

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

NOTICE OF DEVELOPMENT OF RULEMAKING

TO

ALL INTERESTED PERSONS

UNDOCKETED

IN RE: PROPOSED AMENDMENT OF RULE 25-30.350, UNDERBILLINGS AND
OVERBILLINGS FOR WATER AND WASTEWATER SERVICE, F.A.C., AND RULE
25-30.360, REFUNDS, F.A.C.

ISSUED: July 1, 2019

NOTICE is hereby given pursuant to Section 120.54, Florida Statutes, that the Florida Public Service Commission staff has initiated rulemaking to amend Rule 25-30.350, Underbillings and Overbillings for Water and Wastewater Service, Florida Administrative Code, and Rule 25-30.360, Refunds, Florida Administrative Code, to clarify the procedure for customer refunds due to overbilling by water and wastewater companies.

The attached Notice of Development of Rulemaking appeared in the June 20, 2019, edition of the Florida Administrative Register. A staff rule development workshop will be held at the following time and place:

July 15, 2019, at 1:00 p.m.
Florida Public Service Commission
Gerald L. Gunter Building, Room 105
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

The draft rules and the agenda for the workshop are attached. One or more Commissioners may be in attendance and participate in the workshop. The person to be contacted regarding the rule development is Adria E. Harper, Office of the General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850 at (850) 413-6082 or aharper@psc.state.fl.us.

In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate at this workshop should contact the Office of Commission Clerk no later than five days prior to the workshop at 2540 Shumard Oak Boulevard., Tallahassee, Florida 32399-0850 or 850-413-6770 (Florida Relay Service, 1-800-955-8770 Voice or 1-800-955-8771 TDD). Assisted Listening Devices are available upon request from the Office of Commission Clerk, Gerald L. Gunter Building, Room 152.

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If a named storm or other disaster requires cancellation of the proceedings, Commission staff will attempt to give timely direct notice to the parties. Notice of cancellation will also be provided on the Commission's website (<http://www.psc.state.fl.us/>) under the Hot Topics link found on the home page. Cancellation can also be confirmed by calling the Office of the General Counsel at 850-413-6199.

By DIRECTION of the Florida Public Service Commission this 1st day of July, 2019.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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Notice of Development of Rulemaking

PUBLIC SERVICE COMMISSION

RULE NO.: RULE TITLE

25-30.350 Underbillings and Overbillings for Water and Wastewater Service

25-30.360 Refunds

PURPOSE AND EFFECT: To clarify the procedure for customer refunds due to overbillings by water and wastewater companies.

Undocketed

SUBJECT AREA TO BE ADDRESSED: Customer refunds for overbillings by water and wastewater companies.

RULEMAKING AUTHORITY: 350.127(2), 367.121, FS.

LAW IMPLEMENTED: 367.081, 367.0814, 367.082(2), 367.091, 367.121, FS.

A RULE DEVELOPMENT WORKSHOP WILL BE HELD AT THE DATE, TIME AND PLACE SHOWN BELOW:

DATE AND TIME: Monday, July 15, 2019, 1:00 p.m.

PLACE: Room 105, Gerald L. Gunter Building, 2540 Shumard Oak Blvd., Tallahassee, FL 32399.

One or more Commissioners may be in attendance and participate in the workshop. In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate at this workshop should contact the Office of Commission Clerk no later than five days prior to the workshop at 2540 Shumard Oak Boulevard., Tallahassee, Florida 32399-0850 or (850)413-6770 (Florida Relay Service, 1(800)955-8770 Voice or 1(800)955-8771 TDD). Assisted Listening Devices are available upon request from the Office of Commission Clerk, Gerald L. Gunter Building, Room 152.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT AND A COPY OF THE PRELIMINARY DRAFT, IF AVAILABLE, IS: Adria E. Harper, Florida Public Service Commission, Office of the General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, (850)413-6082, aharper@psc.state.fl.us. The agenda for the workshop and a copy of the preliminary draft of the proposed rule amendment will be available on the Commission's website, www.floridapsc.com, under the Rule Development tab on July 2, 2019.

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS AVAILABLE AT NO CHARGE FROM THE CONTACT PERSON LISTED ABOVE.

FLORIDA PUBLIC SERVICE COMMISSION

AGENDA

STAFF WORKSHOP

IN RE: PROPOSED AMENDMENT OF RULE 25-30.350, UNDERBILLINGS AND
OVERBILLINGS FOR WATER AND WASTEWATER SERVICE, F.A.C., AND RULE
25-30.360, REFUNDS, F.A.C.

July 15, 2019, at 1:00 p.m.
Florida Public Service Commission
Gerald L. Gunter Building, Room 105
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

1. Staff overview of draft rules
2. Comments and alternative suggestions from interested persons
3. Discussion of suggested changes and timeframes for next steps
4. Adjournment

1 **25-30.350 Underbillings and Overbillings for Water and Wastewater Service.**

2 (1) A utility may not backbill customers for any period greater than 12 months for any
3 undercharge in billing which is the result of the utility's mistake.

4 (a) The utility shall allow the customer to pay for the unbilled service over the same time
5 period as the time period during which the underbilling occurred or some other mutually
6 agreeable time period. The utility shall not recover in a ratemaking proceeding, any lost
7 revenues which inure to the utility's detriment on account of this provision.

8 (b) The revised bill shall be calculated on a monthly basis, assuming uniform consumption
9 during the month(s) subject to underbilling, based on the individual customer's average usage
10 for the time period covered by the underbilling. The monthly bills shall be recalculated by
11 applying the tariff rates in effect for that time period. The customer shall be responsible for the
12 difference between the amount originally billed and the recalculated bill. All calculations used
13 to arrive at the rebilled amount shall be made available to the customer upon the customer's
14 request.

15 (2) In the event of an overbilling, the utility shall refund the overcharge to the customer
16 based on available records. If the commencement date of the overbilling cannot be
17 determined, then an estimate of the overbilling shall be made based on the customer's past
18 consumption.

19 (3) In the event of an overbilling, the customer may elect to receive the refund as a one-
20 time disbursement, if the refund is in excess of \$20, or as a credit to future billings. Refunds
21 for overbillings shall be disbursed pursuant to subsections (2), (4), (5), and (8) of Rule 25-
22 30.360, F.A.C.

23 *Rulemaking Authority 350.127(2), 367.121 FS. Law Implemented 367.091, 367.121 FS.*
24 *History—New 11-10-86, Amended 6-17-13, _____*

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1 **25-30.360 Refunds.**

2 (1) Applicability. All refunds under this chapter shall be made in accordance with this rule
3 unless another rule in this chapter specifically sets forth the procedure for making refunds.
4 ~~With the exception of deposit refunds, all refunds ordered by the Commission shall be made in~~
5 ~~accordance with the provisions of this rule, unless otherwise ordered by the Commission. The~~
6 calculation for overbillings shall be pursuant to Rule 25-30.350, F.A.C., and disbursed
7 pursuant to this rule.

8 (2) Timing of Refunds. Refunds must be made within 90 days of the Commission's order
9 unless a different time frame is prescribed by the Commission. A timely motion for
10 reconsideration temporarily stays the refund, pending the final order on the motion for
11 reconsideration. In the event of a stay pending reconsideration, the timing of the refund shall
12 commence from the date of the order disposing of any motion for reconsideration. This rule
13 does not authorize any motion for reconsideration not otherwise authorized by Chapter 25-22,
14 F.A.C.

15 (3) Basis of Refund. Where the refund is the result of a specific rate change, including
16 interim rate increases, and the refund can be computed on a per customer basis, that will be the
17 basis of the refund. However, where the refund is not related to specific rate changes, such as
18 a refund for overearnings, the refund shall be made to customers of record as of a date
19 specified by the Commission. In such case, refunds shall be made on the basis of usage. Per
20 customer refund refers to a refund to every customer receiving service during the refund
21 period. Customer of record refund refers to a refund to every customer receiving service as of
22 a date specified by the Commission.

23 (4) Interest.

24 (a) In the case of refunds which the Commission orders to be made with interest, the
25 average monthly interest rate until refund is posted to the customer's account shall be based on
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existing law.

1 the 30 day commercial paper rate for high grade, unsecured notes sold through dealers by
2 major corporations in multiples of \$1,000 as regularly published in the Wall Street Journal.

3 (b) This average monthly interest rate shall be calculated for each month of the refund
4 period:

5 1. By adding the published interest rate in effect for the last business day of the month
6 prior to each month the refund period and the published rate in effect for the last business day
7 of each month of the refund period divided by 24 to obtain the average monthly interest rate;

8 2. The average monthly interest rate for the month prior to distribution shall be the same as
9 the last calculated average monthly interest rate.

10 (c) The average monthly interest rate shall be applied to the sum of the previous month's
11 ending balance (including monthly interest accruals) and the current month's ending balance
12 divided by 2 to accomplish a compounding effect.

13 (d) Interest Multiplier. When the refund is computed for each customer, an interest
14 multiplier may be applied against the amount of each customer's refund in lieu of a monthly
15 calculation of the interest for each customer. The interest multiplier shall be calculated by
16 dividing the total amount refundable to all customers, including interest, by the total amount
17 of the refund, excluding interest. For the purpose of calculating the interest multiplier, the
18 utility may, upon approval by the Commission, estimate the monthly refundable amount.

19 (e) Commission staff shall provide applicable interest rate figures and assistance in
20 calculations under this Rule upon request of the affected utility.

21 (5) Method of Refund Distribution. For those customers still on the system, a credit shall
22 be made on the bill. In the event the refund is for a greater amount than the bill, the remainder
23 of the credit shall be carried forward until the refund is completed. If the customer so requests,
24 a check for any negative balance must be sent to the customer within 10 days of the request.

25 For customers entitled to a refund but no longer on the system, the company shall mail a
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existing law.

1 refund check to the last known billing address except that no refund for less than \$1.00 will be
2 made to these customers.

3 (6) Security for Money Collected Subject to Refund. In the case of money being collected
4 subject to refund, the money shall be secured by a bond unless the Commission specifically
5 authorizes some other type of security such as placing the money in escrow, approving a
6 corporate undertaking, or providing a letter of credit. The company shall provide a report by
7 the 20th of each month indicating the monthly and total amount of money subject to refund as
8 of the end of the preceding month. The report shall also indicate the status of whatever
9 security is being used to guarantee repayment of the money.

10 (7) Refund Reports. During the processing of the refund, monthly reports on the status of
11 the refund shall be made by the 20th of the following month. In addition, a preliminary report
12 shall be made within 30 days after the date the refund is completed and again 90 days
13 thereafter. A final report shall be made after all administrative aspects of the refund are
14 completed. The above reports shall specify the following:

- 15 (a) The amount of money to be refunded and how that amount was computed;
- 16 (b) The amount of money actually refunded;
- 17 (c) The amount of any unclaimed refunds; and
- 18 (d) The status of any unclaimed amounts.

19 (8) Any unclaimed refunds shall be treated as cash contributions-in-aid-of-construction.

20 *Rulemaking Authority 350.127(2), 367.121 FS. Law Implemented 367.081, 367.0814,*
21 *367.082(2) FS. History—New 8-18-83, Formerly 25-10.76, 25-10.076, Amended 11-30-93,*

22 _____.

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