

Commissioners:
JOE GARCIA, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JULIA L. JOHNSON
E. LEON JACOBS, JR.



DIVISION OF APPEALS
DAVID SMITH
DIRECTOR
(850) 413-6245

Public Service Commission

October 13, 1999

Ms. Monique H. Cheek
Office of Tourism, Trade, and
Economic Development
Executive Office of the Governor
The Capitol
Tallahassee, FL 32399-0001

SUBJECT: Docket No. 991427-WS - Proposed Amendment of Rule 25-30.110(4) and (8), F.A.C., Records and Reports; Annual Report

The Commission has determined that the above rule will affect small business. Accordingly, pursuant to Section 120.54(3)(b), Florida Statutes, enclosed is a copy of the Florida Administrative Weekly (FAW) notice for the proposed rule, which will be published in the October 15, 1999 edition of the FAW. Also enclosed is a copy of the statement of estimated regulatory costs.

If there are any questions with respect to this rule or the Commission's rulemaking procedures, please do not hesitate to call on me.

Sincerely,

Christiana T. Moore
Associate General Counsel

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- MAS _____
- OPC _____
- PAI _____
- SEC _____
- WAW _____
- OTH _____

Enclosures
cc: Division of Records & Reporting

DOCUMENT NUMBER - DATE

12483 OCT 13 99

FPSC-RECORDS/REPORTING

NOTICE OF PROPOSED RULEMAKING

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 991427-WS

RULE TITLE:

RULE NO.:

Records and Reports; Annual Reports 25-30.110

PURPOSE AND EFFECT: The Class A, B, and C water and wastewater utility annual report forms are being revised to incorporate a more recent version of the NARUC Uniform System of Accounts; combine the three forms into one; eliminate numerous unnecessary and obsolete requirements; clarify other requirements; and add some requirements.

SUMMARY: Rule 25-30.110 is being amended to revise the annual report forms for Class A, B, and C water and wastewater utilities.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: Revision of the annual report forms will result in a one-time cost to the utilities to convert to the new forms. In addition, there may be an additional cost for Class A and B utilities to calculate or estimate the non-used and useful facilities, and to calculate working capital. The costs to Class C utilities should be minimal because their reporting form was substantially revised in 1996, and there are relatively minor changes being recommended in this revision.

Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to 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), 367.121, FS.

LAW IMPLEMENTED: 367.121(1)(c), 367.121(1)(g), 367.121(1)(i), 367.121(1)(k), 367.156(1), 367.161, FS.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

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

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS:

Director of Appeals, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0862, (850) 413-6245.

THE FULL TEXT OF THE PROPOSED RULE IS:

25-30.110 Records and Reports; Annual Reports.

(1) - (3) No Change.

(4) ANNUAL REPORTS; CONTENTS. The appropriate annual report form required from each utility shall be determined by using the same three classes of utilities used by the National Association of Regulatory Utility Commissioners for publishing its system of accounts: Class A (those having annual water or wastewater operating revenues of \$1,000,000 ~~\$750,000~~ or more); Class B (those having annual water or wastewater revenues of \$200,000 or

~~more but less than \$1,000,000 \$150,000 to \$749,999~~); Class C (annual water or wastewater revenues of less than \$200,000 ~~\$150,000~~). The class to which a utility belongs shall be determined by using the higher of the average of its annual water or wastewater operating revenues for each of the last three preceding years.

(a) Class A and B utilities shall file the annual report on Commission Form PSC/WAW 3 (__/__), entitled "Water and/or Wastewater Utilities (Gross Revenues of \$200,000 or more ~~\$750,000 and Over~~)" , which is incorporated by reference into this rule. ~~required by Commission Form PSC/WAS 4 (Rev. 12/86), which was effective on December 22, 1986.~~

~~(b) Class B utilities shall file the annual report entitled "Water and/or wastewater Utilities (Gross Revenues of \$150,000 or more But Less Than \$750,000 Each)" required by Commission Form PSC/WAS 5 (Rev. 12/86) which was effective on December 22, 1986.~~

~~(b)(c)~~ Class C utilities shall file the annual report on Commission Form PSC/WAW 6 (__/__), entitled "Water and/or Wastewater Utilities (Gross Revenues of less than \$200,000 ~~\$150,000~~ each), which is incorporated by reference into this rule. ~~required by Commission Form PSC/WAS 6 (Rev. 5/96).~~

~~(d) Class A or B utilities that have multiple systems under one consolidated company should file the Consolidated Annual Report (Form PSC/WAS 3 (3/91)) in lieu of separate annual reports for each system. Any questions regarding the annual report form~~

~~to be filed should be directed to the Division of Water and Wastewater, Bureau of Accounting.~~

~~(c) (e)~~ The foregoing forms can be obtained from the Commission's Division of Water and Wastewater.

(5) - (7) No Change.

(8) INCOMPLETE REPORTS.

(a) No Change.

(b) A report is incomplete if any of the schedules required by the following forms of this rule are not completed:

1. Form PSC/WAWS 3 (/) ~~4~~ (Rev. 12/86) for Class A and B utilities;

~~2. Form PSC/WAS 5 (Rev. 12/86) for Class B utilities;~~

~~3. Form PSC/WAS 3 (Rev. 03/91) for Class A or B utilities that have multiple systems; and~~

24. Form PSC/WAWS 6 (/) (Rev. 5/96) for Class C utilities.

(c) No Change.

(9) - (11) No change.

Specific Authority: 350.127(2), 367.121, F.S.

Law Implemented: 367.121(1)(c), 367.121(1)(g), 367.121(1)(i), 367.121(1)(k), 367.156(1), 367.161, F.S.

History--Amended 09-12-74, 01-18-83, 02-24-85, 10-27-85, formerly 25-10.25, Transferred from 25-10.025 11-09-86, Amended 12-22-86, 03-11-91, 11-13-95, 05-01-96,_____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Tricia Merchant

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULE:

Florida Public Service Commission.

DATE PROPOSED RULE APPROVED: October 5, 1999

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: Volume 24, Number 42, October 16, 1998

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.

Any person requiring some accommodation at the hearing because of a physical impairment should call the Division of Records and Reporting at (850) 413-6770 at least 48 hours prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).

MEMORANDUM

August 27, 1999

TO: DIVISION OF APPEALS (MOORE)

FROM: DIVISION OF AUDITING AND FINANCIAL ANALYSIS (HEWITT) *AS* *7/99*

SUBJECT: STATEMENT OF ESTIMATED REGULATORY COST FOR PROPOSED AMENDMENTS TO RULE 25-30.110, F.A.C., WATER AND WASTEWATER ANNUAL REPORTS *CBH* *EM* *Tom*

SUMMARY OF THE RULE

Currently, Rule 25-30.110, F.A.C., Water and Wastewater Annual Reports, contains the requirements for filing water and wastewater utility annual reports and what form to use.

Proposed amendments to the rule would update the water and wastewater annual reports to incorporate the 1996 version of the National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USOA). The proposed rule changes would consolidate the annual report forms for Class A and Class B water and wastewater utilities into one form, the A/B form. The proposed rule changes would consolidate, clarify, and streamline the annual reports, and eliminate unnecessary sections. The Class A/B form would require additional information on used and useful facilities. The Class C form would also be revised, but minimally, because it was revised in 1996. Both revised forms would require additional information about compliance with Water Management District permits, reuse issues, and fax number and e-mail address, if available, and the Sunshine State One-Call of Florida, Inc. member number.

Also, the definition of classes would be changed to: Class A - those utilities having annual water or wastewater operating revenues of \$1,000,000 or more; Class B - \$200,000 or more in revenue but less than \$1,000,000; and, Class C - less than \$200,000 in revenues.

ESTIMATED NUMBER AND DESCRIPTION
OF INDIVIDUALS AND ENTITIES REQUIRED TO COMPLY

Currently, there are 27 Class A, 66 Class B, and 143 Class C water and wastewater companies which would be subject to the proposed rule amendments. Currently, Class A water or wastewater utilities have \$750,000 or more in annual operating revenues; Class B, \$150,000 to \$749,000 in revenues; and, Class C, revenues of less than \$100,000.

RULE IMPLEMENTATION AND ENFORCEMENT COST AND IMPACT ON REVENUES FOR THE AGENCY AND OTHER STATE AND LOCAL GOVERNMENT ENTITIES

The Commission should have no significant additional costs with adoption of the proposed rule changes. Water and wastewater staff would have to become familiar with the new annual report forms, but should be able to accomplish that with little additional time. A streamlined and more efficient report should in the long term save staff time by providing only relevant information for review and monitoring purposes. There may be some additional cost if staff has to assist utilities on a case by case basis to calculate required data submissions.

ESTIMATED TRANSACTIONAL COSTS TO INDIVIDUALS AND ENTITIES REQUIRED TO COMPLY

There would be some additional transaction costs to the utilities to comply with proposed changes to Rule 25-30.110, F.A.C., because they would have a one time cost to convert to the new form. On a going forward basis, Class A utilities would have to calculate non used and useful facilities consistent with the last rate case proceeding, and Class B utilities would have to estimate the amount, if not known. In the revised form, Class B utilities would be required to use the formula method of 1/8 of operation and maintenance expense to calculate working capital. Class A utilities usually have in-house staff able to calculate these amounts. Class B utilities would have additional cost if it is necessary to hire outside consultants for this task and other required information. PSC staff indicated that PSC staff can perform this analysis as necessary on a case by case basis.

IMPACT ON SMALL BUSINESSES, SMALL CITIES, OR SMALL COUNTIES

Many of the utilities affected are classified as small businesses. Many of the Class B utilities and most, if not all, of the Class C utilities are small businesses. The changes to the Class C annual report would be minimal with insignificant impact on the small utility businesses. Costs to the Class B utilities could be higher if outside consultants are necessary, but the expense should be limited due to the limited amount of additional information to be included in the revised annual report. Ultimately, when costs rise to a significant level, a utility will seek rate relief through a rate case with the costs passed along to the ratepayer in utility rates.

There should be no impact on small cities or counties from the revised annual reports.

cc: Mary Bane
Tricia Merchant
wawarpt.wpd