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Public Service Commission

December 4, 2003

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HAND DELIVER

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

RE: Docket No. 030697-WS - Rules Nos. 25-30.445 and 25-30.446, F.A.C.

Dear Mr. Boyd:

The Commission has approved the adoption of Rules 25-30.445 and 25-20.446 without changes.

We plan to file the rule for adoption on December 12, 2003.

Sincerely,

Samantha M. Cibula
Samantha M. Cibula
Associate General Counsel

Enclosure

cc: Division of the Commission Clerk
and Administrative Services

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1 25-30.445 General Information and Instructions Required of Water
2 and Wastewater Utilities in an Application for a Limited
3 Proceeding.

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

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

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

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

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

20 (e) A statement signed by an officer of the utility that the
21 utility will comply with the noticing requirements in Rule 25-
22 30.446, F.A.C.

23 (2) In a limited proceeding application:

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

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

3 (c) The original and seven copies shall be filed with the
4 Division of the Commission Clerk and Administrative Services.

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

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

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

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

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

19 2. An estimate by a professional engineer, or other person,
20 knowledgeable in design and construction of water and wastewater
21 plant, to establish the projected cost of the applicant's
22 investment and the period of time required for completion of
23 construction.

24 (c) A schedule that provides the specific rate base
25 components for which the utility seeks recovery. Supporting detail

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1 shall be provided for each item requested, including:

2 1. The actual or projected cost(s);

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

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

8 4. Any other relevant supporting information.

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

14 (e) A calculation of the weighted average cost of capital
15 shall be provided for the most recent 12-month period, using the
16 mid-point of the range of the last authorized rate of return on
17 equity, the current embedded cost of fixed-rate capital, the actual
18 cost of short-term debt, the actual cost of variable-cost debt, and
19 the actual cost of other sources of capital which were used in the
20 last individual rate proceeding of the utility. If the utility
21 does not have an authorized rate of return on equity, the utility
22 shall use the current leverage formula pursuant to s.
23 367.081(4)(f), F.S.

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

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

11 (g) Calculations for all items that will create cost savings
12 or revenue impacts from the implementation of the requested cost
13 recovery items.

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

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

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

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

25 (l) Schedules for the most recent 12-month period showing

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1 that, without any increased rates, the utility will earn below its
2 authorized rate of return in accordance with s. 367.082, F.S. The
3 schedules shall consist of a rate base, net operating income and
4 cost of capital schedule with adjustments to reflect those
5 consistent with the utility's last rate proceeding.

6 (m) If the limited proceeding is being requested to change
7 the current rate structure, provide a copy of all workpapers and
8 calculations used to calculate requested rates and allocations
9 between each customer class. The test year should be the most
10 recent 12-month period. In addition, the following schedules,
11 which are incorporated herein by reference, should be provided from
12 the Class A Water and/or Wastewater Utilities Accounting, Rate and
13 Engineering Minimum Filing Requirements (Form PSC/ECR 20 (11/93)).

14 1. Schedule E-2, Revenue Schedule at Test Year Rates - Proof
15 of Revenue.

16 2. Schedule E-12, Billing Analysis. Only two copies are
17 required.

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

20 (5) In addition to the requirements stated in subsection (1)
21 through (3), the following minimum filing requirements shall be
22 filed with the utility's application for limited proceeding for a
23 Class C water or wastewater utility:

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

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

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

11 1. The actual or projected cost(s);

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

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

17 and

18 4. Any other relevant supporting information, if known.

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

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

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

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

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

10 (a) Whether the utility's filing includes more than 4
11 separate projects for which recovery is sought and the requested
12 rate increase exceeds 30 percent. Corresponding adjustments for a
13 given project are not subject to the above limitation;

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

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

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

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

3 Specific Authority: 350.127(2), 367.121(1)(a), F.S.

4 Law Implemented: 367.0822, 367.121(1)(a), 367.081, 367.145(2),
5 F.S.

6 History: New XX/XX/XX.

7 **25-30.446 Notice of and Public Information for Application for**
8 **Limited Proceeding Rate Increase**

9 (1) This rule applies to all requests for limited proceeding
10 rate increases made by a water or wastewater utility.

11 (2) Upon filing a petition for limited proceeding rate
12 increase, the utility shall mail a copy of the petition to the
13 chief executive officer of the governing body of each municipality
14 and county within the service areas included in the rate request.
15 Each copy of the petition shall be accompanied by a statement that
16 a copy of the minimum filing requirements (MFRs) set forth in Rule
17 25-30.445, F.A.C., when accepted by the Commission can be obtained
18 from the petitioner upon request.

19 (3) Within 30 days after the official date of the filing
20 established by the Commission, the utility shall place a copy of
21 the petition and the MFRs at its official headquarters and at all
22 business offices it has in the service areas included in the rate
23 request. Such copies shall be available for public inspection
24 during the utility's regular business hours. If the utility does
25 not have a business office in a service area included in its rate

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1 request, the utility shall place a copy of the petition and the
2 MFRs at the main county library, the local community center or
3 other appropriate location which is within or most convenient to
4 the service area and which is willing to accept and provide public
5 access to the copies. If the Commission determines that these
6 locations will not provide adequate access, the Commission will
7 require that copies of the petition and MFRs be placed at other
8 specified locations.

9 (4) Upon filing a petition and MFRs for a limited proceeding,
10 the utility shall publish a notice of application in a newspaper of
11 general circulation in the service areas included in the petition.

12 (5)(a) Within 50 days after the official date of filing
13 established by the Commission, the utility shall provide, in
14 writing, an initial customer notice to all customers within the
15 service areas included in the rate request and to all persons in
16 the same service areas who have filed a written request for service
17 or who have been provided a written estimate for service within the
18 12 calendar months prior to the month the petition is filed.

19 (b) The initial customer notice must be approved by
20 Commission staff prior to distribution and shall include the
21 following:

22 1. The date the notice is to be issued;

23 2. A statement that the utility has filed a rate request
24 with the Commission and a statement of the general reasons for the
25 request;

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1 3. A statement of the locations where copies of the MFRs and
2 petition are available for public inspection and the hours and days
3 when inspection may be made;

4 4. A comparison of current rates and charges and the
5 proposed new rates and charges;

6 5. The utility's address, telephone number, and business
7 hours;

8 6. A statement that written comments regarding utility
9 service or the proposed rates and charges should be addressed to
10 the Director, Division of the Commission Clerk and Administrative
11 Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida
12 32399-0870, and that such comments should identify the docket
13 number assigned to the proceeding;

14 7. A statement that complaints regarding service may be made
15 to the Commission's Division of Consumer Affairs at the following
16 toll-free number: 1-800-342-3552; and

17 8. The docket number assigned by the Commission's Division
18 of the Commission Clerk and Administrative Services.

19 (c) The initial customer notice shall be mailed to the
20 out-of-town address of all customers who have provided the utility
21 with an out-of-town address.

22 (6) No less than 14 days and no more than 30 days prior to
23 the date of a customer meeting conducted by the Commission staff,
24 the utility shall provide written notice of the date, time,
25 location, and purpose of the customer meeting to all customers

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1 within the service areas designated by the Commission staff. The
2 notice must be approved by Commission staff prior to distribution.
3 The notice shall be mailed to the out-of-town address of all
4 customers who have provided the utility with an out-of-town
5 address.

6 (7) If a proposed agency action order issued in the case is
7 protested and any hearings are subsequently held, the utility shall
8 give notice no less than 14 days and no more than 30 days prior to
9 the date of each hearing held in or near a utility service area
10 included in the rate request. The utility shall also have
11 published in a newspaper of general circulation in the area in
12 which such hearing is to be held a display advertisement stating
13 the date, time, location, and purpose of the hearing. The notice
14 must be approved by Commission staff prior to publication.

15 (8) After the Commission issues an order granting or denying
16 a rate change, the utility shall notify its customers of the order
17 and any revised rates. The customer notification must be first
18 approved by Commission staff and shall be distributed no later than
19 with the first bill containing any revised rates.

20 Specific Authority: 350.127(2), 367.121(1)(a), F.S.

21 Law Implemented: 367.0822, 367.121(1)(a), F.S.

22 History: New XX/XX/XX.

23
24 RULE30-445.SMC

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Revenue Schedule at Present and Proposed Rates

Florida Public Service Commission

Company:
 Docket No.:
 Test Year Ended:
 Water [] or Sewer []

Schedule: E-2
 Page ___ of ___
 Preparer:

Explanation: Provide a calculation of revenues at present and proposed rates using the billing analysis. Explain any differences between these revenues and booked revenues. If a rate change occurred during the test year, a revenue calculation must be made for each period.

(1) Class/Meter Size	(2) Number Bills	(3) Consumption in MG	(4) Present Rate	(5) Revenues at Present Rates	(6) Proposed Rate	(7) Revenues at Proposed Rates
Residential						
5/8" x 3/4"						
M Gallons						
1" Etc.						
M Gallons Etc.						
Total Residential						
Average Bill						
General Service						
5/8" x 3/4"						
M Gallons						
1" Etc.						
M Gallons Etc.						
Total Gen. Serv.						
Average Bill						
List Other Classes As Above						
Totals						
Unbilled Revenues						
Other Revenue						
Misc. Serv. Charges						
Total Revenue						
Booked Revenue						
Difference (Explain)						

Class A Utility Cost of Service Study

Florida Public Service Commission

Company:
Docket No.:
Test Year Ended:
Water [] or Sewer []

Schedule: E-12
Page__of__
Preparer:

Explanation: All Class A utilities whose service classes include industrial customers, whose utilization exceeds an average of 350,000 GPD, shall provide a fully allocated class cost of service study showing customer, base (commodity), and extra capacity (demand) components under present and proposed rates. This study shall include rate of return by class and load (demand) research studies used in the cost allocation. The analysis shall be based upon the ANWA Manual No. 1 and shall comply with current ANWA procedures and standard industrial practices for utilities providing water and sewer service.
