

REQUEST TO ESTABLISH DOCKET
(PLEASE TYPE)

Date 3/17/04

Docket No. 040246-WS

1. Division Name/Staff Name GCL/Moore
2. OPR C. Moore *CM*
3. OCR Rendell (ECR); Willis (ECR); Hewitt (ECR)
4. Suggested Docket Title Proposed Adoption of Rule 25-30.457, F.A.C., Limited Alternative Rate Increase

5. Suggested Docket Mailing List (attach separate sheet if necessary)

- A. Provide NAMES OR ACRONYMS ONLY if a regulated company.
- B. Provide COMPLETE NAME AND ADDRESS for all others. (Match representatives to companies.)

1. Parties and their representatives (if any):

2. Interested persons and their representatives (if any):

<u>WAW</u>	
<u>Jay Yingling</u>	<u>Southwest Florida Water Management District, 2379 Broad St., Brooksville, FL 34604-6899</u>
<u>Catherine A. Walker</u>	<u>St. Johns River Water Management District, 975 Keller Road, Altamonte Springs, FL</u> <u>32714 -1618</u>
<u>Steve Reilly</u>	<u>OPC</u>

6. Check one:
- Documentation is attached.
- Documentation will be provided with recommendation.

1 25-30.457 Limited Alternative Rate Increase

2 (1) As an alternative to a staff assisted rate case as
3 described in Rules 25-30.455 and 25-30.456, F.A.C., water and
4 wastewater utilities whose total gross annual operating revenues
5 are \$150,000 or less for water service or \$150,000 or less for
6 wastewater service, or \$300,000 or less on a combined basis, may
7 petition the Commission for a limited alternative rate increase by
8 submitting a completed application that includes the information
9 required by sections (9) and (10).

10 (2) Upon filing a petition for limited alternative rate
11 increase, the utility shall mail a copy of the petition to the
12 chief executive officer of the governing body of each municipality
13 and county within the service areas included in the rate request.

14 (3) Within 30 days of receipt of the completed application,
15 the Division of Economic Regulation shall evaluate the application
16 and determine the petitioner's eligibility for a limited
17 alternative rate increase.

18 (4) Upon reaching a decision to officially accept or deny the
19 application, the Director of the Division of Economic Regulation
20 shall notify the applicant by letter. If the application is
21 accepted, the Director will initiate limited alternative rate
22 setting. If the application is denied, the letter shall state the
23 reasons for denial.

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25 CODING: Words underlined are additions; words in ~~struck~~
~~through~~ type are deletions from existing law.

1 (5) The official date of filing will be 30 days after
2 official acceptance of the application by the Commission.

3 (6) A utility described in section (1) will qualify for
4 limited alternative rate setting if it satisfies the following
5 criteria:

6 (a) The applicant has filed annual reports as required by
7 Rule 25-30.110(3), F. A. C., for the historical test year;

8 (b) The applicant has paid applicable regulatory assessment
9 fees;

10 (c) The applicant has at least 1 year's actual experience in
11 utility operation;

12 (d) The applicant has complied in a timely manner with all
13 Commission decisions and requests affecting water and wastewater
14 utilities for 2 years prior to the filing of the application under
15 review;

16 (e) The utility has not been granted a staff assisted rate
17 case or alternative rate setting within the 2-year period prior to
18 the receipt of the application under review.

19 (f) The utility has not been granted a limited alternative
20 rate increase within the 3-year period prior to the receipt of the
21 application under review.

22 (g) A final order in a rate proceeding has been issued for
23 the utility within the 7-year period prior to the receipt of the

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1 application under review.

2 (h) The utility is currently in compliance with any
3 applicable water management district permit conditions concerning
4 rate structure.

5 (7) Any increase in operating revenues approved pursuant to
6 this rule shall be limited to a maximum of 20 percent applied to
7 metered or flat recurring rates of all classes of service.

8 (8) The Commission shall deny the application if a utility
9 does not remit the fee, as provided by section 367.145, F.S., and
10 Rule 25-30.020(2)(f), F.A.C., within 30 days after official
11 acceptance of the application.

12 (9) Each applicant for limited alternative rate increase
13 shall provide the following general information to the Commission:

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

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

22 (c) A proposed customer notice that includes the following:

23 1. A statement that the utility has applied for a rate
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1 change with the Commission;

2 2. The utility's address, telephone number, and business
3 hours;

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

5 4. A statement that written protests regarding the utility's
6 proposed rates must be addressed to the Director, Division of
7 Commission Clerk and Administrative Services, 2540 Shumard Oak
8 Boulevard, Tallahassee, Florida 32399-0870, and that such protest
9 should identify the docket number assigned to the proceeding and
10 must be received prior to the expiration of the protest period;

11 (d) The original and five copies shall be filed with the
12 Division of the Commission Clerk and Administrative Services.

13 (10) The utility shall provide a schedule showing:

14 (a) Annualized revenues by customer class and meter size for
15 the most recent 12-month period using the rates in effect at the
16 time the utility files its application.

17 (b) Current and proposed rates for all classes of customers.

18 (11) The utility shall provide an affirmation stating that the
19 figures and calculations upon which the change in rates is based
20 are accurate and that the change will not cause the utility to
21 exceed its last authorized rate of return on equity.

22 (12) The Commission shall not perform a financial or
23 engineering audit of the utility's financial or engineering books

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1 and records in conjunction with the utility's application under
2 review.

3 (13) The Commission shall not conduct a customer meeting about
4 the utility's application under review.

5 (14) The Commission shall vote to approve, deny, or approve
6 with modifications a recommendation establishing rates no later
7 than 90 days from the official filing date as established in (5)
8 above.

9 (15) In consideration of subsections (12), (13) and (14), the
10 utility agrees to hold any revenue increase granted under the
11 provisions of this rule subject to refund for a period of 15 months
12 after the filing of the utility's annual report required by s.
13 367.121, F.S., for the year the adjustment in rates was
14 implemented.

15 (16) If the Commission issues a proposed agency action (PAA)
16 order granting a limited alternative rate increase, the utility
17 shall notify its customers of the order and revised rates. The
18 customer notification shall be approved by Commission staff and be
19 distributed no later than 7 days from the issuance date of the
20 order.

21 (17) The customer notice shall be provided to all customers
22 within the service areas included in the rate request and to all
23 persons in the same service area who have a filed written request

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1 for service within the 12 calendar months prior to the month the
2 application was filed.

3 (18) In the event of a protest of the PAA Order pursuant to
4 Rule 28-106.201, F.A.C., by a substantially affected party, the
5 utility may implement the rates established in the PAA Order on a
6 temporary basis upon the utility filing a staff assisted rate case
7 application pursuant to Rule 25-30.455, F.A.C., within 21 days of
8 the date the protest is filed.

9 (19) In the event of a protest, the maximum increase
10 established in (7) above shall no longer apply.

11 (20) If the utility fails to file a staff assisted rate case
12 application within 14 days, the application for a limited
13 alternative rate increase will be deemed withdrawn.

14 Specific Authority: 350.127(2), 367.0814(9), 367.121(1)(a), F.S.

15 Law Implemented: 367.0814(9), 367.121, 350.123, 367.145(2), F.S.

16 History: New XX/XX/XX.

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