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Public Service Commission

November 13, 2003

HAND DELIVER

Mr. Scott Boyd, Interim Director
Joint Administrative Procedures Committee
Room 120 Holland Building
Tallahassee, FL 32399-1300

RE: Docket No. 030830-WS - Rule No. 25-30.420, F.A.C.

Dear Mr. Boyd:

The Commission has approved the amendment of Rule 25-30.420 without changes.

We plan to file the rule for adoption on November 21, 2003.

Sincerely,

Samantha M. Cibula
Associate General Counsel

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Enclosure

cc: Division of the Commission Clerk
and Administrative Services

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FPSC-COMMISSION CLERK

1 25-30.420 Establishment of Price Index, Adjustment of Rates;
2 Requirement of Bond; Filings After Adjustment; Notice to Customers.

3 (1) The Commission shall, on or before March 31 of each year,
4 establish a price increase or decrease index as required by section
5 367.081(4) (a), F.S. The Division of the Commission Clerk and
6 Administrative Services shall mail each regulated water and
7 wastewater utility a copy of the proposed agency action order
8 establishing the index for the year and a copy of the application.
9 Form PSC/ECR 15 (04/99), entitled "Index Application", is
10 incorporated into this rule by reference and may be obtained from
11 the Commission's Division of Economic Regulation. Applications for
12 the newly established price index will be accepted from April 1 of
13 the year the index is established through March 31 of the following
14 year.

15 (a) The index shall be applied to all operation and
16 maintenance expenses, except for amortization of rate case expense,
17 costs subject to pass-through adjustments pursuant to section
18 367.081(4) (b), F.S., and adjustments or disallowances made in a
19 utility's most recent rate proceeding.

20 (b) In establishing the price index, the Commission will
21 consider cost statistics compiled by government agencies or bodies,
22 cost data supplied by utility companies or other interested
23 parties, and applicable wage and price guidelines.

24 (2) Any utility seeking to increase or decrease its rates
25 based upon the application of the index established pursuant to

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1 subsection (1) and as authorized by section 367.081(4)(a), F.S.,
2 shall file an original and five copies of a notice of intention and
3 the materials listed in (a) through (i) ~~(g)~~ below with the
4 Commission's Division of Economic Regulation at least 60 days prior
5 to the effective date of the increase or decrease. The adjustment
6 in rates shall take effect on the date specified in the notice of
7 intention unless the Commission finds that the notice of intention
8 or accompanying materials do not comply with the law, or the rules
9 or orders of the Commission. The notice shall be accompanied by:

10 (a) Revised tariff sheets;

11 (b) A computation schedule showing the increase or decrease
12 in annual revenue that will result when the index is applied;

13 (c) The affirmation required by section 367.081(4)(c), F.S.;

14 (d) A copy of the notice to customers required by subsection
15 (6);

16 (e) The rate of return on equity that the utility is
17 affirming it will not exceed pursuant to section 367.081(4)(c),
18 F.S.;

19 (f) An annualized revenue figure for the test year used in
20 the index calculation reflecting the rate change, along with an
21 explanation of the calculation, if there has been any change in the
22 utility's rates during or subsequent to the test year;

23 (g) The utility's Department of Environmental Protection
24 Public Water System identification number and Wastewater Treatment
25 Plant Operating Permit number.

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1 (h) A statement that the utility does not have any active
2 written complaints, corrective orders, consent orders, or
3 outstanding citations with the Department of Environmental
4 Protection (DEP) or the County Health Department(s) or that the
5 utility does have active written complaints, corrective orders,
6 consent orders, or outstanding citations with the DEP or the County
7 Health Department(s).

8 (i) A copy of any active written complaints, corrective
9 orders, consent orders, or outstanding citations with the
10 Department of Environmental Protection (DEP) or the County Health
11 Department(s).

12 (3) If the Commission, upon its own motion, implements an
13 increase or decrease in the rates of a utility based upon the
14 application of the index established pursuant to subsection (1) and
15 as authorized by section 367.081(4)(a), F.S., the Commission will
16 require a utility to file the information required in subsection
17 (2).

18 (4) Upon a finding of good cause, the Commission may require
19 that a rate increase pursuant to section 367.081(4)(a), F.S., be
20 implemented under a bond or corporate undertaking in the same
21 manner as interim rates. For purposes of this subsection, "good
22 cause" shall include:

23 (a) Inadequate service by the utility;

24 (b) Inadequate record-keeping by the utility such that the

25 Commission is unable to determine whether the utility is entitled

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1 to implement the rate increase or decrease under this rule.

2 (5) Prior to the time a customer begins consumption at the
3 rates established by application of the index, the utility shall
4 notify each customer of the increase or decrease authorized and
5 explain the reasons therefor.

6 (6) No utility shall file a notice of intention pursuant to
7 this rule unless the utility has on file with the Commission an
8 annual report as required by Rule 25-30.110(3), F.A.C., for the
9 test year specified in the order establishing the index for the
10 year.

11 (7) No utility shall implement a rate increase pursuant to
12 this rule within one year of the official date that it filed a rate
13 proceeding, unless the rate proceeding has been completed or
14 terminated.

15 Specific Authority: 350.127(2), 367.081(4)(a), 367.121(1)(c),
16 367.121(1)(f), F.S.

17 Law Implemented: 367.081(4), 367.121(1)(c), 367.121(1)(g), F.S.

18 History: New 04/05/81, Amended 09/16/82, Formerly 25-10.185,
19 Amended 11/10/86, 06/05/91, 04/18/99, XX/XX/XX.

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