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STATE OF FLORIDA



ORIGINAL

OFFICE OF THE GENERAL COUNSEL
RICHARD D. MELSON
GENERAL COUNSEL
(850) 413-6199

RECEIVED FPSC
04 DEC -6 PM 3:19

COMMISSION
CLERK

Public Service Commission

December 6, 2004

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

RE: Docket No. 041252-WS -- Rule No. 25-30.120

Dear Mr. Boyd:

Enclosed is an original copy of the following materials concerning the above referenced proposed rule:

- 1. A copy of the rule and the forms incorporated by reference into the rule.
 - 2. A copy of the F.A.W. notice.
 - 3. A statement of facts and circumstances justifying the proposed rule.
 - 4. A federal standards statement.
- A statement of estimated regulatory costs

If there are any questions with respect to this rule, please do not hesitate to call

CMP _____
 COM _____
 CTR _____
 ECR _____
 GCL _____
 OPC _____
 MMS me. _____
 RCA _____
 SCR _____
 SEC 1 _____
 OTH _____

Sincerely,

Christiana T. Moore
Associate General Counsel

041252 JAPC letter.ctm.doc

Enclosures

cc: Division of the Commission Clerk
and Administrative Services

DOCUMENT NUMBER - DATE
12895 DEC-6 2004
FPSC - COMMISSION CLERK

1 **25-30.120 Regulatory Assessment Fees; Water and Wastewater Utilities.**

2 (1) As applicable and as provided in s. 350.113, F.S., each utility shall remit a fee
3 based upon its gross operating revenue. This fee shall be referred to as a regulatory assessment
4 fee. Each utility shall pay a regulatory assessment fee in the amount of 0.045 of its gross
5 revenues derived from intrastate business. The gross revenues reported for regulatory assessment
6 fee purposes must agree with the amount reported as operating revenue on Schedule F-3 of the
7 Operating Statement in the company's Annual Report, filed in accordance with Rule 25-30.110,
8 F.A.C. A minimum annual regulatory assessment fee of \$25 shall be imposed if there are no
9 revenues or if revenues are insufficient to generate a minimum annual fee.

10 (2) The obligation to remit the regulatory assessment fees for any year shall apply to
11 any utility ~~that~~ which is subject to this Commission's jurisdiction on or before December 31 of
12 that year or for any part of that year, whether or not the utility has actually applied for or been
13 issued a certificate.

14 (a) For large utilities with annual revenues of \$200,000 or more based on the most
15 recent prior calendar year, rRegulatory assessment fees shall be filed with the Commission on or
16 before July 30 for the preceding period or any part of the period from January 1 until June 30,
17 and on January 30 for the preceding period or any part of the period from July 1 until March 31
18 for the preceding year-ended December 31. Commission Form PSC/ECR ~~CCA 10-WL (xx/xx)~~
19 entitled "Large Water System Regulatory Assessment Fee Return" and Commission Form
20 PSC/ECR ~~CCA 017-WL (xx/xx)~~ entitled "Large Wastewater System Regulatory Assessment
21 Fee Return" are incorporated into this rule by reference and may be obtained from the
22 Commission's Division of the Commission Clerk and Administrative Services. The failure of a
23 utility to receive a return form shall not excuse the utility from its obligation to timely remit the
24 regulatory assessment fees.

25 (b) For small utilities with annual revenues of less than \$200,000 based on the most

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

1 recent prior calendar year, regulatory assessment fees shall be filed with the Commission on or
2 before March 31 for the preceding year ended December 31. Commission Form PSC/ECR 010-
3 WS (xx/xx) entitled “Small Water System Regulatory Assessment Fee Return” and Commission
4 Form PSC/ECR 017-WS (xx/xx) entitled “Small Wastewater System Regulatory Assessment Fee
5 Return” are incorporated into this rule by reference and may be obtained from the Commission’s
6 Division of the Commission Clerk and Administrative Services. The failure of a utility to
7 receive a return form shall not excuse the utility from its obligation to timely remit the regulatory
8 fees.

9 (c) For the purpose of this rule, a utility operating both a water system and a
10 wastewater system shall consider each system separately in determining the revenue threshold
11 for filing regulatory assessment fees on either an annual or semi-annual basis.

12 (db) Regulatory assessment fees are considered paid on the date they are postmarked
13 by the United States Postal Service or received and logged in by the Commission’s Division of
14 The Commission Clerk and Administrative Services in Tallahassee. Fees are considered timely
15 paid if properly addressed, with sufficient postage and postmarked no later than the due date.

16 (3) If the due date falls on a Saturday, Sunday, or a legal holiday, the due date is
17 extended to the next business day. If the fees are sent by registered mail, the date of the
18 registration is the United States Postal Service’s postmark date. If the fees are sent by certified
19 mail and the receipt is postmarked by a postal employee, the date on the receipt is the United
20 States Postal Service’s postmark date. The postmarked certified mail receipt is evidence that the
21 fees were delivered.

22 (4) Each utility shall have up to and including the due date in which to:

23 (a) Remit the total amount of its fee; or

24 (b) Remit an amount which the utility estimates is its full fee.

25 (5) Any utility that purchases water or wastewater treatment from another utility

1 | regulated by the Florida Public Service Commission is allowed to deduct the annual expense for
2 | purchased water or wastewater treatment from its gross operating revenues before calculating the
3 | amount of the regulatory assessment fees due.

4 | (6) A utility may request from the Division of the Commission Clerk and
5 | Administrative Services either a 15-day extension or a 30-day extension of its due date for
6 | payment of regulatory assessment fees or for filing its return. Commission Form PSC/CCA 124
7 | (Rev. 01/01/05), entitled "Regulatory Assessment Fee Extension Request", is incorporated into
8 | this rule by reference and may be obtained from the Commission's Division of the Commission
9 | Clerk and Administrative Services.

10 | (a) The request for extension will be granted if the utility has applied for the
11 | extension within the time required in (b) below and the utility does not have any unpaid
12 | regulatory assessment fees, penalties or interest due from a prior period. ~~must be written and~~
13 | accompanied by a statement of good cause.

14 | (b) The request for extension must be received by the Division of the Commission
15 | Clerk and Administrative Services at least two weeks before the due date.

16 | (c) Where a utility receives either a 15-day extension or a 30-day extension of its due
17 | date pursuant to this rule, the utility shall remit a charge in addition to the regulatory assessment
18 | fee set out in Section 350.113, F.S.

19 | (7) The delinquency of any amount due to the Commission from the utility pursuant
20 | to the provisions of Section 350.113, F.S., and this rule, begins with the first calendar day after
21 | any date established as the due date either by operation of this rule or by an extension pursuant to
22 | this rule.

23 | (a) Pursuant to Section 350.113, F.S., a penalty shall be assessed against any utility
24 | that fails to pay its regulatory assessment fee by March 31, in the following manner:

- 25 | 1. Five percent of the fee if the failure is for not more than 30 days, with an

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

1 additional five percent for each additional 30 days or fraction thereof during the time in which
2 the failure continues, not to exceed a total penalty of 25 percent.

3 2. The amount of interest to be charged is one percent for each thirty days or fraction
4 thereof, not to exceed a total of 12 percent per annum.

5 (b) In addition to the penalties and interest otherwise provided, the Commission may
6 impose an additional penalty upon a utility for failure to pay regulatory assessment fees in a
7 timely manner in accordance with Section 367.161, F.S.

8 (8) Any utility that ~~which~~ requests and receives an extension of not more than 30
9 days or remits, by the due date, an estimated fee payment of at least 90 percent of the actual fee
10 due shall not be charged interest or penalty on the balance due if paid within the extension
11 period.

12 (9) Any utility that ~~which~~ fails to pay a penalty within 30 days after its assessment by
13 the Commission shall be subject to interest applied to the penalty up to and including the date of
14 payment of the penalty. Such interest shall be compounded monthly, based on the 30-day
15 commercial paper rate for high-grade, unsecured notes sold through dealers by major
16 corporations in multiples of \$1,000 as regularly published in the Wall Street Journal.

17 Specific Authority 350.127(2) FS.

18 Law Implemented 350.113, 367.145, 367.161 FS.

19 History—New 05-18-83, Formerly 25-10.24, Amended 10-16-86, Formerly 25-10.024, Amended
20 11-09-86, 02-08-90, 07-08-96, _____

21
22 i:\Rule 25-30.120.CTM.DOC

Large Water System Regulatory Assessment Fee Return

Florida Public Service Commission

(See Filing Instructions on Back of Form)

STATUS:

Actual Return
 Estimated Return

PERIOD COVERED:

FIELD(3)

FIELD(1)

FOR PSC USE ONLY

Check# _____

\$ _____ 0604001
 _____ 003001

\$ _____ P _____ 0604001
 _____ 004010

\$ _____ I _____

Postmark Date _____

Initials of Preparer _____

Please Complete Below If Official Mailing Address Has Changed

(SYSTEM'S NAME)	(ADDRESS)	(CITY/STATE)	(ZIP)
-----------------	-----------	--------------	-------

Florida Public Service Commission Certificate	# _____	# _____	# _____
WATER OPERATING REVENUES:			
1. Unmetered Water Revenues (460)	\$ _____	\$ _____	\$ _____
MEASURED WATER REVENUES			
2. Residential Revenues (461.1)	_____	_____	_____
3. Commercial Revenues (461.2)	_____	_____	_____
4. Industrial Revenues (461.3)	_____	_____	_____
5. Revenues from Public Authorities (461.4)	_____	_____	_____
6. Multiple Family Dwelling Revenues (461.5)	_____	_____	_____
7. TOTAL METERED SALES	\$ _____	\$ _____	\$ _____
FIRE PROTECTION REVENUES			
8. Public Fire Protection (462.1)	_____	_____	_____
9. Private Fire Protection (462.2)	_____	_____	_____
10. TOTAL FIRE PROTECTION REVENUE	_____	\$ _____	\$ _____
11. Other Sales to Public Authorities (464)	_____	_____	_____
12. Sales to Irrigation Customers (465)	_____	_____	_____
13. SALES FOR RESALE (466)	_____	_____	_____
14. Interdepartmental Sales (467)	_____	_____	_____
15. TOTAL WATER SALES (Lines 1+7+10+11+12+13+14)	\$ _____	\$ _____	\$ _____
OTHER WATER REVENUES			
16. Guaranteed Revenues (Include Revenues from A.F.P.I. Charges) (469)	_____	_____	_____
17. Forfeited Discounts (470)	_____	_____	_____
18. Miscellaneous Service Revenues (471)	_____	_____	_____
19. Rents From Water Property (472)	_____	_____	_____
20. Interdepartmental Rents (473)	_____	_____	_____
21. Other Water Revenues (474) Describe: _____	_____	_____	_____
22. TOTAL OTHER WATER REVENUES (Lines 16+17+18+19+20+21)	\$ _____	\$ _____	\$ _____
23. TOTAL WATER OPERATING REVENUES*(Lines 15+22)	\$ _____	\$ _____	\$ _____
24. LESS: Expense for Purchased Water From FPSC-Regulated Utility	_____	()	()
25. NET WATER OPERATING REVENUES (Line 23 Less Line 24)	_____	_____	_____
26. Regulatory Assessment Fee Due - (Multiply Line 25 by 0.045)	_____	_____	_____
27. LESS: Payment for January 1- June 30 Period	_____	_____	_____
28. LESS: Approved Prior-Period Credit	_____	()	()
29. NET REGULATORY ASSESSMENT FEE (Line 26 Less Line 27)	\$ _____	\$ _____	\$ _____
30. Penalty for Late Payment	_____	_____	_____
31. Interest for Late Payment	_____	_____	_____
32. TOTAL AMOUNT DUE	_____	_____	_____

*These amounts must agree with Annual Report Schedule F-3
 If service was purchased from a regulated utility, please insert its name: _____

AS PROVIDED IN SECTION 350.113, FLORIDA STATUTES, THE MINIMUM ANNUAL FEE IS \$25

I, the undersigned owner/officer of the above-named vendor, have read the foregoing and declare that to the best of my knowledge and belief the above information is a true and correct statement. I am aware that pursuant to Section 837.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree.

(Signature of System Official)	(Title)	(Date)
(Please Print Name)	Telephone Number () _____	Fax Number () _____
	F.E.I. No. _____	

STATUS:

Actual Return
Estimated Return

PERIOD COVERED:
FIELD(3)

Florida Public Service Commission

(See Filing Instructions on Back of Form)

FIELD(1)

FOR PSC USE ONLY
Check#
\$ 0604002 000000
\$ P 0604002 000000
\$ I
Postmark Date
Initials of Preparer

Please Complete Below If Official Mailing Address Has Changed

(System's Name) (Address) (City/State) (Zip)

Table with 4 columns: Description, #, \$, #, \$, #. Rows include WASTEWATER OPERATING REVENUES (FLAT-RATE and MEASURED), OTHER WASTEWATER REVENUES, and TOTAL AMOUNT DUE.

*These amounts must agree with Annual Report Schedule F-3
If service was purchased from a regulated utility, please insert its name:

AS PROVIDED IN SECTION 350.113, FLORIDA STATUTES, THE MINIMUM ANNUAL FEE IS \$25

I, the undersigned owner/officer of the above-named vendor, have read the foregoing and declare that to the best of my knowledge and belief the above information is a true and correct statement.

(Signature of System Official) (Title) (Date)
Telephone Number () Fax Number ()
(Please Print Name)
F.E.I. No

FLORIDA PUBLIC SERVICE COMMISSION
(Type of Industry)
REGULATORY ASSESSMENT FEE EXTENSION REQUEST

 (Utility)

 (Utility Code)

 (FEID No.)

Mailing Address: _____

This is to request an extension for filing the Regulatory Assessment Fee Return for the above-named utility for the period indicated below:

PERIOD _____ (Month) _____ (Day) - _____ (Month) _____ (Day) , _____ (Year)

___ 15 days to _____ (Month) _____ (Day) , _____ (Year)

___ 30 days to _____ (Month) _____ (Day) , _____ (Year)

 (Signature)

 (Date)

 (Title)

() _____
 (Telephone Number)

() _____
 (FAX Number)

NOTE TO UTILITY

- Your Regulatory Extension Fee Request form must be filed and received by the Florida Public Service Commission at the address referenced below **AT LEAST TWO WEEKS before the payment due date of** _____ (Month) _____ (Day) , _____ (Year). Once your request is received, you will be notified by fax (or by mail when a faxed number is not provided) indicating that your request was approved or denied. **THIS IS NOT AN AUTOMATIC EXTENSION, THEREFORE YOU MUST RECEIVE APPROVAL FROM THE COMMISSION IN ORDER TO RECEIVE AN EXTENSION.**
- If an extension of **15 days or less is approved**, 0.75% of the fee is to be included when making payment.
- If an extension of **16 to 30 days is approved**, 1.5% of the fee is to be included when making payment.

FOR PUBLIC SERVICE COMMISSION USE ONLY	
Request Approved	_____
Request Denied	_____
___	The 200___ Regulatory Assessment Fee has not been received.
___	The 200___ Regulatory Assessment Fee was delinquent. Prior penalty and/or interest has not been received for your 200___ Regulatory Assessment Fee.
___	The request was received too late for processing.
APPROVED BY:	_____
	(Fiscal Services Section Supervisor) _____ (Date)

IF YOU HAVE QUESTIONS, PLEASE CONTACT A STAFF MEMBER OF THE FISCAL SERVICES SECTION AT EITHER (850) 413-6267- FAX (850) 413-6268 OR (850) 413-6275 - FAX (850) 413-6276; OR WRITE TO: DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES, FISCAL SERVICES SECTION, 2540 SHUMARD OAK BOULEVARD, TALLAHASSEE, FLORIDA 32399.

NOTICE OF PROPOSED RULEMAKING

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 041252-WS

RULE TITLE:

RULE NO.:

Regulatory Assessment Fees; Water and Wastewater Utilities

25-30.120

PURPOSE AND EFFECT: To implement an amendment to section 367.145(1), F.S.

SUMMARY: Requires water and wastewater utilities with annual gross operating revenues of \$200,000 or more to pay regulatory assessment fees on a semi-annual basis.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: None as a result of the rule change. 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), F.S.

LAW IMPLEMENTED: 350.113, 367.145, 367.161, F.S.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES, 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 THESE PROPOSED RULE(S) IS:

Christiana Moore, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0862, (850) 413-6098.

THE FULL TEXT OF THE PROPOSED RULE IS:

25-30.120 Regulatory Assessment Fees; Water and Wastewater Utilities.

(1) No change.

(2) **The obligation** to remit the regulatory assessment fees for any year shall apply to any utility ~~that~~ ^{which} is subject to this Commission's jurisdiction on or before December 31 of that year or for any part of that year, whether or not the utility has actually applied for or been issued a certificate.

(a) For large utilities with annual revenues of \$200,000 or more based on the most recent prior calendar year, ~~r~~Regulatory assessment fees shall be filed with the Commission on or before July 30 for the preceding period or any part of the period from January 1 until June 30, and on January 30 for the preceding period or any part of the period from July 1 until March 31 for the preceding year ended December 31. Commission Form PSC/ECR CCA 10-WL (xx/xx) entitled "Large Water System Regulatory Assessment Fee Return" and Commission Form PSC/ECR CCA 017-WL (xx/xx) entitled "Large Wastewater System Regulatory Assessment Fee Return" are incorporated into this rule by reference and may be obtained from the Commission's Division of the Commission Clerk and Administrative Services. The failure of a utility to receive a return form shall not excuse the utility from its obligation to timely remit the regulatory assessment fees.

(b) For small utilities with annual revenues of less than \$200,000 based on the most recent prior calendar year, regulatory assessment fees shall be filed with the Commission on or before March 31 for the preceding year ended December 31. Commission Form PSC/ECR 010-WS (xx/xx) entitled "Small Water System Regulatory Assessment Fee Return" and Commission Form PSC/ECR 017-WS (xx/xx) entitled "Small Wastewater System Regulatory Assessment Fee

Return” are incorporated into this rule by reference and may be obtained from the Commission’s Division of the Commission Clerk and Administrative Services. The failure of a utility to receive a return form shall not excuse the utility from its obligation to timely remit the regulatory fees.

(c) For the purpose of this rule, a utility operating both a water system and a wastewater system shall consider each system separately in determining the revenue threshold for filing regulatory assessment fees on either an annual or semi-annual basis.

(db) Regulatory assessment fees are considered paid on the date they are postmarked by the United States Postal Service or received and logged in by the Commission’s Division of The Commission Clerk and Administrative Services in Tallahassee. Fees are considered timely paid if properly addressed, with sufficient postage and postmarked no later than the due date.

(3) – (5) No change.

(6) A utility may request from the Division of the Commission Clerk and Administrative Services either a 15-day extension or a 30-day extension of its due date for payment of regulatory assessment fees or for filing its return. Commission Form PSC/CCA 124 (Rev. 01/01/05), entitled “Regulatory Assessment Fee Extension Request”, is incorporated into this rule by reference and may be obtained from the Commission’s Division of the Commission Clerk and Administrative Services.

(a) The request for extension will be granted if the utility has applied for the extension within the time required in (b) below and the utility does not have any unpaid regulatory assessment fees, penalties or interest due from a prior period. must be written and accompanied by a statement of good cause.

(b) No change.

(c) Where a utility receives either a 15-day extension or a 30-day extension of its due date pursuant to this rule, the utility shall remit a charge in addition to the regulatory assessment fee set out in Section 350.113, F.S.

(7) No change.

(8) Any utility that ~~which~~ requests and receives an extension of not more than 30 days or remits, by the due date, an estimated fee payment of at least 90 percent of the actual fee due shall not be charged interest or penalty on the balance due if paid within the extension period.

(9) Any utility that ~~which~~ fails to pay a penalty within 30 days after its assessment by the Commission shall be subject to interest applied to the penalty up to and including the date of payment of the penalty. Such interest shall be compounded monthly, based on the 30-day commercial paper rate for high-grade, unsecured notes sold through dealers by major corporations in multiples of \$1,000 as regularly published in the Wall Street Journal.

Specific Authority 350.127(2) FS.

Law Implemented 350.113, 367.145, 367.161 FS.

History—New 05-18-83, Formerly 25-10.24, Amended 10-16-86, Formerly 25-10.024, Amended 11-09-86, 02-08-90, 07-08-96, _____

NAME OF PERSON ORIGINATING PROPOSED RULE: John Slemkewicz

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULE:

Florida Public Service Commission.

DATE PROPOSED RULE(S) APPROVED: November 30, 2004

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: Volume 30, Number 31, July 30, 2004

Rule 25-30.120
Docket No. 041252-WS

STATEMENT OF FACTS AND CIRCUMSTANCES
JUSTIFYING RULE

The rule must be revised to implement legislation enacted in 2004 amending section 367.145(1), F.S.

STATEMENT ON FEDERAL STANDARDS

There is no federal standard on the same subject.

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

04 SEP 27 2004
-M-E-M-O-R-A-N-D-U-M-

DATE: September 21, 2004
TO: Office of General Counsel (Moore)
FROM: Division of Economic Regulation (Hewitt) *BA*
RE: Statement of Estimated Regulatory Costs for Proposed Amendments to Rule 25-30.120, F.A.C., Regulatory Assessment Fees; Water and Wastewater Utilities.

SUMMARY OF THE RULE

Currently, all water and wastewater utilities are required to pay their regulatory assessment fee (RAF) annually by March 31st on gross revenue earned the previous year. The Proposed Amendments to Rule 25-30.120, F.A.C., Regulatory Assessment Fees; Water and Wastewater Utilities, would implement new legislation, in section 367.145(1), Florida Statutes, that requires large water and wastewater utilities to pay their RAF semi-annually. The RAF would be due on July 31st and January 30th of each year for the previous six month period.

ESTIMATED NUMBER OF ENTITIES REQUIRED TO COMPLY AND GENERAL DESCRIPTION OF INDIVIDUALS AFFECTED

There are 59 large water and wastewater companies certified by the Commission. These "large" utilities each have at least \$200,000 per year in revenues.

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

The Commission would benefit by receiving RAFs in a more timely manner that better matches the expenditures for utility regulation. There would be a slight increase in staff time to handle the paperwork associated with the additional RAF payments but the amount would be minimal. Forms also had to be revised/created to differentiate between large and small utilities. Also, a form is being added that would standardize the requests for extensions of time to pay the RAF. There would be no impact on FPSC revenues as the same amount of RAFs would be paid in two installments rather than one. The RAF funds deposited with the state do not earn the Commission interest.

ESTIMATED TRANSACTIONAL COSTS TO INDIVIDUALS AND ENTITIES

There would be a reduction in the available cash on hand for the large utilities which would have to remit their RAF for the first six months of the year eight months earlier. For a utility which has \$200,000 a year revenues, the RAF would be due based on \$100,000 (assuming a proportional income stream) of revenues, on July 31st. Approximately 2% per year for a certificate of deposit, equal to \$60 for the eight month period, could be earned on the \$4,500 of RAF, August to March, and \$15 for the two month period February to March, or \$75 for every \$200,000 in revenues. Ratepayers, who ultimately pay for regulatory expenses, would bear the burden for the lost interest in a subsequent rate case.

IMPACT ON SMALL BUSINESSES, SMALL CITIES, OR SMALL COUNTIES

There should be no impacts on small businesses, small cities, or small counties.

CH:kb

cc: Mary Andrews Bane
Chuck Hill
John Slemkewicz
Hurd Reeves

SERC Summary

The proposed rule amendments would implement new legislation that requires large water and wastewater utilities to pay their RAF semi-annually. Large utilities, those with revenues of at least \$200,000, would lose approximately \$75 per \$200,000 in revenue per year in interest from paying their RAF earlier.