

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-**

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**DATE:** August 14, 2019  
**TO:** Adam J. Teitzman, Commission Clerk, Office of Commission Clerk  
**FROM:** Lauren Davis, Office of the General Counsel   
**RE:** Docket No.20190055-WS

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Please file the attached rule certification packet materials for Rule(s), F.A.C., in the docket file listed above.

Thank you.

Attachment

RECEIVED-FPSC  
2019 AUG 14 PM 3:13  
COMMISSION  
CLERK

COMMISSIONERS:  
ART GRAHAM, CHAIRMAN  
JULIE I. BROWN  
DONALD J. POLMANN  
GARY F. CLARK  
ANDREW GILES FAY

STATE OF FLORIDA



OFFICE OF THE GENERAL COUNSEL  
KEITH C. HETRICK  
GENERAL COUNSEL  
(850) 413-6199

# Public Service Commission

August 14, 2019

Mr. Ernest Reddick  
Florida Department of State  
Administrative Code and Register Section  
Room 701, the Capitol  
Tallahassee, FL 32399-0250

VIA HAND DELIVERY

2019 AUG 14 AM 10:49  
FILED  
OFFICE OF THE GENERAL COUNSEL  
TALLAHASSEE, FLORIDA

**Re: Rule Certification Packet for Rule 25-30.420, F.A.C., Establishment of Price Index, Adjustment of Rates; Requirement of Bond; Filings After Adjustment; Notice to Customers, Commission Docket No. 20190055-WS**

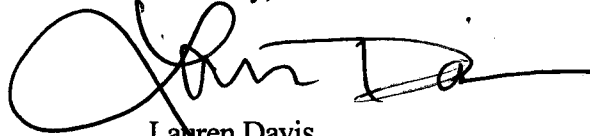
Dear Mr. Reddick:

Enclosed for filing is a complete rule certification packet for Rule 25-30.420, F.A.C., consisting of:

- (1) One compact disc containing the coded text of the rule;
- (2) One original and two copies of the e-mail approval confirmation with the certification form required by Rule 1-1.013, F.A.C., for the materials incorporated by reference that were filed electronically.
- (3) One original and two copies of the signed rule certification form;
- (4) One original and two copies of the signed designation of non-minor violation rule certification form required by Rule 1-1.010, F.A.C.;
- (5) One original and two copies of the coded text of the rule, including the legal citations and history notes;
- (6) One original and two copies of the summary of the rule;
- (7) One original and two copies of the detailed written statement of the facts and circumstances justifying the rule; and
- (8) One original and two copies of the summary of the hearings held on the rule.

Please let me know if you have any questions. The contact name and information for this rule are Lauren Davis, Florida Public Service Commission, Office of General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0250, (850) 413-6856, [ladavis@psc.state.fl.us](mailto:ladavis@psc.state.fl.us).

Sincerely,

A handwritten signature in black ink, appearing to read 'Lauren Davis', with a long horizontal flourish extending to the right.

Lauren Davis  
Senior Attorney

Enclosures

## Julie Phillips

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**From:** FL-Rules@dos.state.fl.us  
**Sent:** Friday, August 09, 2019 8:30 AM  
**To:** Julie Phillips  
**Cc:** flrules@dos.state.fl.us  
**Subject:** 25-30.420 Reference Material for Rule Adoption Approved

Dear JPhillips:

The reference material for rule adoption you submitted has been approved by the Administrative Code and Register Staff.

The approved material is available in the [Review/Modify Agency Reference Material list](#) (Agency Main Menu page).

Rule Number: 25-30.420

Reference Number: Ref-11101; Reference Name: PSC 1022 (09/18)

Click [here](#) to log in.

Administrative Code and Register Staff  
Florida Department of State

CERTIFICATION OF MATERIALS INCORPORATED

BY REFERENCE IN RULES FILED WITH THE DEPARTMENT OF STATE

I hereby certify pursuant to Rule 1-1.013, Florida Administrative Code:

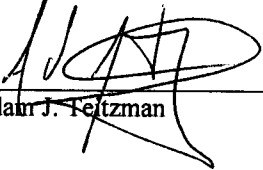
(1) That materials incorporated by reference in Rule 25-30.420 have been electronically filed with the Department of State.

(2) That because there would be a violation of federal copyright laws if the submitting agency filed the incorporated materials described below electronically, a true and complete paper copy of the incorporated materials are attached to this certification for filing. Paper copies of the incorporated materials below may be obtained at the agency by [include address(es)/location(s)].

List form number(s) and form title(s), or title of document(s) below:

PSC 1022 (9/18)

Under the provisions of Section 120.54(3)(e)6., F. S., the attached material(s) take effect 20 days from the date filed with the Department of State, or a later date as specified in the rule.

  
\_\_\_\_\_  
Adam J. Feitzman

\_\_\_\_\_  
Commission Clerk

CERTIFICATION OF FLORIDA PUBLIC SERVICE COMMISSION  
ADMINISTRATIVE RULES FILED WITH THE DEPARTMENT OF STATE

I hereby certify:

(1) That all statutory rulemaking requirements of Chapter 120, F.S., and all rulemaking requirements of the Department of State have been complied with; and

(2) That there is no administrative determination under Section 120.56(2), F.S., pending on any rule covered by this certification; and

(3) All rules covered by this certification are filed within the prescribed time limitations of Section 120.54(3)(e), F.S. They are filed not less than 28 days after the notice required by Section 120.54(3)(a), F.S.; and

(a) Are filed not more than 90 days after the notice; or

(b) Are filed more than 90 days after the notice, but not more than 60 days after the administrative law judge files the final order with the clerk or until 60 days after subsequent judicial review is complete; or

(c) Are filed more than 90 days after the notice, but not less than 21 days nor more than 45 days from the date of publication of the notice of change; or

(d) Are filed more than 90 days after the notice, but not less than 14 nor more than 45 days after the adjournment of the final public hearing on the rule; or

(e) Are filed more than 90 days after the notice, but within 21 days after the date of receipt of all material authorized to be submitted at the hearing; or

(f) Are filed more than 90 days after the notice, but within 21 days after the date the transcript was received by this agency; or

(g) Are filed not more than 90 days after the notice, not including days the adoption of the rule was postponed following notification from the Joint Administrative Procedures Committee that an objection to the rule was being considered; or

(h) Are filed more than 90 days after the notice, but within 21 days after a good faith written proposal for a lower cost regulatory alternative to a proposed rule is submitted which substantially accomplishes the objectives of the law being implemented; or

(i) Are filed more than 90 days after the notice, but within 21 days after a regulatory alternative is offered by the Small Business Regulatory Advisory Committee.

Attached are the original and two copies of each rule covered by this certification. The rules are hereby adopted by the undersigned agency by and upon their filing with the Department of State.

Rule No.

25-30.420

Under the provision of Section 120.54(3)(e)6., F.S., the rules take effect 20 days from the date filed with the Department of State or a later date as set out below:

Effective: \_\_\_\_\_  
(month) (day) (year)

  
\_\_\_\_\_  
ADAM J. TEITZMAN

Commission Clerk

Title

3

Number of Pages Certified

**DESIGNATION OF RULE THE VIOLATION OF WHICH IS A MINOR VIOLATION  
CERTIFICATION**

Pursuant to Section 120.695(2)(c)3, Florida Statutes, I certify as agency head, as defined by section 20.05(1)(b), Florida Statutes, that:

All rules covered by this certification are not rules the violation of which would be a minor violation pursuant to Section 120.695, F.S.


The following parts of the rules covered by this certification have been designated as rules the violation of which would be a minor violation pursuant to Section 120.695, F.S.:

Rule No(s).

Rules covered by this certification:

Rule No.

25-30.420

  
\_\_\_\_\_  
Signature of Agency Head

Chairman, Florida Public Service Commission  
Title



**25-30.420 Establishment of Price Index, Adjustment of Rates; Requirement of Bond; Filings After Adjustment; Notice to Customers.**

(1) ~~On or before March 31 of each year,~~ ~~t~~The Commission shall, ~~on or before March 31 of each year,~~ establish a price increase or decrease index as required by Section 367.081(4)(a), F.S. The Office of Commission Clerk shall mail each regulated water and wastewater utility a copy of the proposed agency action order establishing the index for the year and a copy of ~~the application.~~ ~~Form PSC 1022 (9/18) PSC/AFD-15 (4/99),~~ entitled "Price Index Application", which is incorporated into this rule by reference and may be obtained from <http://www.flrules.org/Gateway/reference.asp?No=Ref-11101> and the Commission's Division of Accounting and Finance. Applications for the newly established price index will be accepted from April 1 of the year the index is established through March 31 of the following year.

(a) The index shall be applied to all operation and maintenance expenses, except for amortization of rate case expense, costs subject to pass-through adjustments pursuant to Section 367.081(4)(b), F.S., and adjustments or disallowances made in a utility's most recent rate proceeding.

(b) In establishing the price index, the Commission will consider cost statistics compiled by government agencies or bodies, cost data supplied by utility companies or other interested parties, and applicable wage and price guidelines.

(2) Any utility seeking to increase or decrease its rates based upon the application of the index established pursuant to subsection (1) and as authorized by Section 367.081(4)(a), F.S., shall file ~~an original and five copies of~~ a notice of intention and the materials listed in paragraphs (a) through (i) below with the Commission's Division of Accounting and Finance either by mail at 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399 or by e-mail at [Applications@psc.state.fl.us](mailto:Applications@psc.state.fl.us) at least 60 days prior to the effective date of the increase or decrease. Form PSC 1022 (9/18) is an example application that may be completed by the applicant to comply with this subsection. The adjustment in rates shall take effect on the date specified in the notice of intention unless the Commission finds that the notice of intention or accompanying materials do not comply with Section 367.081(4), F.S. or this rule ~~the law,~~ ~~or the rules or orders of the Commission.~~ The notice shall be accompanied by:

(a) Revised tariff sheets;

(b) A computation schedule showing the increase or decrease in annual revenue that will result when the index is applied;

(c) The affirmation required by Section 367.081(4)(c), F.S.;

(d) A copy of the notice to customers required by subsection (6);

(e) The rate of return on equity that the utility is affirming it will not exceed pursuant to Section 367.081(4)(c), F.S.;

(f) An annualized revenue figure for the test year used in the index calculation reflecting the rate change, along with an explanation of the calculation, if there has been any change in the utility's rates during or subsequent to the test year;

(g) The utility's Department of Environmental Protection Public Water System identification number and Wastewater Treatment Plant Operating Permit number;

(h) A statement that the utility does not have any active written complaints, corrective orders, consent orders, or outstanding citations with the Department of Environmental Protection (~~DEP~~) or the County Health Department(s) or that the utility does have active written complaints, corrective orders, consent orders, or outstanding citations with the Department of Environmental Protection or the County Health Department(s);

(i) A copy of any active written complaints, corrective orders, consent orders, or outstanding citations with the Department of Environmental Protection (~~DEP~~) or the County Health Department(s).

(3) If the Commission, upon its own motion, implements an increase or decrease in the rates of a utility based upon the application of the index established pursuant to subsection (1) and as authorized by Section 367.081(4)(a), F.S., the Commission will require a utility to file the information required in subsection (2).

(4) Upon a finding of good cause, the Commission shall ~~may~~ require that a rate increase pursuant to Section 367.081(4)(a), F.S., be implemented under a bond or corporate undertaking in the same manner as interim rates. For purposes of this subsection, "good cause" shall include:

(a) Inadequate service by the utility;

(b) Inadequate record-keeping by the utility such that the Commission is unable to determine whether the utility is entitled to implement the rate increase or decrease under this rule.

(5) Prior to the time a customer begins consumption at the rates established by application of the index, the utility shall notify each customer of the increase or decrease authorized and explain the reasons therefore.

(6) No utility shall file a notice of intention pursuant to this rule unless the utility has filed ~~on file~~ with the Commission an annual report as required by subsection 25-30.110(3), F.A.C., for the test year specified in the order

establishing the index for the year.

(7) No utility shall implement a rate increase pursuant to this rule within one year of the official date that it filed a rate proceeding, unless the rate proceeding has been completed or terminated.

*Rulemaking Authority 350.127(2), 367.081(4)(a), 367.121(1)(c), (f) FS. Law Implemented 367.081(4), 367.121(1)(c), (g) FS. History—New 4-5-81, Amended 9-16-82, Formerly 25-10.185, Amended 11-10-86, 6-5-91, 4-18-99, 12-11-03, \_\_\_\_\_*

### SUMMARY OF THE RULE

Rule 25-30.420, F.A.C., addresses the process by which water and wastewater utilities apply for index or pass-through rate adjustments.

### WRITTEN STATEMENT OF THE FACTS AND CIRCUMSTANCES JUSTIFYING THE RULE

The current rule is outdated. The rule amendments update the Price Index Application example form, permits electronic filing of the application, and clarifies the rule.

### SUMMARY OF ANY HEARINGS HELD ON THE RULE

No timely request for a hearing was received by the agency, and no hearing was held.