect at the time the utility files its application for limited proceeding and a schedule reflecting this calculation by customer class and meter size.

(k) A schedule of current and proposed rates for all classes of customers.

(l) Schedules for the most recent 12-month period showing that, without any increased rates, the utility will earn below its authorized rate of return in accordance with Section 367.082, F.S. The schedules shall consist of a rate base, net operating income and cost of capital schedule with adjustments to reflect those consistent with the utility's last rate proceeding.

(m) If the limited proceeding is being requested to change the current rate structure, provide a copy of all workpapers and calculations used to calculate requested rates and allocations between each customer class. The test year ~~shall~~ ~~should~~ be the most recent 12-month period. In addition, the following schedules, which are incorporated herein by reference, from Form PSC/AFD 19-W (11/93), entitled "Class A Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum Filing Requirements", ~~shall~~ ~~should~~ be provided. The schedules can be obtained from the Commission's Division of Accounting and Finance.

1. Schedule E-2, entitled "Revenue Schedule at Present and Proposed Rates," is available at  
<http://www.flrules.org/Gateway/reference.asp?No=Ref-08251>.

2. Schedule E-14, entitled "Billing Analysis Schedules," is available at  
<http://www.flrules.org/Gateway/reference.asp?No=Ref-08252>. Only two copies are required.

(n) Revised tariff sheets should not be filed with the application.

(o) A water utility's application for limited proceeding shall also include:

1. A copy of all customer complaints that the utility has received regarding DEP secondary water quality standards during the past five years; and

2. A copy of the utility's most recent secondary water quality standards test results.

(5) In addition to the requirements stated in subsections (1) through (3), the following minimum filing

requirements shall be filed with the utility's application for limited proceeding for a Class C water or wastewater utility:

(a) A detailed statement of the reason(s) why the limited proceeding has been requested.

(b) If the limited proceeding is being requested to recover costs required by a governmental or regulatory agency, provide a copy of any rule, regulation, order or other regulatory directive that has required or will require the applicant to make the improvement or the investment for which the applicant seeks recovery.

(c) A schedule that provides the specific rate base components for which the utility seeks recovery, if known.

Supporting detail shall be provided for each item requested, including:

1. The actual or projected cost(s);

2. The date the item will be or is projected to be placed in service;

3. Any corresponding adjustments, if known, that are required as a result of adding or removing the requested component(s) from rate base, which may include retirement entries; and

4. Any other relevant supporting information, if known.

(d) If the utility is requesting recovery of operating expenses, provide an itemized description of the expense(s), including the cost and any available supporting documentation or calculations.

(e) Provide a description of any known items that will create cost savings or revenue impacts from the implementation of the requested cost recovery items.

(f) A calculation of the revenue increase including regulatory assessment fees and income taxes, if applicable.

(g) Annualized revenues for the most recent 12-month period using the rates in effect at the time the utility files its application for limited proceeding and a schedule reflecting this calculation by customer class and meter size.

(h) A Class C water utility's application for limited proceeding shall also include:

1. A copy of all customer complaints that the utility has received regarding DEP secondary water quality standards during the past five years; and

2. A copy of the utility's most recent secondary water quality standards test results.

(6) In evaluating whether the utility's request is improper for a limited proceeding, the Commission will consider factors such as:

(a) Whether the utility's filing includes more than 4 separate projects for which recovery is sought and the

requested rate increase exceeds 30 percent. Corresponding adjustments for a given project are not subject to the above limitation;

(b) Whether the utility has not had a rate case in more than seven years and the requested rate increase exceeds 30 percent; or

(c) Whether the limited proceeding is filed as the result of the complete elimination of either the water or wastewater treatment process and the requested rate increase exceeds 30 percent.

(7) The utility shall provide a statement in its filing to the Commission which addresses whether the utility's rate base has declined or whether any expense recovery sought by the utility is offset by customer growth since its most recent rate proceeding or will be offset by future customer growth expected to occur within one year of the date new rates are implemented.

~~(8) A limited proceeding application shall not be filed for underearnings in lieu of a general rate case.~~

*Rulemaking Authority 350.127(2), 367.121(1)(a) FS. Law Implemented 367.081, 367.0812, 367.0822, 367.121(1)(a), 367.145(2) FS. History—New 3-1-04, Amended\_\_\_\_\_*