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STATE OF FLORIDA



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Public Service Commission

November 21, 2012

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COMMISSION
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To: Jurisdictional Class A, B, and C Water and Wastewater Utilities

Re: Industry survey for legislative review of agency rules in effect on or before November 16, 2010
Docket No. 110303-OT

To whom this may concern:

Please see attached staff's survey questions. Your timely response to these survey questions regarding Rule 25-30.120, Florida Administrative Code (F.A.C.) will be important to complete the Commission's Compliance Economic Review required by Sections 120.745(5), Florida Statutes. All responses should be filed in Docket No. 110303-OT by 5:00 p.m., December 20, 2012, and addressed to:

John Slemkewicz
c/o Ann Cole
Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

If you have any questions, please contact Todd Brown at (850) 413-6550 or tbrown@psc.state.fl.us or Ana VanEsselstine at (850) 413-6435 or avanesse@psc.state.fl.us. Thank you for your assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew L. Maurey".

Andrew L. Maurey
Bureau Chief, Surveillance and Rate Filings
Division of Accounting & Finance

DOCUMENT NUMBER-DATE
07806 NOV 21 2012
FPSC-COMMISSION CLERK

Rule 25-30.120, F.A.C. - Survey Questions

The following survey questions apply to **Rule 25-30.120, F.A.C, Regulatory Assessment Fees**. The Company's response data to these survey questions should be provided for the entire rule, unless the response data is available by rule section, in which case we request the response data be provided by rule section. Please present data in annualized format, if possible, and all cost or benefit dollar estimates should be stated in nominal terms. Please indicate whether the data is actual or projected. Relevant definitions are attached.

1. What are the Company's estimated transactional costs (as defined in Subparagraph 120.541(2)(d), F.S.) resulting from the Company's compliance with Rule 25-30.120, F.A.C., for the five year period beginning July 1, 2011?
 - a. Please identify regulatory assessment fees separately from all other transactional costs required to comply with the rule.
2. Of the costs provided in response to question 1 above, which, if any, would be incurred by the Company if Rule 25-30.120, F.A.C., were not in effect?
3. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on small businesses (as defined by Section 288.703, F.S.) located in the Company's service territory, resulting from the implementation of 25-30.120, F.A.C., for the five year period beginning July 1, 2011?
4. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on small counties and small cities (as defined in Section 120.52, F.S.) located in the Company's service territory, resulting from the implementation of 25-30.120, F.A.C., for the five year period beginning July 1, 2011?
5. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on entities located in the Company's service territory other than those specifically identified in questions 3 and 4, resulting from the implementation of 25-30.120, F.A.C., for the five year period beginning July 1, 2011?
6. What does the Company believe is the expected impact of Rule 25-30.120, F.A.C., on economic growth, private sector job creation or employment, and private sector investment for the five year period beginning July 1, 2011 in the Company's service territory?
7. What does the Company believe is the expected impact of Rule 25-30.120, F.A.C., on business competitiveness, productivity, and innovation, including the ability of persons doing business in the Company's service territory to compete with persons doing business in states other than Florida or other domestic markets for the five year period beginning July 1, 2011?
8. What does the Company believe are the benefits of Rule 25-30.120, F.A.C.?

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

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

(2) The obligation to remit the regulatory assessment fees for any year shall apply to any utility that 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, 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 December 31. Commission Form PSC/ECR 10-WL (02/05) entitled "Large Water System Regulatory Assessment Fee Return" and Commission Form PSC/ECR 017-WL (02/05) entitled "Large Wastewater System Regulatory Assessment Fee Return" are incorporated into this rule by reference and may be obtained from the Division of 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 (02/05) entitled "Small Water System Regulatory Assessment Fee Return" and Commission Form PSC/ECR 017-WS (02/05) 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 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.

(d) 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 Administrative Services in Tallahassee. Fees are considered timely paid if properly addressed, with sufficient postage and postmarked no later than the due date.

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

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

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

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

(5) Any utility that purchases water or wastewater treatment from another utility regulated by the Florida Public Service Commission is allowed to deduct the annual expense for purchased water or wastewater treatment from its gross operating revenues before calculating the amount of the regulatory assessment fees due.

(6) A utility may request from the Commission's Division of 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/ADM 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 Administrative Services.

(a) The request for extension will be granted if the utility has applied for the extension within the time required in paragraph (b) below and the utility does not have any unpaid regulatory assessment fees, penalties or interest due from a

prior period.

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

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

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

1. Five percent of the fee if the failure is for not more than 30 days, with an additional five percent for each additional 30 days or fraction thereof during the time in which the failure continues, not to exceed a total penalty of 25 percent.

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

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

(8) Any utility that 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 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 5-18-83, Formerly 25-10.24, Amended 10-19-86, Formerly 25-10.024, Amended 11-10-86, 2-8-90, 7-7-96, 2-3-05.

Excerpts from Florida Statutes

120.541 Statement of estimated regulatory costs.—

...

(2)(d) A good faith estimate of the transactional costs likely to be incurred by individuals and entities, including local government entities, required to comply with the requirements of the rule. As used in this section, “transactional costs” are direct costs that are readily ascertainable based upon standard business practices, and include filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used or procedures required to be employed in complying with the rule, additional operating costs incurred, the cost of monitoring and reporting, and any other costs necessary to comply with the rule.

288.703 Definitions. — As used in ss. 288.702-288.706, the term:

...

(6) “Small business” means an independently owned and operated business concern that employs 200 or fewer permanent full-time employees and that, together with its affiliates, has a net worth of not more than \$5 million or any firm based in this state which has a Small Business Administration 8(a) certification. As applicable to sole proprietorships, the \$5 million net worth requirement shall include both personal and business investments.

120.52 Definitions. — As used in this act:

...

(18) “Small city” means any municipality that has an unincarcerated population of 10,000 or less according to the most recent decennial census.

(19) “Small county” means any county that has an unincarcerated population of 75,000 or less according to the most recent decennial census.