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Public Service Commission

November 12, 2015

Rules Ombudsman in
The Executive Office of the Governor
GovernorRick.Scott@eog.myflorida.com

SENT VIA E-MAIL

RE: Docket No. 150198-WS; Rules 25-30.029, 25-30.030, 25-30.032, 25-30.033, 25-30.034, 25-30.035, 25-30.036, 25-30.037, 25-30.038, 25-30.039, and 25-30.090, F.A.C.

Dear Rules Ombudsman:

The Commission has determined that the above rules will affect small businesses. Accordingly, pursuant to Section 120.54(3)(b), Florida Statutes, enclosed is a copy of the Florida Administrative Register (FAR) notice of the proposed rules, which was published in the November 12, 2015 edition of the FAR. Also enclosed is a copy of the statement of estimated regulatory costs (SERC). The SERC concluded that the proposed rule amendments will not have an adverse effect on small business.

If there are any questions with respect to this/these rules, please contact me at (850) 413-6216 or kcowdery@psc.state.fl.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathryn G. W. Cowdery".

Kathryn G. W. Cowdery
Senior Attorney

Enclosures

cc: Office of the Commission Clerk

Notice of Proposed Rule

PUBLIC SERVICE COMMISSION

RULE NOS.:RULE TITLES:

- 25-30.029 Legal Description Of Service Area
- 25-30.030 Notice of Application
- 25-30.032 Applications
- 25-30.033 Application for Original Certificate of Authorization and Initial Rates and Charges
- 25-30.034 Application for Certificate of Authorization for Existing Utility Currently Charging for Service
- 25-30.035 Application for Grandfather Certificate
- 25-30.036 Application for Amendment to Certificate of Authorization to Extend or Delete Service
- 25-30.037 Application for Authority to Transfer
- 25-30.038 Application for Transfer to a Governmental Authority
- 25-30.039 Application for Name Change
- 25-30.090 Abandonments

PURPOSE AND EFFECT: New Rule 25-30.029, F.A.C. specifies the format of the legal description of the utility's service area to be used in water and wastewater certificate applications. New Rule 25-30.038 addresses applications for transfer to a governmental authority. The amendments to Rules 25-30.030, 25-30.032, 25-30.033, 25-30.034, 25-30.035, 25-30.036, and 25-30.037, F.A.C. update, streamline, and clarify the Commission's requirements for applications for water and wastewater utility certificates of authorization. Rule 25-30.039, F.A.C. is changed from an application to a notice of name change. Rule 25-30.090, F.A.C. is updated and clarified as to abandonment requirements. Forms applicable to applications are incorporated by reference in the rules.

Docket No. 150198-WS.

SUMMARY: Rule 25-30.029, F.A.C., Legal Description of Service Area, is a new rule addressing legal description requirements for applications for a certificate, extension or deletion of service area, or transfer, which were previously located in Rule 25-30.030, F.A.C. Rule 25-30.030, F.A.C., Notice of Application and of Customer Meeting, is amended to delete the legal description requirements that are relocated into Rule 25-30.029, F.A.C.; to clarify by listing the specific applications and relevant rule sections to which this rule applies; to update application titles; to clarify information to be included in notices; and to update and codify existing practice concerning notice publication and persons to whom notices must be sent. Rule 25-30.032, F.A.C., Combined Applications, is amended to delete the obsolete requirement of filing multiple copies of applications and to reflect that the number of copies to be filed is now addressed in Rule 25-22.028, F.A.C.; to delete an unnecessary subsection concerning the official filing date that is now addressed in Rule 25-30.030(5), F.A.C.; and to amend the title to reflect that the rule addresses combined applications. Rule 25-30.033, F.A.C., Application for Original Certificate of Authorization and Initial Rates and Charges, is amended to clarify and update the rule to reflect current Commission practice and to delete vague, obsolete and redundant language; to clarify by codifying the specific information required by applicants to demonstrate the need for service and the technical and financial ability of the applicant to provide service; and to incorporate by reference an example, fillable application form and water and wastewater tariff forms that will make the application process easier for applicants. Rule 25-30.034, F.A.C., Application for Original Certificate of Authorization for Existing Utility Currently Charging for Service, is amended to clarify and update the rule to reflect current Commission practice and to delete vague, obsolete and redundant language; to clarify by codifying specific information required by applicants to demonstrate the need for service and the technical and financial ability of the applicant to provide service; and to incorporate by reference an example, fillable application form and water and wastewater tariff forms that will make the application process easier for applicants. Rule 25-30.035, Application for Original Certificate of Authorization Following Rescission of Jurisdiction by a County, is amended to clarify and update the rule to reflect current Commission practice and to delete vague, obsolete and redundant language; is amended to codify specific information required in this type of application, including documentation from the county showing authorization to serve and copies of all DEP and water management permits; and is amended to incorporate by reference an example, fillable application form and water and wastewater tariff forms that will make the application process easier for applicants. Rule 25-30.036, F.A.C., Application for Amendment to Certificate of Authorization to Extend or Delete Service Area, is amended to clarify and update the

rule to reflect current Commission practice and to delete vague, obsolete and redundant language; is clarified by codifying specific information required by applicants to demonstrate the need for service; is amended to require a copy of all current DEP and water management district permits, the most recent sanitary survey, compliance inspection report, secondary standards drinking water report, and correspondence with DEP, the county health department and water management district for the past five years, in order for the Commission to be able to assess the utility's compliance with secondary drinking water standards; and is amended to incorporate by reference an example, fillable application form and water and wastewater tariff forms that will make the application process easier for applicants. Rule 25-30.037, F.A.C., Application for Authority to Transfer, is amended to clarify and update the rule to reflect current Commission practice and to delete vague, obsolete and redundant language; is clarified by codifying specific information required by applicants when there is a transfer of an exempt entity or utility in a non-jurisdictional county to a Commission regulated utility that results in a system whose service transverses county boundaries; is amended to require a copy of all current DEP and water management district permits, the most recent sanitary survey, compliance inspection report, secondary standards drinking water report, and correspondence with DEP, the county health department and water management district for the past five years, in order for the Commission to be able to assess the utility's compliance with secondary drinking water standards; and is amended to incorporate by reference an example, fillable application form and water and wastewater tariff forms that will make the application process easier for applicants. Rule 25-30.038, F.A.C., Application for Transfer to a Governmental Authority, is a new rule addressing applications for transfer to a governmental authority that were previously submitted pursuant to Rule 25-30.037(4), F.A.C.. Rule 25-30.039, F.A.C., Notice of Name Change, is amended to require a notice of name change instead of an application for name change, consistent with language of the implementing statute Section 367.1214, F.S; and is amended to codify the practice of requiring the utility to file with the Commission Clerk a statement verifying the date that the notice of name change was sent to the utility customers. Rule 25-30.090, F.A.C., Abandonments, is amended to improve readability and clarity; is amended to require a receiver to provide the Commission with a copy of the court order of appointment within 10 days of appointment; and to clarify that a receiver who is a governmental authority is not required to file a revised tariff with the Commission.

Application requirements related to various actions concerning water and wastewater certificates of authorization are updated, streamlined, and clarified.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION: The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has been prepared by the Agency.

The SERC examined the factors required by Section 120.541(2), FS, and concluded that the proposed rules are not likely to have an adverse impact on the factors listed therein, and that there is no anticipated effect on state or local revenues and no cost to the Public Service Commission, or any other state and local government entity to implement and enforce the rule.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: based upon the information contained in the SERC.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

RULEMAKING AUTHORITY: 350.127(2), 367.045, 367.121, 367.1213, 367.1214 FS.

LAW IMPLEMENTED: 367.031, 367.045, 367.071, 367.083, 367.121, 367.1213, 367.1214, 367.165, 367.171 FS.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAR.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Kathryn G.W. Cowdery, Office of General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, (850)413-6216, kcowdery@psc.state.fl.us

THE FULL TEXT OF THE PROPOSED RULE IS:

25-30.029 Legal Description of Service Area

(1) The utility shall provide a legal description of the service area to be served, extended, deleted, or transferred in the following applications:

(a) An original certificate of authorization and initial rates and charges as provided in Rule 25-30.033, F.A.C.;

(b) An original certificate of authorization for an existing utility currently charging for service provided in Rule 25-30.034, F.A.C.;

(c) An original certificate of authorization following rescission of jurisdiction by a county as provided in Rule 25-30.035, F.A.C.;

(d) An extension of service area as provided in Sections 25-30.036(2) or (3), F.A.C.;

(e) A deletion of service area as provided in Section 25-30.036(4), F.A.C.;

(f) A transfer of a regulated utility to another regulated utility as provided in Section 25-30.037(2), F.A.C.;

(g) A transfer of an exempt entity to a regulated utility or transfer of a utility in a nonjurisdictional county to a regulated utility as provided in Section 25-30.037(3), F.A.C.;

(h) A transfer of majority organizational control of a regulated utility as provided in Section 25-30.037(4), F.A.C.;

(i) A transfer of a regulated utility to an exempt entity other than a governmental authority as provided in Section 25-30.037(5), F.A.C.; or

(j) A partial transfer of a regulated utility to a governmental authority as provided in paragraph 25-30.038(2)(h)2., F.A.C.

(2) The legal description of the service area to be served, extended, deleted or transferred shall identify:

(a) A reference to township(s), range(s), land section(s), and county(s); and

(b) A complete and accurate description of the service area to be served, added, deleted, or transferred. The description may reference interstates, state roads, local streets, and major bodies of water, but shall not rely on references to government lots, recorded plats or lots, tracts, or other recorded instruments. The description shall be provided in one of the following formats:

1. Sections. If the service area includes complete sections, the description shall only include the township, range, and section reference. If the service area includes partial sections, the description shall identify the subsections to be included or excluded.

2. Metes and bounds. The description shall identify a point of beginning which is referenced from either a section corner or a subsection corner, such as a quarter corner. The perimeter shall be described by traversing the service area boundary and closing at the point of beginning. The description shall identify all bearings and distances necessary to provide continuous description.

Rulemaking Authority 350.127(2), 367.045, 367.121(1) FS. Law Implemented 367.045, 367.071 FS. History New-

25-30.030 Notice of Application and of Customer Meeting.

(1) When ~~A~~ a utility applies for a certificate of authorization, an extension or deletion of its service area, or a sale, assignment or transfer of its certificate of authorization, facilities or any portion thereof or majority organizational control, it shall provide notice of its application in the manner and to the entities described in this rule when it applies for any of the following: section:

(a) An original certificate of authorization and initial rates and charges as provided in Rule 25-30.033, F.A.C.;

(b) An original certificate of authorization for existing utility currently charging for service as provided in Rule 25-30.034, F.A.C.;

(c) An extension of service area as provided in Rule 25-30.036(2) or (3), F.A.C.;

(d) A deletion of service area as provided in Rule 25-30.036(4), F.A.C.;

(e) A transfer of a regulated utility to another regulated utility as provided in Rule 25-30.037(2), F.A.C.;

(f) A transfer of an exempt entity to a regulated utility or transfer of a utility in a nonjurisdictional county to a regulated utility as provided in Rule 25-30.037(3), F.A.C.;

(g) A transfer of majority organizational control of a regulated utility as provided in Rule 25-30.037(4), F.A.C.;

or

(h) A transfer of a regulated utility to an exempt entity other than a governmental authority as provided in Rule

25-30.037(5), F.A.C.

(2) After filing an application as described in subsection (1) above, and bBefore providing notice in accordance with this section, a utility shall obtain from the Commission staff a list of the names and addresses of the governing body of the county(ies) or municipality(ies) affected, municipalities, the county or counties, the appropriate regional planning council, the Office of Public Counsel, the Commission's Office of Commission Clerk, the appropriate regional office of the Department of Environmental Protection, the appropriate water management district, and privately-owned water and wastewater utilities that hold a certificate granted by the Public Service Commission and that are located within the county in which the utility or the territory proposed to be served is located. In addition, if any portion of the proposed territory is within one mile of a county boundary, the utility shall obtain from the Commission a list shall include of the names and addresses of the privately-owned utilities located in the bordering county counties and holding a certificate granted by the Commission. The utility's request for the list shall include a complete legal description of the territory to be requested in the application that includes:

(a) A reference to township(s), range(s), land section(s) and county; and

(b) A complete and accurate description of the territory served or proposed to be served in one of the following formats. The description may reference interstates, state roads, and major bodies of water. The description shall not rely on references to government lots, local streets, recorded plats or lots, tracts, or other recorded instruments.

1. Sections: If the territory includes complete sections, the description shall only include the township, range, and section reference. If the territory includes partial sections, the description shall either identify the subsections included or excluded.

2. Motes and bounds: A point of beginning which is referenced from either a section corner or a subsection corner, such as a quarter corner. The perimeter shall be described by traversing the proposed territory and closing at the point of beginning. The description shall include all bearings and distances necessary to provide a continuous description.

(3) The notice shall be titled, as applicable appropriately styled:

(a) Notice of Application for Original an Initial Certificate of Authorization and Initial Rates and Charges for Water, Wastewater, or Water and Wastewater Service Certificate;

(b) Notice of Application for Original Certificate of Authorization for Existing Utility Currently Charging for Water, Wastewater, or Water and Wastewater Service;

(c)(b) Notice of Application for Amendment to Certificate of Authorization To Extend an Extension of Service Area;

(d)(e) Notice of Application for Amendment to Certificate of Authorization To Delete Deletion of Service Area;

(e)(d) Notice of Application for Authority to a Transfer of Water, Wastewater, or Water and Wastewater Certificate(s) of Authorization to Another Regulated Utility; or

(f) Notice of Application for Authority to Transfer an Exempt Entity to a Regulated Utility or Transfer of a Utility in a Non-jurisdictional County To a Regulated Utility That Results in a System Whose Service Transverses County Boundaries;

(g)(e) Notice of Application for Authority to a Transfer of Majority Organizational Control of a Regulated Utility; or

(h) Notice of Application for Authority to Transfer a Regulated Utility to an Exempt Entity Other than a Governmental Authority.

(4) The Notice of Application notice shall be provided to the Office of Commission Clerk, for Commission staff approval prior to distribution and shall state include the following:

(a) The date the notice is given;

(b) The name, and address, telephone number, and, if available, e-mail address, and fax number of the applicant;

(c) The common name of developments served by the utility;

(d) The application docket number and title, if available;

(e) The common reference of street names bordering the area served by the utility, if applicable;

(f)(e) A description, using township, range and section references, of the service area territory proposed to be either served, extended, added, deleted, or transferred as provided by Rule 25-30.029, F.A.C. An abbreviated description using section, township, and range of the subject service area may be provided so long as the notice

contains a disclosure that the legal description has been simplified and that a complete legal description can be obtained from the applicant; and

(g) If applicable, the notice shall include a statement that the utility is not requesting any changes to its rates, classifications, charges, rules, and regulations in the application; and

(h)(d) A statement that any objections to the application must be filed with the Director, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, no later than 30 days after the last date that the notice was mailed or published, whichever is later.

(5) Within 7 days of filing its application, the utility shall provide a copy of the notice of the service area proposed to be served, extended, deleted, or transferred as follows by regular mail to:

(a) By regular mail to the governmental entities and utilities identified on the list described in subsection (2) above;

(a) The governing body of the county in which the utility system or the territory proposed to be served is located;

(b) The governing body of any municipality contained on the list obtained pursuant to subsection (2) above;

(c) The regional planning council designated by the Clean Water Act, 33 U.S.C. 1288(2);

(d) All water or wastewater utilities contained on the list(s) obtained pursuant to subsection (2) above;

(e) The office of Public Counsel;

(f) The Commission's Office of Commission Clerk;

(g) The appropriate regional office of the Department of Environmental Protection; and

(h) The appropriate Water Management District.

(b)(6) No sooner than 21 days before the application is filed and no later than 7 days after the application is filed, the utility shall also provide a copy of the Notice, B by regular mail or personal service, to each customer and owner of property located within the existing service area and the service area to be served, extended, deleted or transferred; and, of the system to be certificated, transferred, acquired, or deleted.

(c)(7) By publication The Notice shall be published once in a newspaper of general circulation in the proposed service area. If the utility service area crosses county lines, notice shall be published in a newspaper of general circulation in each county territory proposed to be served, added, deleted, or transferred. The publication shall be within 7 days of filing the application.

(6) All applications requiring noticing shall be deemed deficient until affidavits of noticing required by Sections 367.045(1)(e) and (2)(f), F.S., along with a copy of the notice, are filed with the Office of Commission Clerk. The affidavits shall attest that the notices were given as prescribed in paragraphs (5)(a), (b), and (c) above. The applicant shall obtain the affidavit of notice publication, pursuant to paragraph (5)(c) above, from the newspaper(s).

(8) A copy of the notice(s) and list of the entities receiving notice pursuant to this rule shall accompany the affidavit required by Sections 367.045(1)(e) and (2)(f), F.S. The affidavit shall be filed no later than 15 days after filing the application.

(7) No less than 14 days and no more than 30 days prior to the date of a customer meeting conducted by the Commission staff, the utility shall provide written notice of the date, time, location, and purpose of the customer meeting to all customers within the affected service areas. The notice shall be approved by the Commission staff prior to distribution. The notice shall be mailed to the out-of-town address of all customers who have provided the utility with an out-of-town address.

(8)(9) This rule does not apply to applications for grandfather certificates following rescission of jurisdiction by counties filed under Section 367.171, F.S.; or to applications for transfers to governmental authorities filed under Section 367.071, F.S.; or abandonments filed under Section 367.165, F.S. to name changes.

Rulemaking Authority 350.127(2), 367.045(2), 367.121(1) FS. Law Implemented 367.031, 367.045, 367.071, FS. History—New 4-5-81, Formerly 25-10.061, 25-10.0061, Amended 11-10-86, 1-27-91, 11-30-93, _____.

25-30.032 Combined Applications.

(1) Each utility subject to regulation by the Commission shall apply for an initial certificate of authorization, amendment to an existing certificate of authorization, transfer, or name change, by filing a completed application and six copies, in accordance with either Rule 25-30.033, 25-30.034, 25-30.035, 25-30.036, subsection 25-30.037(1) or (2), or Rule 25-30.039, F.A.C. However, a utility shall apply for a transfer to a governmental authority by filing a

completed application and two copies, in accordance with subsections 25-30.037 (3) and (4), F.A.C. The application shall be filed with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850. Sample application forms may be obtained from the Division of Engineering, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.

(2) A utility may file a combined application applications for multiple certificate actions if it is applying for certificates of authorization or any amendments thereto for both water and wastewater systems; however, the utility shall remit a separate application fee for each action and system service. The Commission will treat a combined application as if a separate application had been filed for each action and system service.

(3) The official filing date of an application for an original certificate, any amendment to an existing certificate, or any transfer shall be the date a completed application is filed with the Office of Commission Clerk, except that the noticing requirements set forth in Rule 25-30.030, F.A.C., do not need to be completed at that time. If, however, the utility has not completed the noticing within the time limits prescribed by Rule 25-30.030, F.A.C., the official filing date shall be the date the noticing is complete.

Rulemaking Authority 350.127(2), 367.121 FS. Law Implemented 367.031, 367.045, 367.071, 367.083 FS. History—New 1-27-91, Amended 11-30-93, 5-29-08, _____

25-30.033 Application for Original Certificate of Authorization and Initial Rates and Charges.

(1) Each applicant application for an original certificate of authorization and initial rates and charges shall file with the Commission Clerk provide the following information: set forth in paragraphs (a) through (q). Form PSC 1001 (12/15), entitled "Application for Original Certificate of Authorization for a Proposed or Existing System Requesting Initial Rates and Charges," which is incorporated by reference in this rule and is available at [Dept. of State hyperlink], is an example application that may be completed by the applicant and filed with the Office of Commission Clerk to comply with this subsection. This form is also available on the Commission's Web site, www.floridapsc.com.

(a) A filing fee pursuant to Rule 25-30.020(2)(a), F.A.C.;

(b) Proof of noticing pursuant to Rule 25-30.030, F.A.C.;

(c)(a) The utility's applicant's name, and address, telephone number, Federal Employer Identification Number, authorized representative, and, if available, e-mail address and fax number;

(d)(b) The nature of the utility's applicant's business organization, i.e., corporation, limited liability company, partnership, limited partnership, sole proprietorship, or association, etc.; The applicant must provide documentation from the Florida Department of State, Division of Corporations, showing:

1. The utility's business name and registration/document number for the business, unless operating as a sole proprietor, and

2. The utility's fictitious name and registration number for the fictitious name, if operating under a fictitious name;

(e)(e) The name(s), and address(es), and percentage of ownership of each entity or person that owns or will own more than 5 percent interest in the utility of all corporate officers, directors, partners, or any other person(s) or entities owning an interest in the applicant's business organization;

(f)(d) The election the business has made Whether the applicant has made an election under the Internal Revenue Code for taxation purposes § 1362 to be an S corporation;

(g) A statement indicating whether the application is for water, wastewater, or both. If the applicant is applying for water or wastewater only, the statement shall include how the other service is provided;

(h)(e) To demonstrate A statement showing the necessary financial and technical ability of the applicant to provide service to the proposed service area, the applicant shall provide: and the need for service in the proposed area. The statement shall identify any other utilities within the area proposed to be served that could potentially provide service, and the steps the applicant took to ascertain whether such other service is available;

1. A detailed financial statement (balance sheet and income statement), audited if available, of the financial condition of the applicant, which shows all assets and liabilities of every kind and character. The financial statements shall be for the preceding calendar or fiscal year. The financial statement shall be prepared in accordance with Rule 25-30.115, F.A.C. If available, a statement of the sources and uses of funds shall also be provided; and

2. A list of all entities, including affiliates, upon which the applicant is relying to provide funding to the utility

and an explanation of the manner and amount of such funding. The list need not include any person or entity holding less than 5 percent ownership interest in the utility. The applicant shall provide copies of any financial agreements between the listed entities and the utility and proof of the listed entities' ability to provide funding, such as financial statements:

(i) To demonstrate the technical ability of the applicant to provide service, the applicant shall provide:

1. A statement of the applicant's experience in the water or wastewater industry;
2. A copy of all current permits from the Department of Environmental Protection (DEP) and the water management district;
3. A copy of the most recent DEP and/or county health department sanitary survey, compliance inspection report, and secondary standards drinking water report; and
4. A copy of all correspondence with the DEP, county health department, and water management district, including consent orders and warning letters, and the utility's responses to the same, for the past five years;

(j) To describe the proposed service area, the applicant shall provide:

1. A legal description of the proposed service area in the format described in Rule 25-30.029, F.A.C.;
2. A detailed system map showing the existing and proposed lines and treatment facilities, with the territory proposed to be served plotted thereon, consistent with the legal description provided in subparagraph (j)1. above. The map shall be of sufficient scale and detail to enable correlation with the description of the territory proposed to be served; and
3. An official county tax assessment map, or other map showing township, range, and section with a scale such as 1" = 200' or 1" = 400', with the proposed territory plotted thereon, consistent with the legal description provided in subparagraph (j)1. above;

(k) To demonstrate the need for service in the proposed area, the applicant shall provide:

1. The number of customers currently being served and proposed to be served, by customer class and meter size, including a description of the types of customers currently being served and anticipated to be served, i.e., single family homes, mobile homes, duplexes, golf course clubhouse, or commercial. If the development will be in phases, this information shall be separated by phase;
2. A copy of all requests for service from property owners or developers in areas not currently served;
3. The current land use designation of the proposed service territory as described in the local comprehensive plan at the time the application is filed. If the proposed development will require a revision to the comprehensive plan, describe the steps taken and to be taken to facilitate those changes, including changes needed to address the proposed need for service; and

(l) A statement that to the best of the applicant's knowledge, the provision of service will be consistent with the water and wastewater sections of the local comprehensive plan as approved by the Department of Community Affairs at the time the application is filed, or, if not consistent, a statement demonstrating why granting the certificate of authorization would be in the public interest;

4. Any known land use restrictions, such as environmental restrictions imposed by governmental authorities;

(m)(g) The date applicant began or plans to begin serving customers. If already serving customers, a description of when and under what circumstances the applicant began serving;

(h) The number of equivalent residential connections (ERCs) proposed to be served, by meter size and customer class. If development will be in phases, separate this information by phase;

(i) A description of the types of customers anticipated, i.e., single family homes, mobile homes, duplexes, golf course clubhouse, commercial, etc.;

(m)(j) Documentation of the utility's right to access and continued use of Evidence, in the form of a warranty deed, that the utility owns the land upon which the utility treatment facilities are or will be located. Documentation of continued use shall be in the form of a recorded warranty deed, recorded quit claim deed accompanied by title insurance, recorded lease, or a copy of an agreement which provides for the continued use of the land, such as a 99-year lease, or recorded easement. The Commission may consider a written easement or other cost-effective alternative. The applicant may submit a contract for the purchase and sale of land with an unrecorded unexecuted copy of the instrument granting the utility's right to access and continued use of the land upon which the utility treatment facilities are or will be located warranty deed, provided the applicant files a an executed and recorded copy of the deed, or executed copy of the lease, within the time required in 30 days after the order granting the

certificate;

(k) ~~One original and two copies of a sample tariff, containing all rates, classifications, charges, rules, and regulations, which shall be consistent with Chapter 25-9, F.A.C. Model tariffs are available from the Division of Economics, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850;~~

(l) ~~A description of the territory to be served, using township, range and section references as specified in subsection 25-30.030(2), F.A.C.;~~

(m) ~~One copy of a detailed system map showing the proposed lines, treatment facilities and the territory proposed to be served. The map shall be of sufficient scale and detail to enable correlation with the description of the territory proposed to be served;~~

(n) ~~One copy of the official county tax assessment map, or other map showing township, range, and section with a scale such as 1" = 200' or 1" = 400', with the proposed territory plotted thereon by use of metes and bounds or quarter sections, and with a defined reference point of beginning;~~

(n)(o) ~~A description of statement regarding the separate capacities of the existing and proposed lines and treatment facilities in terms of equivalent residential connections (ERCs) and gallons per day estimated demand per ERC for water and wastewater and the basis for such estimate. If the development will be in phases, separate this information shall be separated by phase;~~

(o)(p) ~~A written description of the type of water treatment, wastewater treatment, and method of effluent disposal;~~

(q) ~~If subsection (p) above does not include effluent disposal by means of reuse, a statement that describes with particularity the reasons for not using reuse;~~

(r) ~~A detailed financial statement (balance sheet and income statement), certified if available, of the financial condition of the applicant, that shows all assets and liabilities of every kind and character. The income statement shall be for the preceding calendar or fiscal year. If an applicant has not operated for a full year, then the income statement shall be for the lesser period. The financial statement shall be prepared in accordance with Rule 25-30.115, F.A.C. If available, a statement of the source and application of funds shall also be provided;~~

(s) ~~A list of all entities, including affiliates, upon which the applicant is relying to provide funding to the utility, and an explanation of the manner and amount of such funding, which shall include their financial statements and copies of any financial agreements with the utility. This requirement shall not apply to any person or entity holding less than 10 percent ownership interest in the utility;~~

(t) ~~A cost study including customer growth projections supporting the proposed rates, charges and service availability charges. A sample cost study, and assistance in preparing initial rates and charges, are available from the Division of Economics;~~

(p) To support the proposed rates and charges, the applicant shall provide:

1. The existing and projected cost of the system(s) and associated depreciation by year until design capacity is reached using the National Association of Regulatory Utility Commissioners (NARUC) 1996 Uniform System of Accounts (USOA), which is incorporated by reference in Rule 25-30.115, F.A.C. The applicant shall identify the year that 80 percent of design capacity is anticipated. (u) ~~A schedule showing the projected cost of the proposed system(s) by uniform system of accounts (USOA) account numbers pursuant to Rule 25-30.115, F.A.C., and the related capacity of each system in ERCs and gallons per day. If the utility will be built in phases, this shall apply only to the first phase;~~

2. The existing and projected annual contributions-in-aid-of-construction (CIAC) and associated amortization by year including a description of assumptions regarding customer growth projections using the same projections used in subparagraph (1)(k)1. above for the proposed service area. The projected CIAC shall identify cash and property contributions and amortization at 100 percent of design capacity and identify the year when 80 percent of design capacity is anticipated. The projected CIAC shall be consistent with the service availability policy and charges in the proposed tariff provided in paragraph (q) below, the schedule provided in subparagraph (p)6. below, and the CIAC guidelines in 25-30.580, F.A.C. If the utility will be built in phases, this shall apply only to the first phase;

(v) ~~A schedule showing the projected operating expenses of the proposed system by USOA account numbers, when 80 percent of the designed capacity of the system is being utilized. If the utility will be built in phases, this shall apply to the first phase; and~~

3.(w) A schedule showing the projected capital structure including the methods of financing the construction and operation of the utility until the utility reaches 80 percent of the design capacity of the system. If the utility will be built in phases, this shall apply only to the first phase;

4. The current annual operating expenses and the projected annual operating expenses at 80 percent of design capacity using the NARUC USOA. If the utility will be built in phases, this shall apply only to the first phase;

5. A schedule showing how the proposed rates were developed;

6. A schedule showing how the proposed service availability policy and charges were developed, including meter installation, main extension, and plant capacity charges, and proposed donated property; and

7. A schedule showing how the customer deposits and miscellaneous service charges were developed, including initial connection, normal reconnection, violation reconnection, and premises visit fees, consistent with Rules 25-30.311 and 25-30.460, F.A.C.; and

(q) A tariff containing all rates, classifications, charges, rules, and regulations which shall be consistent with Chapter 25-9, F.A.C. Form PSC 1010 (12/15), entitled "Water Tariff," which is incorporated by reference in this rule and is available at [Department of State hyperlink] and Form PSC 1011 (12/15), entitled "Wastewater Tariff," which is incorporated by reference in this rule and is available at [Department of State hyperlink], are example tariffs that may be completed by the applicant and included in the application. These forms may also be obtained from the Commission's website, www.floridapsc.com.

(2) through 3 No change.

(4) Utilities obtaining original initial certificates of authorization pursuant to this rule are authorized to accrue allowance for funds used during construction (AFUDC) for projects found eligible pursuant to subsection 25-30.116(1), F.A.C.

(a) through (c) No change.

Rulemaking Authority 350.127(2), 367.045(1), 367.121, 367.1213 FS. Law Implemented 367.031, 367.045, 367.1213 FS. History—New 1-27-91, Amended 11-30-93, _____.

25-30.034 Application for Original Certificate of Authorization for Existing Utility Currently Charging for Service.

(1) Each applicant for an original certificate of authorization for an existing utility currently charging for service, which is applying for an initial certificate of authorization, other than an application filed under Section 367.171, F.S., shall file with the Commission Clerk provide the following information: set forth in paragraphs (a) through (o) and, if applicable, paragraphs (2)(a) through (c). Form PSC 1002 (12/15), entitled "Application for Original Certificate of Authorization for Existing Utility Currently Charging for Service," which is incorporated by reference in this rule and is available at [Department of State hyperlink], is an example application that may be completed by the applicant and filed with the Office of Commission Clerk to comply with this subsection. This form is also available on the Commission's website, www.floridapsc.com.

(a) A filing fee pursuant to Rule 25-30.020(2)(a), F.A.C.;

(b) Proof of noticing pursuant to Rule 25-30.030, F.A.C.;

(c)(a) The utility's complete name, and address, telephone number, Federal Employer Identification Number, authorized representative, and if available, e-mail address and fax number;

(d)(b) The nature of the utility's business organization, i.e., corporation, limited liability company, partnership, limited partnership, sole proprietorship, association, etc.; The applicant must provide documentation from the Florida Department of State, Division of Corporations, showing:

1. The utility's business name and registration/document number for the business, unless operating as a sole proprietor; and

2. The utility's fictitious name and registration number for the fictitious name, if operating under a fictitious name;

(e)(e) The name(s), and address(es), and percentage of ownership of each entity or person which owns or will own more than a 5 percent of all corporate officers, directors, partners, or any other person(s) owning an interest in the utility;

(f) A statement indicating whether the application is for water, wastewater, or both. If the applicant is applying for water or wastewater only, the statement shall include how the other service is provided;

(g) A description of the types of customers served, i.e., single family homes, mobile homes, duplexes, golf course clubhouse, or commercial;

(h) A schedule showing the number of customers currently served, by class and meter size, as well as the number of customers projected to be served when the requested service territory is fully developed;

(i)(d) To demonstrate A statement regarding that the applicant has the necessary financial and technical ability of the applicant to continue to provide service to the proposed service area, the applicant shall provide:

1. A detailed financial statement (balance sheet and income statement), audited if available, of the financial condition of the applicant, which shows all assets and liabilities of every kind and character. The financial statements shall be for the preceding calendar or fiscal year. The financial statement shall be prepared in accordance with Rule 25-30.115, F.A.C. If available, a statement of the sources and uses of funds shall also be provided;

2. A list of all entities, including affiliates, upon which the applicant is relying to provide funding to the utility and an explanation of the manner and amount of such funding. The list need not include any person or entity holding less than 5 percent ownership interest in the utility. The applicant shall provide copies of any financial agreements between the listed entities and the utility and proof of the listed entities' ability to provide funding, such as financial statements;

(j) To demonstrate the technical ability of the applicant to provide service, the applicant shall provide the following:

1. A statement of the applicant's experience in the water and wastewater industry;

2. A copy of all current permits from the Department of Environmental Protection (DEP) and the water management district;

3. A copy of the most recent DEP and/or county health department sanitary survey, compliance inspection report, and secondary standards drinking water report; and

4. A copy of all correspondence with the DEP, county health department, and water management district, including consent orders and warning letters, and the utility's responses to the same, for the past five years;

(k) To describe the proposed service area, the applicant shall provide:

1. A legal description of the proposed service area in the format prescribed in Rule 25-30.029, F.A.C.;

2. A detailed system map showing existing and proposed lines and treatment facilities with the territory proposed to be served plotted thereon, consistent with the legal description provided in subparagraph (1)(k)1. above. Any territory not served at the time of the application shall be specifically identified on the system map. The map shall be of sufficient scale and detail to enable correlation with the description of the territory proposed to be served; and

3. An official county tax assessment map, or other map showing township, range, and section with a scale such as 1"=200' or 1"=400', with the proposed territory plotted thereon, consistent with the legal description provided in subparagraph (k)1. above;

(l) A statement explaining when and under what circumstances the applicant began providing service prior to obtaining a certificate of authorization;

(m)(e) Documentation of the utility's right to access and continued term use of Evidence that the utility owns the land upon which the utility treatment facilities are located. Documentation of continued use shall be in the form of a recorded warranty deed, recorded quit claim deed accompanied by title insurance, recorded lease or a copy of an agreement which provides for the continued use of the land, such as a 99-year lease, or recorded easement. The applicant may submit an unrecorded copy of the instrument granting the utility's right to access and continued use of the land upon which the utility treatment facilities are or will be located, provided the applicant files a recorded copy within the time required in the order granting the certificate. The Commission may consider a written easement or other cost effective alternative;

(n) Documentation specifying on what date and under what authority the current rates and charges were established; and

(o)(f) A One original and two copies of a model tariff, containing all rates, classifications, charges, rules, and regulations, which shall be consistent with Chapter 25-9, F.A.C. Form PSC 1010 (12/15), entitled "Water Tariff" and Form PSC 1011 (12/15), entitled "Wastewater Tariff," which are incorporated by reference in Rule 25-30.033, F.A.C., are example tariffs that may be completed by the applicant and included in the application. These forms may also be obtained from the Commission's website, www.floridapsc.com. Model tariffs are available from the

Division of Economics, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850;

~~(g) A statement specifying on what date and under what authority the current rates and charges were established;~~

~~(h) A description of the territory to be served, using township, range and section references as specified in subsection 25-30.030(2), F.A.C.;~~

~~(i) One copy of a detailed system map showing the lines, treatment facilities and the territory to be served. Any territory not served at the time of the application shall be specifically identified on the system map. The map shall be of sufficient scale and detail to enable correlation with the description of the territory to be served;~~

~~(j) One copy of the official county tax assessment map, or other map showing township, range, and section with a scale such as 1"=200' or 1"=400', with the proposed territory plotted thereon by use of metes and bounds or quarter sections, and with a defined reference point of beginning;~~

~~(k) The numbers and dates of any permits issued for the systems by the Department of Environmental Protection;~~

~~(l) The date the utility was established;~~

~~(m) A statement explaining how and why applicant began providing service prior to obtaining a certificate of authorization; and~~

~~(n) A schedule showing the number of customers currently served, by class and meter size, as well as the number of customers projected to be served when the requested service territory is fully occupied.~~

~~(2) No change.~~

~~(a) To demonstrate A statement showing the need for service in the proposed area, the applicant shall provide the following:~~

~~1. The number of customers proposed to be served, by customer class and meter size, including a description of the types of customers anticipated to be served, i.e., single family homes, mobile homes, duplexes, golf course clubhouse, or commercial. If the development will be in phases, this information shall be separated by phase; and~~

~~2. A copy of all requests for service from property owners or developers in areas not currently served; and~~

~~(b) The current land use designation of the proposed service territory as described in A statement that to the best of the applicant's knowledge, the provision of service in this territory will be consistent with the water and wastewater sections of the local comprehensive plan as approved by the Department of Community Affairs at the time the application is filed. If the proposed development will require a revision to the comprehensive plan, describe the steps taken and to be taken to facilitate those changes, including changes needed to address the proposed need for service described in paragraph (2)(a) above; and, or, if not consistent, a statement demonstrating why granting the territory would be in the public interest.~~

~~(c) Any known land use restrictions, such as environmental restrictions imposed by governmental authorities.~~

~~Rulemaking Authority 350.127(2), 367.045, 367.121(1), 367.1213 FS. Law Implemented 367.045, 367.1213 FS. History—New 1-27-91, Amended 11-30-93, _____.~~

25-30.035 Application for Original Grandfather Certificate of Authorization Following Rescission of Jurisdiction by a County.

(1) Each applicant for an original a certificate of authorization following rescission of jurisdiction by a county under the provisions of Section 367.171, F.S., (commonly known as the grandfather provision), shall file with the Commission Clerk one original of provide the following information: set forth in paragraphs (2) through (16) below. Form PSC 1003 (12/15), entitled "Application for Original Certificate of Authorization Following Rescission of Jurisdiction by a County (Grandfather Certificate)," which is incorporated by reference in this rule and is available at [Department of State hyperlink], is an example application that may be completed by the applicant and filed with the Office of Commission Clerk to comply with this subsection. This form may also be obtained from the Commission's website, www.floridapsc.com;

(2) A filing fee pursuant to Rule 25-30.020(2)(d), F.A.C.;

(3)(4) The utility's complete name, and address, telephone number, Federal Employer Identification Number, authorized representative, and, if available, e-mail address and fax number;

~~(4)(2)~~ The nature of the utility's business organization, i.e., corporation, limited liability company, partnership, limited partnership, sole proprietorship, or association, ~~etc.~~; The applicant must provide documentation from the Florida Department of State, Division of Corporations, showing:

~~(a)~~ The utility's business name and registration/document number for the business, unless operating as a sole proprietor; and

~~(b)~~ The utility's fictitious name and registration number for the fictitious name, if operating under a fictitious name;

~~(5)(3)~~ The name(s), and address(es), and percentage of ownership of each entity or person which owns or will own of all corporate officers, directors, partners, or any other person(s) owning more than a 5 percent an interest in the utility;

~~(6)~~ A statement indicating whether the application is for water, wastewater, or both. If the applicant is applying for water or wastewater only, the statement shall include how the other service is provided;

~~(7)(4)~~ The date the utility was established;

~~(8)(5)~~ A description of the types of customers served, i.e., single family homes, mobile homes, duplexes, golf course clubhouse, or commercial, etc.;

~~(9)~~ A schedule showing the number of customers currently served, by class and meter size, as well as the number of customers projected to be served when the requested service territory is fully developed;

~~(10)~~ A legal description of the proposed service area in the format prescribed in Rule 25-30.029, F.A.C. The utility must provide documentation of the territory the utility was serving, or was authorized to serve, from the county which had jurisdiction over the utility on the day Chapter 367, F.S., became applicable to the utility;

~~(11)(6)~~ Documentation of the utility's right to access and continued use of Evidence that the utility owns the land upon which the utility treatment facilities are located. Documentation of continued use shall be in the form of a recorded warranty deed, recorded quit claim deed accompanied by title insurance, recorded lease, or a copy of an agreement which provides for the continued use of the land, such as a 99-year lease, or recorded easement. The applicant may submit an unrecorded copy of the instrument granting the utility's right to access and continued use of the land upon which the utility treatment facilities are or will be located, provided the applicant files a recorded copy within the time required in the order granting the certificate; The Commission may consider a written easement or other cost-effective alternative;

~~(12)~~ Documentation, or if no documentation exists, a statement, specifying on what date and under what authority the current rates and charges were established;

~~(13)(7)~~ One original and two copies of Aa tariff, containing all rates, classifications, charges, rules, and regulations, which shall be consistent with Chapter 25-9, F.A.C. Form PSC 1010 (12/15), entitled "Water Tariff" and Form PSC 1011 (12/15), entitled "Wastewater Tariff," which are incorporated by reference in Rule 25-30.033, F.A.C., are example tariffs that may be completed by the applicant and included in the application. These forms may also be obtained from the Commission's website, www.floridapsc.com; Sample tariffs are available from the Division of Economic Regulation, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850;

~~(8)~~ A statement specifying on what date and under what authority the current rates and charges were established;

~~(9)~~ A description using township, range, and section references as specified in subsection 25-30.030(2), F.A.C., of the territory the utility was serving, or was authorized to serve by the county which had jurisdiction over the utility on the day Chapter 367, F.S., became applicable to the utility;

~~(14)(10)~~ One copy of A-a detailed system map showing the existing and proposed lines; and treatment facilities, with and the territory proposed to be served plotted thereon, consistent with the legal description provided in subsection (10) above. Any territory not served at the time of the application shall be specifically identified, and The map shall be of sufficient scale and detail to enable correlation with the description of the territory to be served;

~~(15)(11)~~ An One copy of the official county tax assessment map, or other map showing township, range, and section, with a scale such as 1" = 200' or 1" = 400', with the proposed territory plotted thereon, consistent with the legal description provided in subsection (10) above by use of metes and bounds or quarter sections, and with a defined reference point of beginning; and

~~(16)(12)~~ The numbers and dates of any A copy of all current permits issued for the systems by the Department of Environmental Protection and water management district. ;and

~~(13) A schedule showing the number of customers currently served, by class and meter size, as well as the number of customers projected to be served when the requested service territory is fully occupied. Rulemaking Authority 350.127(2), 367.121, 367.1213 FS. Law Implemented 367.1213, 367.171 FS. History—Amended 7-21-65, 1-7-69, 2-3-70, 3-6-71, Revised 9-12-74, Amended 3-26-81, Formerly 25-10.02, 25-10.002, Amended 11-10-86, 1-27-91, 11-30-93.~~

25-30.036 Application for Amendment to Certificate of Authorization to Extend or Delete Service Area.

(1) This rule applies to any certificated water or wastewater utility that proposes to extend its service territory into an area in which there is no existing water or wastewater system or proposes to delete a portion of its service territory. Form PSC 1004 (12/15) entitled "Application for Amendment of Certificate (Extension, Quick Take Extension, or Deletion)," which is incorporated by reference in this rule and is available at [Department of State hyperlink], is an example application that may be completed by the applicant and filed with the Office of Commission Clerk to comply with subsection (2), (3), or (4) below. This form may also be obtained from the Commission's website, www.floridapsc.com.

~~(2) A request for service territory expansion and amendment of an existing certificate or issuance of a new certificate shall be considered approved under the following conditions if no protest is timely filed to the notice of application:~~

~~(a) The utility has provided a written statement of an officer of the utility that the proposed new territory includes a maximum of 25 equivalent residential connections within such territory at the time the territory is at buildout; and~~

~~(b) The utility has provided the written statement of an officer of the utility that, upon investigation, to the best of his or her knowledge:~~

~~1. There is no other utility in the area of the proposed territory that is willing and capable of providing reasonably adequate service to the new territory; and~~

~~2. The person(s) or business(es) requesting water or wastewater service have demonstrated to the utility that service is necessary because (1) a private well has been contaminated or gone dry, (2) a septic tank has failed; or (3) service is otherwise not available.~~

~~(c) The utility has filed a completed application in accordance with subsection (2) of this rule within 45 days of the completion of the notice requirements.~~

~~(2)(3) Each utility proposing to extend its service area (except applications filed pursuant to subsection (3) below), shall file with the Commission Clerk one original of the information set forth in paragraphs (a) through (q), (2) above, which shall file only paragraphs (a), (d), (e), (i), (m), (o), (p), (q), and (r) listed below) shall provide the following:~~

~~(a) A filing fee pursuant to paragraph 25-30.020(2)(b), F.A.C.;~~

~~(b) Proof of Noticing pursuant to Rule 25-30.030, F.A.C.;~~

~~(c)(a) The utility's certificated complete name, and address, telephone number, Federal Employer Identification Number, authorized representative, and, if available, e-mail address and fax number;~~

~~(b) A statement showing the financial and technical ability of the utility to provide service and the need for service in the area requested;~~

~~(d) To demonstrate the need for service in the proposed area, the applicant must provide:~~

~~1. The number of customers currently being served and proposed to be served, by customer class and meter size, including a description of the types of customers anticipated to be served, i.e., single family homes, mobile homes, duplexes, golf course clubhouse, or commercial;~~

~~2. A copy of all requests for service from property owners or developers in areas not currently served;~~

~~3. The current land use designation of the proposed service territory as described in the local comprehensive plan at the time the application is filed. If the proposed development will require a revision to the comprehensive plan, describe the steps taken and to be taken to facilitate those changes, including changes needed to address the proposed need for service; and~~

~~(e) A statement that to the best of the applicant's knowledge the provision of service will be consistent with the water and wastewater sections of the local comprehensive plan at the time the application is filed, as approved by the Department of Community Affairs, or, if not, a statement demonstrating why granting the amendment would be~~

in the public interest;

4. Any known land use restrictions, such as environmental restrictions imposed by governmental authorities;

~~(e)(d) If the utility is planning to build a new water or wastewater treatment plant to serve the proposed territory, provide documentation of the utility's right to access and continued use of Evidence that the utility owns the land upon which the new utility treatment facilities that will serve the proposed territory will be are located. Documentation of continued use shall be in the form of a recorded warranty deed, recorded quit claim deed accompanied by title insurance, recorded lease or a copy of an agreement, such as a 99-year lease, or recorded easement which provides for the continued use of the land. The applicant may submit an unrecorded copy of the instrument granting the utility's right to access and continued use of the land upon which the utility treatment facilities are or will be located, provided that the applicant files a recorded copy within the time required in the order granting the amendment to the certificate of authorization; The Commission may consider a written easement or other cost-effective alternative;~~

~~(f)(e) A legal description of the territory proposed to be served, in the format prescribed in Rule 25-30.029, F.A.C. In addition, if the extension of territory is adjacent to existing territory, provide a legal description of the resulting territory including both existing and expanded portions in the format prescribed in Rule 25-30.029, F.A.C. using township, range and section references as specified in subsection 25-30.030(2), F.A.C.;~~

~~(g)(f) One copy of Aa detailed system map showing the proposed lines, and treatment facilities, with and the territory proposed to be served plotted thereon, consistent with the legal description provided in paragraph (2)(f) above. If the territory to be served is adjacent to the utility's existing territory, provide a complete map showing both existing and expanded territories. The map shall be of sufficient scale and detail to enable correlation with the description of the territory;~~

~~(g) If the utility is planning to build a new wastewater treatment plant, or upgrade an existing plant to serve the proposed territory, provide a written description of the proposed method(s) of effluent disposal;~~

~~(h) If (g) above does not include effluent disposal by means of reuse, a statement that describes with particularity the reasons for not using reuse;~~

~~(h)(i) An One copy of the official county tax assessment map or other map showing township, range, and section, with a scale such as 1" = 200' or 1" = 400', with the proposed territory plotted thereon, consistent with the legal description provided in paragraph (2)(f) above;~~

~~by use of metes and bounds or quarter sections, and with a defined reference point of beginning;~~

~~(i)(j) A statement describing the capacity of the existing lines, the capacity of the existing treatment facilities, and the design capacity of the proposed extension;~~

~~(j)(k) A copy of all current The numbers and dates of any permits issued for the proposed systems by the Department of Environmental Protection and by the water management district;~~

~~(k) A copy of the most recent DEP and/or county health department sanitary survey, compliance inspection report, and secondary standards drinking water report;~~

~~(l) A copy of all correspondence with the DEP, county health department and water management district, including consent orders and warning letters, and the utility's response to the same, for the past five years;~~

~~(m)(l) A detailed statement regarding the proposed method of financing the construction, and the projected impact on the utility's capital structure;~~

~~(m) A description of the types of customers anticipated to be served by the extension, i.e., single family homes, mobile homes, duplexes, golf course clubhouse, commercial, etc.;~~

~~(n) Aa statement regarding the projected impact of the extension on the utility's monthly rates and service availability charges;~~

~~(o) All tariff pages that reflect the additional proposed service area, which shall be consistent with Chapter 25-9, F.A.C. Form PSC 1010 (12/15), entitled "Water Tariff" and Form PSC 1011 (12/15), entitled "Wastewater Tariff," which are incorporated by reference in Rule 25-30.033, F.A.C., are example tariffs that may be completed by the applicant and included in the application. These forms may also be obtained from the Commission's website, www.floridapsc.com; The original and two copies of sample tariff sheets reflecting the additional service area; and~~

~~(p) The applicant's current certificate for possible amendment.~~

~~(p)(q) The number of the most recent order of the Commission establishing or changing the applicant's rates and charges; and -~~

(q)(#) An affidavit that the utility has tariffs and annual reports on file with the Commission.

(3) A request for service territory extension and amendment of an existing certificate (commonly known as a "quick take" amendment) shall be considered approved under the following conditions if no protest is timely filed to the notice of application:

(a) The utility has provided a written statement that the proposed new territory includes a maximum of 25 equivalent residential connections within such territory at the time the territory is at buildout. In addition, the statement must include a description of the types of customers anticipated to be served by the extension, i.e., single family homes, mobile homes, duplexes, golf course clubhouse, or commercial;

(b) The utility has provided a written statement that, upon investigation:

1. There is no other utility in the area of the proposed territory that is willing and capable of providing reasonably adequate service to the new territory; and

2. The person(s) or business(es) requesting water or wastewater service have demonstrated to the utility that service is necessary because (1) a private well has been contaminated or gone dry, (2) a septic tank has failed, or (3) service is otherwise not available; and

(c) The utility has filed an application which meets the requirements of paragraphs (2)(a), (b), (c), (e), (f), (h), (j), (o), (p) and (q) above.

(4) Each utility proposing to delete a portion of its service area shall file with the Commission Clerk one original of the information set forth in paragraphs (4)(a) through (k) below, submit the following:

(a) A filing fee pursuant to paragraph 25-30.020(2)(b), F.A.C.;

(b) Proof of noticing pursuant to Rule 25-30.030, F.A.C.;

(c)(#) The utility's complete name, and address, telephone number, authorized representative, and, if available, e-mail address and fax number. The utility's name should reflect the business and/or fictitious name(s) registered with the Department of State's Division of Corporations;

(d) A statement specifying the reasons for the proposed deletion of territory;

(e)(#) A legal description of the territory proposed to be deleted and a legal description of the remaining territory in the format prescribed in Rule 25-30.029, F.A.C. using township, range and section references;

(f)(#) One copy of a detailed system map with the territory proposed to be deleted and retained plotted thereon, consistent with the legal description provided in paragraph (e) above, showing the existing lines, treatment facilities, and territory served. The map shall show existing lines and treatment facilities in the area retained and shall be of sufficient scale and detail to enable correlation with the legal description of the territory;

(d) The number of current active connections within the territory to be deleted;

(g)(#) An One copy of the official county tax assessment map, or other map, showing township, range, and section with a scale such as 1" = 200' or 1" = 400', with the territory proposed to be deleted plotted thereon, consistent with the legal description provided in paragraph (e) above by use of metes and bounds or quarter sections, and with a defined reference point of beginning;

(f) A statement specifying the reasons for the proposed deletion of territory;

(g) A statement indicating why the proposed deletion of territory is in the public interest;

(h) The number of current active connections within the territory to be deleted, as well as the number of connections retained. For each active connection in the area to be deleted, if any, the A statement must detail as to the effect of the proposed deletion on the ability of those customers any customer or potential customer to receive water and wastewater services service, including alternative source(s) of service;

(i) All The original and two copies of sample tariff pages sheets that reflect reflecting the revised service area, which shall be consistent with Chapter 25-9, F.A.C. Form PSC 1010 (12/15), entitled "Water Tariff," and Form PSC 1011 (12/15), entitled "Wastewater Tariff," which are incorporated by reference in Rule 25-30.033, F.A.C., are example tariffs that may be completed by the applicant and included in the application. These forms may also be obtained from the Commission's website, www.floridapsc.com;

(j) The applicant's current certificate for possible amendment;

(i)(#) The number of the most recent order of the Commission establishing or changing the applicant's rates and charges; and

(k)(#) An affidavit that the utility has tariffs and annual reports on file with the Commission.

Rulemaking Authority 350.127(2), 367.045, 367.121, 367.1213 FS. Law Implemented 367.045, 367.1213 FS. History—New 1-27-91, Amended 11-30-93, _____.

25-30.037 Application for Authority to Transfer.

(1) This rule applies to any application for the transfer of an existing water or wastewater utility system, regardless of whether service is currently being provided. ~~This rule does not apply where the transfer is of an exempt or non-jurisdictional system and will result in the system continuing to be exempt from or not subject to Commission jurisdiction.~~ The application for transfer may result in the transfer or cancellation of the seller's existing certificate, amendment of the buyer's existing certificate or granting of an original initial certificate to the buyer, or a transfer of majority organizational control of the utility.

(a) If a transfer occurs prior to Commission approval, the utility shall submit an application for authority to transfer no later than 90 days after the sale closing date.

(b) When a utility applies for any of the following transfer authorizations by the Commission, it shall provide its application as prescribed in the appropriate subsection below:

1. A transfer of a regulated utility to another regulated utility shall be pursuant to subsection (2) below;

2. A transfer of an exempt entity to a regulated utility shall be pursuant to subsection (3) below;

3. A transfer of a utility in a nonjurisdictional county to a regulated utility that results in a system whose service transverse county boundaries shall be pursuant to subsection (3) below;

4. A change of majority organizational control of a regulated utility shall be pursuant to subsection (4) below; or

5. A transfer of a regulated utility to an exempt entity other than a governmental authority shall be pursuant to subsection (5) below.

(c) Form PSC 1005 (12/15), entitled "Application for Transfer of Certificates or Facilities from a Regulated Utility to Another Regulated Utility," which is incorporated by reference in this rule and which is available at [Department of State hyperlink], Form PSC 1006 (12/15), entitled "Application for Transfer of an Exempt Entity to a Regulated Utility or Transfer of a Utility in a Non-jurisdictional County to a Regulated Utility That Results in a System Whose Service Transverse County Boundaries," which is incorporated by reference in this rule and which is available at [Department of State hyperlink], Form PSC 1007 (12/15), entitled "Application for a Transfer of Majority Organizational Control of a Regulated Utility," which is incorporated by reference in this rule and which is available at [Department of State hyperlink], and Form PSC 1008 (12/15), entitled "Application for Transfer of Facilities from a Regulated Utility to an Exempt Entity Other Than a Governmental Authority," which is incorporated by reference in this rule and which is available at [Department of State hyperlink], are example applications that may be completed by the applicant and filed with the Office of Commission Clerk to comply with subsection (2), (3), (4), or (5) below, respectively. These forms may also be obtained from the Commission's website, www.floridapsc.com.

(2) Transfer of a regulated utility to another regulated utility. Each applicant application for transfer of certificate of authorization, facilities, or any portion thereof, from a regulated utility to another regulated utility to a non-governmental entity shall file with the Commission Clerk the information set forth in paragraphs (a) through (v) below, include the following information:

(a) A filing fee pursuant to Rule 25-30.020(2)(c), F.A.C.;

(b) Proof of noticing pursuant to Rule 25-30.030, F.A.C.;

(c)(a) The certificated complete name, and address, telephone number, certificate number(s), authorized representative, and, if available, e-mail address and fax number of the utility/seller; (d)(b) The complete name and address, telephone number, Federal Employer Identification Number, authorized representative and, if available, e-mail address and fax number of the buyer(s) buyer and the new name of the utility if the buyer plans to operate under a different name;

(e) The name, address, telephone number, and if available, e-mail address and fax number of the person in possession of the books and records when the application is filed;

(f)(e) The nature of the buyer's business organization, i.e., corporation, limited liability company, partnership, limited partnership, sole proprietorship, or association. The buyer must provide documentation from the Florida Department of State, Division of Corporations, showing:

1. The utility's/buyer's business name and registration/document number for the business, unless operating as a

sole proprietor, and

2. The utility's/buyer's fictitious name and registration number for the fictitious name, if operating under a fictitious name;

(g)(d) The name(s), and address(es) and percentage of ownership of each entity or person that owns or of all of the buyer's corporate officers, directors, partners or any other person(s) who will own more than a 5 percent an interest in the utility;

(h)(e) The date and state of incorporation or organization of the buyer;

(f) The names and locations of any other water or wastewater utilities owned by the buyer;

(i)(g) A copy of the contract for sale and all auxiliary or supplemental agreements. If the sale, assignment, or transfer occurs prior to Commission approval, the contract shall include a provision stating that the contract is contingent upon Commission approval; which shall include, if applicable:

(j) The buyer must provide the following documentation of the terms of the transfer:

1. The date the closing occurred or will occur;

2. The purchase price and terms of payment;

3. A list of and the dollar amount of the assets purchased and liabilities assumed or not assumed, including those of nonregulated operations or entities; and

4. A description of all consideration between the parties, including for example, promised salaries, retainer fees, stock, stock options, and assumption of obligations; ;

5. Provisions The contract for sale shall also provide for the disposition, where applicable, of the following: 1. Customer deposits and interest thereon; 2. Any guaranteed revenue contracts; 3. Developer agreements; 4. Customer advances; 5. Debt of the utility; ; and 6. Leases;

6. A statement that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters;

7. A statement that the buyer has or will obtain the books and records of the seller, including all supporting documentation for rate base additions since the last time rate base was established for the utility;

8. A statement that the utility's books and records will be maintained using the 1996 National Association of Regulatory Utilities Commissioners (NARUC) Uniform System of Accounts (USOA), incorporated by reference in Rule 25-30.115, F.A.C.; and

9. A statement that the utility's books and records will be maintained at the utility's office(s) within Florida, or that the utility will comply with the requirements of paragraphs 25-30.110(1)(b) and (c), F.A.C., regarding maintenance of utility records at another location or out-of-state. If the records will be maintained at the utility's office(s), the statement should include the location where the utility intends to maintain the books and records;

(i) A statement describing the financing of the purchase;

(k)(j) A statement explaining why indicating how the transfer is in the public interest, including a summary of the buyer's experience in water or wastewater utility operations, a showing of the buyer's financial ability to provide service, and a statement that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters;

(l) To demonstrate the financial ability of the buyer to maintain and operate the acquired utility, the buyer shall provide:

1. A detailed financial statement (balance sheet and income statement), audited if available, of the financial condition of the applicant, that shows all assets and liabilities of every kind and character. The financial statements shall be for the preceding calendar or fiscal year. The financial statement shall be prepared in accordance with Rule 25-30.115, F.A.C. If available, a statement of the sources and uses of funds shall also be provided; and

2. A list of all entities, including affiliates, upon which the buyer applicant is relying to provide funding to the utility buyer, and an explanation of the manner and amount of such funding. The list need not include any person or entity holding less than 5 percent ownership interest in the utility. The applicant shall provide copies of any financial agreements between the listed entities and the utility and proof of the listed entities' ability to provide funding, such as financial statements; which shall include their financial statements and copies of any financial agreements with the utility. This requirement shall not apply to any person or entity holding less than 10 percent ownership interest in the utility;

(m) To demonstrate the technical ability of the buyer to provide service, the buyer shall provide:

1. An explanation of the buyer's experience in the water or wastewater industry; and
2. The buyer's plans for ensuring continued operation of the utility, such as retaining the existing plant operator(s) and office personnel, or contracting with outside entities;

(n) A legal description of the proposed service area in the format prescribed in Rule 25-30.029, F.A.C.;

(o)(t) The proposed net book value of the system as of the date of the proposed transfer, and a statement setting out the reasons for the inclusion of an acquisition adjustment, if one is requested. If rate base has been established by this Commission, provide the docket and state the order number, and date issued and identify all adjustments made to update this rate base to the date of transfer; In addition, provide a schedule of all subsequent changes to rate base;

(m) A statement setting out the reasons for the inclusion of an acquisition adjustment, if one is requested;

(n) If the books and records of the seller are not available for inspection by the Commission or are not adequate for purposes of establishing the net book value of the system, a statement by the buyer that a good faith, extensive effort has been made to obtain such books and records for inspection by the Commission and detailing the steps taken to obtain the books and records;

(p)(e) A statement from the buyer that it has obtained or will obtain copies of all of the federal income tax returns of the seller from the date the utility was first established; or the rate base was last established by the Commission, whichever is later. or; If the tax returns have not been obtained, provide a description of a statement from the buyer detailing the steps taken to obtain the tax returns;

(q)(p) A statement from the buyer that after reasonable investigation, the system being acquired appears to be in satisfactory condition and in compliance with all applicable standards set by the Department of Environmental Protection (DEP) or, if the system is in need of repair or improvement, has any outstanding Notice of Violation of any standard set by the DEP or any outstanding consent orders with the DEP, the buyer shall provide a description of the repairs or improvements that have been identified, the governmental authority that required the repairs or improvements, if applicable, the approximate cost to complete the repairs or improvements, and any agreements between the seller and buyer regarding who will be responsible for any identified repairs or improvements; list of the improvements and repairs needed and the approximate cost to make them, a list of the action taken by the utility with regard to the violation, a copy of the Notice of Violation(s), a copy of the consent order and a list of the improvements and repairs consented to and the approximate cost to make them;

(r) The applicant shall provide the following documents:

1. A copy of the utility's current permits from the DEP and the water management district;
2. A copy of the most recent DEP and/or county health department sanitary survey, compliance inspection report, and secondary standards drinking water report;
3. A copy of all of the utility's correspondence with the DEP, county health department, and water management district, including consent orders and warning letters, and the utility's responses to the same, for the past five years; and
4. A copy of all customer complaints that the utility has received regarding DEP secondary water quality standards during the past five years;

(s)(q) Documentation of the utility's right to access and continued use of Evidence that the utility owns the land upon which the utility treatment facilities are located. Documentation of continued use shall be in the form of a recorded warranty deed, recorded quit claim deed accompanied by title insurance, recorded lease, or a copy of an agreement which provides for the continued use of the land, such as a 99-year lease, or recorded easement. The applicant may submit an unrecorded copy of the instrument granting the utility's right to access and continued use of the land upon which the utility treatment facilities are or will be located, provided that the applicant files a recorded copy within the time required in the order granting the transfer; The Commission may consider a written easement or other cost-effective alternative;

(t)(f) A statement regarding the disposition of any outstanding regulatory assessment fees, fines, or refunds owed and which entity will be responsible for paying regulatory assessment fees and filing the annual report for the year of the transfer and subsequent years;

(u)(s) The original and two copies of sample Ttariff sheets reflecting any changes resulting from the transfer, the change in ownership; Form PSC 1010 (12/15), entitled "Water Tariff" and Form PSC 1011 (12/15), entitled "Wastewater Tariff," which are incorporated by reference in Rule 25-30.033, F.A.C., are example tariffs that may be completed by the applicant and included in the application. These forms are also available on the Commission's

website, www.floridapsc.com; and

(t) The utility's current certificate(s), or if not available, provide an explanation of the steps the applicant took to obtain the certificate(s).

(v) If the buyer owns other water or wastewater utilities that are regulated by the Commission, provide a schedule reflecting any economies of scale that are anticipated to be achieved within the next three years and the effect on rates for existing customers served by both the utility being purchased and the buyer's other utilities.

(3) Transfer of an exempt entity to a regulated utility, or transfer of a utility in a nonjurisdictional county to a regulated utility that results in a system whose service transverses county boundaries. Each applicant shall file with the Commission the information set forth in paragraphs (a) through (f) below.

(a) A combined filing fee pursuant to Rule 25-30.020(2)(b) and (c), F.A.C.;

(b) Proof of noticing pursuant to Rule 25-30.030, F.A.C.;

(c) The requirements of paragraphs (2)(c), (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), (r), (s), (t), (u), and (v) above;

(d) The requirements of Rule 25-30.036(2)(h) and (i), F.A.C.;

(e) An explanation of when and under what authority the current rates and charges of the exempt entity or utility in a non-jurisdictional county were established, if applicable; and

(f) An explanation of how the seller is either exempt pursuant to Section 367.022, F.S., or is a utility in a nonjurisdictional county.

(4)(3) In case of a transfer change of majority organizational control, of a regulated utility. Each applicant for a transfer of majority organizational control shall file with the Commission the information set forth in paragraphs (a) through (d) below. the application shall include the following information:

(a) A filing fee pursuant to Rule 25-30.020(2)(c), F.A.C.;

(b) Proof of noticing pursuant to Rule 25-30.030, F.A.C.;

(c) The requirements of paragraphs (2)(c), (d), (f), (i), (j), (k), (l), (m), (q), (t) and (u) above; and

(d) A description of the ownership transfer, including the date the transfer occurred or will occur and a description of the resulting ownership interests in the utility.

(a) The complete name and address of the seller;

(b) The complete name and address of the buyer;

(c) The name(s) and address(es) of all of the buyer's corporate officers, directors, partners and any other person(s) who will own an interest in the utility;

(d) The names and locations of any other water or wastewater utilities owned by the buyer;

(e) A statement describing the financing of the purchase;

(f) A statement describing how the transfer is in the public interest, including a summary of the buyer's experience in water or wastewater utility operations, a showing of the buyer's financial ability to provide service, and a statement that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters;

(g) A list of all entities, including affiliates, that have provided, or will provide, funding to the buyer, and an explanation of the manner and amount of such funding, which shall include their financial statements and copies of any financial agreements with the utility. This requirement shall not apply to any person or entity holding less than 10 percent ownership interest in the utility;

(h) A statement from the buyer that after reasonable investigation, the system being acquired appears to be in satisfactory condition and in compliance with all applicable standards set by the DEP or, if the system is in need of repair or improvement, has any outstanding Notice of Violation(s) of any standard(s) set by the DEP or any outstanding consent orders with the DEP, the buyer shall provide a list of the improvements and repairs needed and the approximate cost to make them, a list of the action taken by the utility with regard to the violations, a copy of the Notice of Violation(s), a copy of the consent order and a list of the improvements and repairs consented to and the approximate cost;

(i) Evidence that the utility owns the land upon which the utility treatment facilities are located, or a copy of an agreement which provides for the continued use of the land, such as a 99 year lease. The Commission may consider a written easement or other cost effective alternative;

(j) The original and two copies of sample tariff sheets reflecting the change in ownership; and

~~(k) The utility's current certificate(s), or if not available, the applicant shall provide an explanation of the steps the applicant took to obtain the certificate(s).~~

~~(5) A transfer of a regulated utility to an exempt entity other than a governmental authority. Each applicant for a transfer of ownership of a regulated utility to an exempt entity other than a governmental authority shall file with the Commission Clerk the information set forth in paragraphs (a) through (e) below.~~

~~(a) A filing fee pursuant to Rule 25-30.020(2)(c), F.A.C.;~~

~~(b) Proof of noticing pursuant to Rule 25-30.030, F.A.C.;~~

~~(c) The requirements of paragraphs (2)(c), (d), (k), (l), (m), and (r) above;~~

~~(d) Documentation of the following terms of the transfer:~~

~~1. A copy of the contract for sale and all auxiliary or supplemental agreements. If the sale, assignment, or transfer occurs prior to Commission approval, the contract shall include a provision stating that the contract is contingent upon Commission approval;~~

~~2. The closing date;~~

~~3. A statement regarding the disposition of customer deposits and interest thereon; and~~

~~4. A statement regarding the disposition of any outstanding regulatory assessment fees, fines, refunds, or annual reports; and~~

~~(e) An explanation of how the buyer is exempt pursuant to Section 367.022, F.S.~~

~~(4) Each application for transfer of certificate of authorization, facilities, or any portion thereof, or majority organizational control to a governmental authority shall contain the following information:~~

~~(a) The name and address of the utility and its authorized representative;~~

~~(b) The name of the governmental authority and the name and address of its authorized representative;~~

~~(c) A copy of the contract or other document transferring the utility system to the governmental authority;~~

~~(d) A list of any utility assets not transferred to the governmental authority if such remaining assets constitute a system providing or proposing to provide water or wastewater service to the public for compensation;~~

~~(e) A statement that the governmental authority obtained, from the utility or Commission, the most recent available income and expense statement, balance sheet, statement of rate base for regulatory purposes, and contributions in aid of construction;~~

~~(f) The date on which the governmental authority proposes to take official action to acquire the utility;~~

~~(g) A statement describing the disposition of customer deposits and interest thereon; and~~

~~(h) A statement regarding the disposition of any outstanding regulatory assessment fees, fines or refunds owed.~~

~~(5) If a utility is transferring a portion of its facilities to a governmental agency, it must provide the following additional information:~~

~~(a) A description of the remaining territory using township, range, and section references;~~

~~(b) One copy of the official county tax assessment map, or other map, showing township, range, and section with a scale such as 1" = 200' or 1" = 400', with the remaining territory plotted thereon by use of metes and bounds or quarter sections, and with a defined reference point of beginning; and~~

~~(c) The original and two copies of sample tariff sheets reflecting the remaining territory.~~

~~(6) Upon its receipt of items required in paragraphs (4)(a), (b), (c), (d), (e) and (f), the Commission will issue an order acknowledging that the facilities or any portion thereof have been acquired by the governmental authority.~~

~~(7) Upon receipt of the items required in paragraphs (4)(g) and (h) and, if applicable, paragraphs (5)(a), (b), and (c), and upon the completion of all pending proceedings before the Commission, the utility's certificate will be amended or cancelled. Amendment or cancellation of the certificate shall not affect the utility's obligation pursuant to Rule 25-30.120, F.A.C., Regulatory Assessment Fees.~~

~~Rulemaking Authority 367.121, 367.1213, 350.127(2) FS. Law Implemented 367.071, 367.1213 FS. History—New 1-27-91, Amended 11-30-93, _____.~~

25-30.038 Application for Transfer to a Governmental Authority.

(1) This rule applies to an application to transfer a regulated utility to a governmental authority pursuant to Section 367.071(4)(a), F.S.

(2) Each applicant for acknowledgement of the transfer of facilities, or any portion thereof, from a regulated utility to a governmental authority shall file the information set forth in paragraphs (a) through (h) below with the

Office of Commission Clerk, Form PSC 1009 (12/15) entitled "Application for Transfer to a Governmental Authority," which is incorporated by reference in this rule and is available at [Department of State hyperlink], is an example application that may be completed by the applicant and filed with the Office of Commission Clerk to comply with this subsection. This form may also be obtained from the Commission's website, www.floridapsc.com.

(a) The certificated name, address, telephone number, certificate number(s), authorized representative, and, if available, e-mail address and fax number of the utility;

(b) The name, address, and telephone number, and authorized representative, and, if available, e-mail address and fax number of the governmental authority;

(c) The date on which the governmental authority assumed ownership or proposes to assume ownership, operation, management, or control of the utility;

(d) A copy of the contract or other document transferring the utility system to the governmental authority;

(e) A statement that the governmental authority obtained from the utility or Commission the most recent available annual report;

(f) A statement describing the disposition of customer deposits and interest thereon;

(g) A statement regarding the disposition of any outstanding regulatory assessment fees, fines or refunds owed; and

(h) If a utility is transferring only a portion of its facilities to a governmental authority, it must provide the following additional information:

1. A list of any utility assets not transferred to the governmental authority, if such remaining assets constitute a system providing or proposing to provide water or wastewater service to the public for compensation;

2. A legal description of the territory not transferred to the governmental authority in the format prescribed in Rule 25-30.029, F.A.C.;

3. An official county tax assessment map or other map showing township, range, and section with a scale such as 1" = 200' or 1" = 400', with the remaining territory plotted thereon, consistent with the legal description provided in paragraph (2)(h)2. above; and

4. Tariff sheets reflecting the remaining territory. Form PSC 1010 (12/15), entitled "Water Tariff" and Form PSC 1011 (12/15), entitled "Wastewater Tariff," which are incorporated by reference in Rule 25-30.033, F.A.C., are example tariffs that may be completed by the applicant and included in the application. These forms may also be obtained from the Commission's website, www.floridapsc.com.

Rulemaking Authority 367.045, 367.121, 350.127(2) FS. Law Implemented 367.045, 367.071 FS. History—New

25-30.039 Notice of Application for Name Change

(1) No change.

(2) Before notifying its customers of a utility name change, the utility shall provide Commission staff with the following: Each application for approval of a change in name of a certificated utility shall include the following information:

(a) The utility's certificated ~~complete~~ name, address, telephone number, certificate number(s), authorized representative, and, if available, e-mail address and fax number and ~~type of business entity of the certificated utility;~~

(b) The ~~proposed~~ change in name and documentation from the Florida Department of State, Division of Corporations, showing:

1. The utility's business name and registration/document number for the business, unless operating as a sole proprietor, and

2. The utility's ~~fictitious~~ name and registration number for the ~~fictitious~~ name, if operating under a ~~fictitious~~ name ~~the type of business entity under the new name;~~

(c) A statement setting out the reasons for the name change;

(c)(d) The effective date of the name change;

(d)(e) ~~In the case of a corporation, limited partnership, or any other type of entity that is chartered by the State of Florida or any other state, a copy of the certificate, or other document issued by the state showing its acceptance of the entity's new name. In addition, an officer of the entity shall provide Aa statement that the ownership and control of the utility and its assets will not change under the new proposed name. In the case of a sole proprietorship,~~

~~general partnership, or any other type of entity not chartered by the State of Florida or any other state, a statement, signed by a duly authorized representative, that the ownership and control of the utility and its assets will not change under the proposed name;~~

~~(e)(f) A draft proposed notice to be sent to the customers of the utility informing them of the change in utility name; and~~

~~(f)(g) An original and two copies of a proposed tariff reflecting the name change, including all standard forms, Form PSC 1010 (12/15), entitled "Water Tariff," and Form PSC 1011 (12/15), entitled "Wastewater Tariff," which are incorporated by reference in Rule 25-30.033, F.A.C., are example tariffs that may be completed by the applicant and included in the application. These forms may also be obtained from the Commission's website, www.floridapsc.com; and,~~

~~(h) The applicant's current certificate.~~

(3) After the Commission staff approves the customer notice, the utility shall send the approved customer notice to all existing customers with the next regular billing, advising them of the name change. The utility shall file with the Commission Clerk a statement verifying the date that the notice was actually sent to the customers.

Rulemaking Authority 350.127(2), 367.121, 367.1214 FS. Law Implemented 367.121, 367.1214 FS. History—New 11-30-93, Amended _____

25-30.090 Abandonments.

(1) No change.

(2) The notice of abandonment to be issued by the utility to the Commission and the county's administrator, pursuant to required by Section 367.165, F.S., shall identify include the following:

(a) No change.

(b) The person to contact regarding this notice, including that person's their address, and telephone number, and, if available, e-mail address and fax number;

~~(c) The location of the utility's books and records;~~

~~(c)(d) The date of the notice;~~

~~(d)(e) The date the utility will be abandoned;~~

~~(e)(f) Whether the water system, wastewater system, or both are to be abandoned;~~

~~(f)(g) A statement of the reason the utility will is to be abandoned;~~

~~(g)(h) A statement of the status of the utility with the Department of Environmental Protection regarding outstanding citations or violations; and~~

~~(h) The location of the utility's books and records.~~

(3) Within 10 days of the appointment of a receiver by the circuit court, the receiver shall provide the Commission with a copy of the order of appointment and shall request from the Commission a copy of the utility's tariff and most recent annual report.

(4) Within 90 days of the appointment, a of the receiver who is not a governmental authority the receiver shall file the utility's water and/or wastewater a proposed tariff that is revised to show revision amending the title page to reflect the name, address and telephone number of the receiver and identifies the receiver as the issuing officer. This revision shall not affect the certificated name of the utility. Form PSC 1010 (12/15), entitled "Water Tariff" and Form PSC 1011 (12/15), entitled "Wastewater Tariff," which are incorporated by reference in Rule 25-30.033, F.A.C., are example tariffs that may be completed by the applicant and included in the application. These forms may also be obtained from the Commission's website, www.floridapsc.com.

(5) During the pendency of the receivership, Tthe receiver shall fulfill be responsible for fulfilling the utility's obligations pursuant to Chapter 367, F.S., and Chapter 25-30, F.A.C., during the pendency of the receivership. However, In no event shall a receiver shall not be held responsible by the Commission for failure to provide safe, efficient and sufficient service where such failure is substantially caused by actions or omissions pre-dating appointment of the receiver, unless the receiver is given reasonable opportunity to rectify such failure.

~~(6) If the receiver appointed by the circuit court is a governmental authority as defined by Section 367.021(7), F.S., the governmental authority, upon request, shall be found exempt pursuant to Section 367.022(2), F.S.~~

Rulemaking Authority 350.127(2), 367.121 FS. Law Implemented 367.121, 367.165 FS. History—New 11-30-93, Amended _____

NAME OF PERSON ORIGINATING PROPOSED RULE: Paul Vickery

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Florida Public Service Commission

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: November 5, 2015

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: Volume 40, Number 141, July 22, 2014

State of Florida



Public Service Commission

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

-M-E-M-O-R-A-N-D-U-M-

DATE: October 15, 2015
TO: Kathryn Gale Winter Cowdery, Senior Attorney, Office of the General Counsel
FROM: Clyde D. Rome, Public Utility Analyst II, Division of Economics *CDR*
RE: Statement of Estimated Regulatory Costs for Recommended Revisions to Chapter 25-30, Florida Administrative Code (F.A.C.), Water and Wastewater Utility Rules

The purpose of this rulemaking initiative is to update, clarify, and streamline certain Commission rules pertaining to the certification of water and wastewater utilities. Specifically, staff is recommending adoption of Rules 25-30.029 (Legal Description of Service Area) and 25-30.038 (Application for Transfer to a Governmental Authority) F.A.C., and the amendment of Rules 25-30.030 (Notice of Application), 25-30.032 (Applications), 25-30.033 (Application for Original Certificate of Authorization and Initial Rates and Charges), 25-30.034 (Application for Certificate of Authorization for Existing Utility Currently Charging for Service), 25-30.035 (Application for Grandfather Certificate), 25-30.036 (Application for Amendment to Certificate of Authorization to Extend or Delete Service), 25-30.037 (Application for Authority to Transfer), 25-30.039 (Application for Name Change), and 25-30.090 (Abandonments), F.A.C.

The attached Statement of Estimated Regulatory Costs (SERC) addresses the considerations required pursuant to Section 120.541, Florida Statutes (F.S.). The SERC contains an appendix which is divided into three sections. Section 1 of the SERC Appendix includes a summary of the key rule changes. Section 2 contains a discussion of the prospective rule amendments that potentially may result in additional transactional costs. It is anticipated that for most of the recommended rule changes, additional transactional costs, if any, would be de minimis. Benefits of the recommended rule changes are discussed in Section 3 of the SERC Appendix.

A workshop to solicit input on the recommended rules was conducted by Commission staff on October 21, 2014. Several comments that either were received during the workshop or were filed subsequently were incorporated into the draft rules to provide additional clarification. No regulatory alternatives were submitted pursuant to Paragraph 120.541(1)(a), F.S. None of the impact/cost criteria established in Paragraph 120.541(2)(a), F.S., will be exceeded as a result of the recommended revisions.

cc: (Draper, Daniel, Shafer, Golden, King, Vickery, Cibula, SERC file)

**Florida Public Service Commission
Statement of Estimated Regulatory Costs
Chapter 25-30, F.A.C.**

1. Will the proposed rule have an adverse impact on small business?
[120.541(1)(b), F.S.] (See Section E., below, for definition of small business.)

Yes

No

For clarification, please see comments in Sections A(3) and E(1), below.

2. Is the proposed rule likely to directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate in this state within 1 year after implementation of the rule? [120.541(1)(b), F.S.]

Yes

No

If the answer to either question above is "yes", a Statement of Estimated Regulatory Costs (SERC) must be prepared. The SERC shall include an economic analysis showing:

A. Whether the rule directly or indirectly:

(1) Is likely to have an adverse impact on any of the following in excess of \$1 million in the aggregate within 5 years after implementation of the rule?
[120.541(2)(a)1, F.S.]

Economic growth

Yes No

Private-sector job creation or employment

Yes No

Private-sector investment

Yes No

(2) Is likely to have an adverse impact on any of the following in excess of \$1 million in the aggregate within 5 years after implementation of the rule?
[120.541(2)(a)2, F.S.]

Business competitiveness (including the ability of persons doing business in the state to compete with persons doing business in other states or domestic markets)

Yes No

Productivity

Yes No

Innovation

Yes No

(3) Is likely to increase regulatory costs, including any transactional costs, in excess of \$1 million in the aggregate within 5 years after the implementation of the rule? [120.541(2)(a)3, F.S.]

Yes

No

Economic Analysis:

A summary of the key rule changes is included in Section 1 of the SERC Appendix. Specific elements of the associated economic analysis are identified below in Sections B through F of this SERC. Staff believes that none of the impact/cost criteria established in paragraph 120.541(2)(a), F.S., will be exceeded as a result of the recommended rule revisions.

B. A good faith estimate of: [120.541(2)(b), F.S.]

(1) The number of individuals and entities likely to be required to comply with the rule.

Potentially affected entities include 145 investor-owned water and wastewater utilities that serve approximately 175,000 Florida customers. Utilities which come under the jurisdiction of the Commission in the future also would be required to comply. The 145 investor-owned water and wastewater utilities are located in 37 counties.

(2) A general description of the types of individuals likely to be affected by the rule.

Staff data retrievals from the Florida Public Service Commission's internal Case Management System indicate that the Commission receives approximately 20 certification applications in a typical year. A general description of the types of applications that potentially may be received is included in Section 2 of the SERC Appendix.

C. A good faith estimate of: [120.541(2)(c), F.S.]

(1) The cost to the Commission to implement and enforce the rule.

None. To be done with the current workload and existing staff.

Minimal. Provide a brief explanation.

Other. Provide an explanation for estimate and methodology used.

(2) The cost to any other state and local government entity to implement and enforce the rule.

- None. The rule will only affect the Commission.
- Minimal. Provide a brief explanation.
- Other. Provide an explanation for estimate and methodology used.

(3) Any anticipated effect on state or local revenues.

- None.
- Minimal. Provide a brief explanation.
- Other. Provide an explanation for estimate and methodology used.

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. "Transactional costs" include filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used, procedures required to be employed in complying with the rule, additional operating costs incurred, the cost of monitoring or reporting, and any other costs necessary to comply with the rule.

[120.541(2)(d), F.S.]

- None. The rule will only affect the Commission.
- Minimal. Provide a brief explanation.
- Other. Provide an explanation for estimate and methodology used.

Please refer to Section 2 of the SERC Appendix for a discussion of potential transactional costs that may be associated with the recommended rule revisions. Please refer to Section 3 of the SERC Appendix for a discussion of potential benefits of the prospective rule changes.

E. An analysis of the impact on small businesses, and small counties and small cities:
[120.541(2)(e), F.S.]

(1) "Small business" is defined by Section 288.703, F.S., as 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 to sole proprietorships, the \$5 million net worth requirement shall include both personal and business investments.

- No adverse impact on small business.
- Minimal. Provide a brief explanation.
- Other. Provide an explanation for estimate and methodology used.

While it is difficult to estimate the number of affected entities that would meet the definition of "Small Business" as defined in Section 288.703, F.S., it is reasonable to assume that many of the affected entities would meet the statutory definition and, therefore, potentially could incur additional transactional costs as defined in Section D, above. However, as discussed in Section 2 of the SERC Appendix, it is anticipated that for the large majority of the rule changes included in this rulemaking initiative, additional transactional costs, if any, are expected to be de minimis.

(2) A "Small City" is defined by Section 120.52, F.S., as any municipality that has an unincarcerated population of 10,000 or less according to the most recent decennial census. A "small county" is defined by Section 120.52, F.S., as any county that has an unincarcerated population of 75,000 or less according to the most recent decennial census.

- No impact on small cities or small counties.
- Minimal. Provide a brief explanation.
- Other. Provide an explanation for estimate and methodology used.

F. Any additional information that the Commission determines may be useful.
[120.541(2)(f), F.S.]

None.

Additional Information:

A workshop to solicit input on the recommended rules was conducted by Commission staff on October 21, 2014. Several comments that either were received during the workshop or were filed subsequently were incorporated into the draft rules to provide additional clarification.

G. A description of any regulatory alternatives submitted and a statement adopting the alternative or a statement of the reasons for rejecting the alternative in favor of the proposed rule. [120.541(2)(g), F.S.]

No regulatory alternatives were submitted.

A regulatory alternative was received from

Adopted in its entirety.

Rejected. Describe what alternative was rejected and provide a statement of the reason for rejecting that alternative.

Appendix – Statement of Estimated Regulatory Costs Recommended Revisions to Chapter 25-30, F.A.C.

Section 1: Introduction and Summary of Recommended Rule Changes

The current rulemaking initiative is intended to update, clarify, and streamline certain Commission rules pertaining to the certification of water and wastewater utilities. Specifically, staff is recommending adoption of Rules 25-30.029 (Legal Description of Service Area) and 25-30.038 (Application for Transfer to a Governmental Authority) F.A.C., and the amendment of Rules 25-30.030 (Notice of Application), 25-30.032 (Applications), 25-30.033 (Application for Original Certificate of Authorization and Initial Rates and Charges), 25-30.034 (Application for Certificate of Authorization for Existing Utility Currently Charging for Service), 25-30.035 (Application for Grandfather Certificate), 25-30.036 (Application for Amendment to Certificate of Authorization to Extend or Delete Service), 25-30.037 (Application for Authority to Transfer), 25-30.039 (Application for Name Change), and 25-30.090 (Abandonments), F.A.C.

A summary of the key rule changes is included in Table 1, below. The majority of the changes are intended to update and clarify existing Commission rules. For most of the recommended rule amendments, additional transactional costs, if any, are expected to be de minimis. The few prospective rule amendments that potentially may result in additional transactional costs to applicants are discussed in Section 2 of this Appendix. Benefits of the recommended rule changes are discussed in Section 3 of this Appendix.

**Table 1
Summary of Key Rule Changes**

CURRENT RULE(s)	AMENDED OR NEW RULE(s)	CHANGE FROM CURRENT RULE(s)
25-30.030(2)	25-30.029	Movement of existing rule language to new rule in order to clarify requirements for providing legal descriptions of service areas.
25-30.030(6)	25-30.030(5)(b)	Revised language would require that notification be sent by regular mail or personal service to owners of property located within the affected service area(s).
25-30.030(7)	25-30.030(5)(c)	Revised language would clarify that if the utility service area crosses county lines, "notice shall be published in a newspaper of general circulation in each county."

CURRENT RULE(s)	AMENDED OR NEW RULE(s)	CHANGE FROM CURRENT RULE(s)
25-30.033(1)(s) 25-30.037(2)(k) 25-30.037(2)(k) 25-30.037(3)(g) 25-30.037(2)(k)	25-30.033(1)(h)2 25-30.037(2)(l)2 25-30.037(3)(c) 25-30.037(4)(c) 25-30.037(5)(c)	At present, any person or entity holding less than 10 percent ownership interest in the utility does not have to produce financial statements or copies of financial agreements with the utility. This exemption for "less than 10%" owners would be reduced to 5% under the revised rules.
25-30.034(1)(d)	25-30.034(1)(i)	The new rule language would clarify the requirement regarding applicants' financial ability to provide service. Applicants would be required to provide financial statements, as well as any financial agreements between the utility and persons or entities holding 5 percent or more ownership in the utility.
None None None 25-30.037(2)(p) 25-30.037(2)(p) 25-30.037(2)(p)	25-30.033(1)(i)4 25-30.034(1)(j)4 25-30.036(2)(l) 25-30.037(2)(r)3 25-30.037(3)(c) 25-30.037(5)(c)	The new rule language contains a requirement to provide a copy of all correspondence with the DEP, county health department, and water management district, including consent orders and warning letters and the utility's responses to the same, for the past five years. This requirement is consistent with information considered by the Commission in ratemaking, pursuant to paragraph 367.0812(1)(c), F.S.
None 25-30.034(k) 25-30.035(12) 25-30.036(3)(k) 25-30.036(3)(k) None None None	25-30.033(1)(i)2 25-30.034(1)(j)2 25-30.035(16) 25-30.036(2)(j) 25-30.036(3)(c) 25-30.037(2)(r)1 25-30.037(3)(c) 25-30.037(5)(c)	The new language contains a requirement to provide copies of all current DEP and WMD permits rather than having to provide the permit numbers and dates of approval.
25-30.033(1)(f) 25-30.034(2)(b) 25-30.036(3)(c)	25-30.033(1)(k)4 25-30.034(2)(c) 25-30.036(2)(d)4	The new language deletes an obsolete reference to the Department of Community Affairs and would require applicants to provide "any known land use restrictions, such as environmental restrictions imposed by governmental authorities."

CURRENT RULE(s)	AMENDED OR NEW RULE(s)	CHANGE FROM CURRENT RULE(s)
25-30.036(4)(b)	25-30.036(4)(e)	Revised language would clarify the need to provide legal descriptions of both the territory proposed to be deleted as well as of the remaining territory.
None	25-30.037(1)(a)	If a transfer occurs prior to Commission approval, utilities would be required to submit an application for authority to transfer within 90 days after the closing date of the sale.
25-30.037(2)(j) 25-30.037(2)(j) 25-30.037(3)(f) 25-30.037(2)(j)	25-30.037(2)(l)1 25-30.037(3)(c) 25-30.037(4)(c) 25-30.037(5)(c)	Recommended revisions would clarify the types of information needed to demonstrate a prospective buyer's financial ability to provide service.
25-30.037(2)(j) 25-30.037(2)(j) 25-30.037(3)(f) 25-30.037(2)(j)	25-30.037(2)(m)2 25-30.037(3)(c) 25-30.037(4)(c) 25-30.037(5)(c)	Recommended revisions would clarify the types of information needed to demonstrate a prospective buyer's technical ability to provide service.
None	25-30.037(2)(v) 25-30.037(3)(c)	Recommended revisions would establish a new requirement for buyers who own other water or wastewater utilities that are regulated by the Commission to provide a schedule reflecting any economies of scale that are anticipated to be achieved within the next three years and the effect on rates for existing customers served by both the utility being purchased and the buyer's other utilities.
None	25-30.037(3)(e) 25-30.037(3)(f)	The recommended rule revisions would require an explanation of when and under what authority the current rates were established and the statutory basis for exemption.
None	25-30.037(4)(d)	The recommended rule revision would require a description of the ownership transfer, including date of transfer and resulting ownership interests in the utility.

CURRENT RULE(s)	AMENDED OR NEW RULE(s)	CHANGE FROM CURRENT RULE(s)
None	25-30.037(5)(e)	Recommended paragraph (5)(e) would clarify the information needed for staff to determine if prospective buyers are exempt pursuant Section 367.022, F.S.
25-30.037(4) 25-30.037(5)	25-30.038	Movement of existing rule language to new rule in order to clarify requirements for transferring a regulated utility to a governmental authority.

Source: Staff compilation based on draft rules as of October 15, 2015.

Section 2: Discussion of Potential Additional Transactional Costs

To compile this SERC, staff gathered information from internal and external sources. To ascertain the types of certification applications that the Commission might expect to receive, staff performed data retrievals using the Commission's internal Case Management System (CMS). To identify potential additional transactional costs that might be incurred by applicants, staff sent a data request to all 145 water and wastewater utilities under the jurisdiction of the Commission. One response was received.

Types of Potential Applications and Expected Frequency

To project the number of certification requests that the Commission might expect to receive in a typical year, staff queried CMS for applications received during the period 2010 through 2014. The most recent five-year historical period is believed to be representative of potential future filings by utilities. Staff data retrievals from CMS indicate that the Commission receives approximately 20 certification applications in a typical year. A description of the types of applications and their relative frequency of use is provided in Table 2, below. As illustrated by Table 2, applications for certification represent a relatively small percentage (0.2 percent) of the 8,479 filings¹ that the Commission typically receives each year. Therefore, additional transactional costs that potentially may result from the recommended rule revisions are not expected to affect large numbers of entities.

¹ Statement of Estimated Regulatory Costs, Docket No. 150143-OT, Proposed repeal of Rule 25-22.028, F.A.C., and proposed amendment of Rule 25-40.001, F.A.C., June 5, 2015.

Table 2
Summary of Projected Annual Application Frequencies

Application Description	Ch. 25-30 Section	0-1 per yr	2-3 per yr	4-6 per yr
Original Certificate – Initial Rates and Charges	.033		x	
Original Certificate – Existing Utility	.034	x		
Original Certificate – “Grandfather”	.035	x		
Amendment – Extension of Area	.036(2)		x	
Amendment – “Quick Take”	.036(3)	x		
Amendment – Deletion of Area	.036(4)	x		
Transfer – Regulated to Regulated	.037(2)			x
Transfer – Exempt to Regulated	.037(3)	x		
Transfer – Non-Juris to Reg/crosses county boundaries	.037(3)	x		
Transfer – Majority Organizational Control	.037(4)	x		
Transfer – Regulated to Non-Government Exempt	.037(5)	x		
Transfer – Regulated to Government	.038		x	
Name Change Only	.039	x		
Abandonments	.090	x		

Source: Florida Public Service Commission Case Management System. Rule Sections are prospective.

Staff notes that no applications were received pursuant to Rule 25-30.039, F.A.C., during the period 2010 through 2014. The most recent application received pursuant to Rule 25-30.037(3), F.A.C., was in 2010; this is not unexpected as it is more common when an exempt entity is sold for the new owner to submit an application for an original certificate pursuant to Rule 25-30.034, F.A.C., rather than to file for a transfer.

Potential Additional Transactional Cost Identification

Rule references shown below are prospective and identify the recommended rule amendments for which it is anticipated that potential additional transactional costs to applicants may result. For the large majority of the rule changes included in this rulemaking initiative, additional transactional costs, if any, are expected to be de minimis and, therefore, are not discussed individually. Information provided by the respondent to staff’s data request was combined with staff’s analysis and the results are discussed below for the indicated rule changes.

Rule 25-30.030(5)(b), F.A.C.

Under current rules, each customer of a system that is being certificated, transferred, acquired, or deleted must be notified by regular mail or personal service. The amended rules would require that notification also be sent by regular mail or personal service to owners of property located within the existing service area and the service area to be served, extended, deleted, or transferred. Additional transactional costs that potentially could result from the rule amendments would be associated with additional time that might be required to research property records to locate property owners in the affected territory that are not currently customers of the utility. However, advances by county property appraiser offices in providing considerable online

information in easily searchable formats should significantly reduce the amount of work involved in conducting property owner searches. Staff estimates that depending upon the size of the affected territory, the incremental cost of performing the online search may range from approximately \$60 to \$240 per application, assuming a range of 4 to 16 hours of compilation time by an administrative professional priced at \$15.00 per hour.

Other additional transactional costs that potentially could result from the rule amendments would be associated with the costs of mailing notices to property owners that are not currently customers of the utility. The respondent to staff's data request stated that sending correspondence by regular mail to international addresses is expensive (*e.g.*, \$1.50 per item to Canada) and also is subject to delivery uncertainties and delays. The respondent suggested that out-of-country property owners would be better served by email notification rather than regular mail. However, the current and prospective rule language pertaining to the practice of notification by mail follows the direction provided in Section 367.045, F.S., which does not currently authorize notification by email. Staff also notes that because the current rule already requires that notices be mailed to current customers, any additional mailing costs that potentially may result from the proposed revisions would be limited to costs associated with mailing notices to property owners that are not customers of the utility. These incremental costs would vary by utility depending upon the number of non-customer property owners that would have to be notified and are difficult to estimate.

Rule 25-30.033(1)(h)2, F.A.C.

At present, any person or entity holding less than 10 percent ownership interest in the utility does not have to produce financial statements or copies of financial agreements with the utility. This exemption for "less than 10%" owners would be reduced to 5 percent under the revised rules; these comparatively small-percentage owners prospectively would be required to provide a copy of any financial agreements with the utility and proof of the ability to provide funding, such as financial statements. This change potentially could represent a new impact to previously exempt small-percentage owners. This new language also affects recommended amendments to Rules 25-30.034(1)(i)2, 25-30.037(2)(l)2, 25-30.037(3)(c), 25-30.037(4)(c), and 25-30.037(5)(c), F.A.C.

It is not anticipated that this change in rule language would affect significant numbers of prospective applicants. Using the currently regulated utilities as a proxy to estimate the numbers of prospective applicants that might be affected, staff notes that 22 entities (individuals, businesses, and trusts) holding between 5 and 10 percent ownership in a utility's voting securities henceforth would be required to provide financial information under the revised rules. Based on a review of ownership information included in the most recent available utility annual reports, staff estimates that approximately 9 percent of future certification applications (*i.e.*, about two per year) would be affected by these recommended rule revisions.

Regulated utilities have reported ownership interests of entities holding 5 percent or more of the voting securities of the reporting utility to the Commission in their annual reports since 1997. In addition, under certain conditions, the federal Securities and Exchange Commission (SEC) requires a "beneficial ownership report" when an entity acquires beneficial ownership of more than 5 percent of a voting class of a company's equity securities. Based on both the

Commission's and the SEC's reporting procedures, staff believes that utilities should be able to identify easily the entities which hold more than 5 percent ownership and that the information should be readily available without causing significant additional transactional costs.

Rule 25-30.033(1)(i)2, F.A.C.

The revised rule language would contain a requirement to provide copies of all current Department of Environmental Protection (DEP) and water management district (WMD) permits rather than having to provide the permit numbers and dates of approval pursuant to the current rules. This new language also affects recommended amendments to Rules 25-30.034(1)(j)2, 25-30.035(16), 25-30.036(2)(j), 25-30.036(3)(c), 25-30.037(2)(r)1, 25-30.037(3)(c), and 25-30.037(5)(c), F.A.C.

Staff notes that DEP and WMD permits are routinely reviewed during the course of certification dockets. Presently, the permit information is obtained either from the utility through a written request for additional information or directly from DEP or the WMDs. Staff believes that the inclusion of this current business practice in the rules will streamline the process and benefit both applicants and Commission staff by saving time and providing consistency during the application evaluation process; the information is readily available and it is not expected that additional transactional costs would result.

Rule 25-30.033(1)(i)4, F.A.C.

The draft rule language requires the utility to provide a copy of all correspondence with the DEP, county health department, and WMD, including consent orders and warning letters and the utility's responses to the same, for the past five years. This new language also affects recommended amendments to Rules 25-30.034(1)(j)4, 25-30.036(2)(l), 25-30.037(2)(r)3, 25-30.037(3)(c), and 25-30.037(5)(c), F.A.C.

Staff notes that the DEP, county health department, and WMD consent order/warning letter correspondence referenced in the foregoing paragraph is routinely reviewed during the evaluation of certification applications to determine if there are any compliance or customer service issues. The information typically is obtained from the utility through a request for additional information. However, staff's requests for additional information historically have covered the most recent three years of data. Therefore, staff recognizes that requiring five years of a utility's consent order/warning letter correspondence with the DEP, county health department, and WMD would represent an incremental requirement that is likely to result in additional transactional costs to utilities. Similar comments were received from the respondent to staff's SERC data request and from another utility representative who participated in the October 2014 rule development workshop, but neither entity provided a quantitative estimate of potential incremental cost impacts. The incremental transactional costs would be associated with providing the additional two years of documentation and are difficult to estimate; however, staff does not anticipate that the impacts to utilities would be significant.

Staff also notes that pursuant to Section 367.0812, F.S., the Commission in fixing rates must consider customer complaints regarding the applicable secondary water quality standards filed with the Commission, DEP, the respective local government entity, or a county health department, during the past five years. The requirement for five years of correspondence

contained in the recommended rule revisions is consistent with the statutory requirement in Section 367.0812, F.S., regarding the Commission's consideration of five years of complaint letters pertaining to applicable secondary water quality standards. The consent order/warning letter correspondence with the DEP, county health department, and WMD often deals with primary water quality standards, which are more important measures than secondary standards. Therefore, since the 2014 amendment of Section 367.0812, F.S., requires the Commission in rate fixing to consider five years of complaints concerning secondary water quality standards, staff believes it is prudent to evaluate correspondence pertaining to applicable primary water quality standards for the same time period.

Rule 25-30.033(1)(k)4, F.A.C.

Presently, Rule 25-30.033(1)(f), F.A.C., requires that utilities provide "a statement that to the best of the applicant's knowledge, the provision of service will be consistent with the water and wastewater sections of the local comprehensive plan as approved by the Department of Community Affairs at the time the application is filed, or, if not consistent, a statement demonstrating why granting the certificate of authorization would be in the public interest." Staff has updated Commission rules to reflect the current regulatory processes related to land use designations in recommended Rule 25-30.033(1)(k)3, F.A.C.

The new language in recommended Rule 25-30.033(1)(k)4, F.A.C., would require applicants to provide "any known land use restrictions, such as environmental restrictions imposed by governmental authorities." The provision of this information potentially could be complicated for applicants if they have to obtain documentation from multiple entities such as the DEP, local governments, WMDs, Chapter 298 Districts, Community Development Districts, Homeowners' Associations, and/or other entities. Similar comments were received from the respondent to staff's SERC data request but the respondent did not provide a quantitative estimate of potential incremental cost impacts. The incremental transactional costs would arise from extending the requirement for information beyond the current practice of compliance with the comprehensive plan and are difficult to estimate. However, staff does not believe that applicants would be likely to encounter applicable land use restrictions other than those in the comprehensive plans on a frequent basis. The new language also affects recommended amendments to Rules 25-30.034(2)(c) and 25-30.036(2)(d)4, F.A.C.

Rule 25-30.037(1)(a), F.A.C.

The recommended rule revisions contain new language stating that, henceforth, if a transfer occurs prior to Commission approval, utilities would be required to submit an application for authority to transfer no later than 90 days after the sale closing date. The respondent to staff's data request also identified this provision as a new requirement, but did not comment or provide an estimate regarding potential incremental transactional costs.

Staff included this provision in the rule amendments to prevent problems that could occur if a considerable amount of time were allowed to lapse between the sale of a utility and the submission by the buyer of an application for authority to transfer. With the increased passage of time subsequent to a utility sale closing, the probability of difficulties associated with the unavailability of important documentation potentially could increase. By establishing a specific date by which transfer applications must be submitted, staff seeks to minimize the likelihood that

an application filing would languish and create unnecessary problems that could further complicate or delay the application review process. Staff believes that additional transactional costs resulting from these recommended revisions, if any, would be de minimis.

Rules 25-30.037(2)(v) and 25-30.037(3)(c), F.A.C.

Recommended revisions would establish a new requirement for buyers who own other water or wastewater utilities that are regulated by the Commission to provide a schedule reflecting any economies of scale that are anticipated to be achieved within the next three years and the effect on rates for existing customers served by both the utility being purchased and the buyer's other utilities. This incremental requirement represents a new impact to applicants for 'authority to transfer' that potentially could result in additional transactional costs. Staff estimates that these recommended revisions potentially might affect a range of 2-6 applications per year.

The respondent to staff's data request expressed concerns regarding these prospective requirements and indicated a preference for removing them. The respondent stated that a schedule of this nature would be complex with many variables to be considered; therefore, the preparation of such a schedule would be difficult. The respondent further stated that given the complexity, it would be problematic to project results three years forward. The respondent expressed concerns that one might be held accountable for projections that contain many variables over which one has no control. The respondent did not provide an estimate of potential additional transactional costs.

Staff believes the information that would be required by the recommended revisions would serve a valuable purpose. This information will help to determine if any benefits to customers are expected as a result of the common ownership of multiple systems, or if the purchase is more likely to lead to a rate increase if existing customers have to absorb increased costs associated with improving a newly acquired system that is in poor condition. Staff estimates the incremental cost of providing the additional information to be approximately \$536 per application, assuming 20 hours of preparation time by a senior-level accountant priced at \$26.80 per hour.²

Staff notes that there potentially could be additional costs if the expertise of an engineer or a plant operator were needed. The work of an engineer or plant operator would involve reviewing the condition of the system to optimize the efficiency of scheduled maintenance and repair work. These activities typically are already part of routine operational due diligence work; therefore, this information should be able to be translated into expected economies of scale projections without significant difficulty.

Section 3: Benefits of the Recommended Rule Changes

The intent of this rulemaking initiative is to update, clarify, and streamline Commission water and wastewater certification rules. The efforts to provide clarification in the new rule language should benefit both applicants and staff and result in a streamlining of the application process.

² 2012 AWWA (American Water Works Association) Water Utility Compensation Survey – Small and Medium-Sized Utilities, 17th Annual Report, September 2012; prepared by Verisight, Inc.

Staff anticipates that fewer requests for additional information would be necessary and less time potentially would be required to evaluate certification applications.

In conjunction with the recommended amendments to Commission rules, staff also has developed updated application forms and model tariff templates to be posted on the Commission's web site to assist prospective applicants with compiling the information required to be submitted with certification applications. Currently, applicants have to compile and submit the required information on their own by either creating new documents or using a PDF version of the existing applications and model tariffs available on the Commission's web site. Implementation of the updated application forms and model tariff templates would provide applicants with the opportunity to download a copy of the documents in MS Word format and then modify them easily to facilitate their specific application. A key advantage of the new forms and templates is that the documents have been designed to include fillable fields that allow the information to be easily typed into the document; therefore, the applicant's need for custom formatting and creation of new documents is reduced. Both applicants and Commission staff should benefit from this improvement over the current forms and templates as the application process should be streamlined.