

STATE OF FLORIDA

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Public Service Commission

April 2, 2020

Kaley Flynn, Director
Rules Ombudsman in
The Executive Office of the Governor
Reg.Reform@eog.myflorida.com

SENT VIA E-MAIL

Re: Docket No. 20200044-WS; Rule 25-30.457, F.A.C., Limited Alternative Rate Increase

Dear Ms. Flynn:

The Florida Public Service Commission proposed the above-listed rule at their regular agenda conference on March 31, 2020. The Commission has determined that these rules will affect small businesses. Accordingly, pursuant to Section 120.54(3)(b)2.b.(I), Florida Statutes, enclosed is a copy of the Florida Administrative Register (FAR) notice of the proposed rules, which was published in the April 2, 2020, 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. In addition, a copy of the material incorporated by reference is enclosed, which is a form entitled, Florida Public Service Commission Limited Alternative Rate Increase Earnings Review, PSC 2025 (03/20). Pursuant to your instructions, we have filled out and included a copy of the OFARR rulemaking notification form.

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

Sincerely,

A handwritten signature in cursive script that reads "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 NO: RULE TITLE:

25-30.457: Limited Alternative Rate Increase

PURPOSE AND EFFECT: The purpose of this rulemaking is to amend the rule to clarify the application requirements for a limited alternative rate increase and to simplify the language to make it more understandable. The effect of this rulemaking will be to make the rule requirements clear to all interested persons. Rule requirements are modified to enable more small utilities to use the limited alternative rate increase process in rate setting.

Docket No. 20200044-WS

SUMMARY: The rule is amended to identify in one subsection all the information that must be contained in the application for limited alternative rate increase. Commission staff will conduct an earnings review of the twelve-month period following the implementation of the revenue increase based on information provided by the utility in a limited alternative rate increase earnings review form. Utilities will no longer be required to provide security for money collected subject to refund or file monthly refund reports with the Commission.

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 rule amendment will not have an adverse impact on economic growth, business competitiveness, or small business and that there would likely be transactional cost savings to the individual and entities, including government entities, required to comply with 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), 367.0814, 367.121 FS

LAW IMPLEMENTED: 367.0814 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:

25-30.457 Limited Alternative Rate Increase.

(1) As an alternative to a staff assisted rate case as described in ~~R~~rule 25-30.455, F.A.C., or to staff assistance in alternative rate setting as described in ~~R~~rule 25-30.456, F.A.C., water utilities whose total gross annual operating revenues are \$300,000 or less for water service and wastewater utilities whose total gross annual operating revenues are \$300,000 or less for wastewater service may file with the Office of Commission Clerk an application ~~petition the Commission~~ for a limited alternative rate increase of up to 20 percent applied to metered or flat recurring rates of all classes of service ~~by filing with the Office of Commission Clerk the information required by subsections (7), (8) and (9) of this rule.~~

(2) The application for limited alternative rate increase must contain the following information:

(a) The name of the utility as it appears on the utility's certificate and the address of the utility's principal place of business;

- (b) The type of business organization under which the utility's operations are conducted;
 - (c) If the utility is a corporation, the date of incorporation and the names and addresses of all persons who own five percent or more of the utility's stock;
 - (d) If the utility is not a corporation, the names and addresses of the owners of the business;
 - (e) A schedule showing the annualized revenues by customer class and meter size for the most recent 12-month period using the rates in effect at the time the utility files its application;
 - (f) A schedule showing the current and proposed rates for all classes of customers;
 - (g) A statement providing the specific basis or bases for the requested rate increase;
 - (h) If the requested rate increase is based upon the utility's underearning or the utility's expectation to underearn, a statement explaining why the utility is, or is expected to, underearn its authorized rate of return;
 - (i) A statement that the figures and calculations upon which the change in rates is based are accurate and that the change will not cause the utility to exceed its last authorized rate of return on equity;
 - (j) A statement that the utility is currently in compliance with its annual report filing in accordance with Rule 25-30.110(3), F.A.C.;
 - (k) A statement that the utility has paid all required regulatory assessment fees or is current on any approved regulatory assessment fee payment plan;
 - (l) A statement that an order in a rate proceeding that established the utility's rate base, capital structure, annual operating expenses and revenues has been issued for the utility within the 7-year period prior to the official date of filing of the application; and
 - (m) Any additional relevant information in support of the application and reasons why the information should be considered.
- (3) Within 30 days of the application's filing date, Commission staff will notify the utility in writing that the application requirements of subsection (2) of this rule have been met or that the requirements of subsection (2) have not been met with an explanation of the application's deficiencies.
- ~~(2) Within 30 days of receipt of the completed petition, the Commission will evaluate the petition and determine the petitioner's eligibility for a limited alternative rate increase.~~
- ~~(3) The Commission will notify the petitioner in writing as to whether the petition is accepted or denied. If the petition is accepted, staff assistance in alternative rate setting will be initiated. If the petition is denied, the notification of petition denial will state the deficiencies in the petition with reference to the criteria set out in subsection (5) of this rule.~~
- (4) The date of Commission staff's written notification to the utility that the requirements of subsection (2) of this rule have been met will be considered the date of official acceptance by the Commission of the application. The official date of filing is established as will be 30 days after the official acceptance by the Commission of the application date of the written notification to the petitioner of the Commission's acceptance of the petition. The application is deemed denied if the utility does not remit the filing fee as required by paragraph 25-30.020(2)(f), F.A.C., within 30 days after the official acceptance of the application.
- ~~(5) In determining whether to grant or deny the petition, the Commission will consider the following criteria:~~
- ~~(a) Whether the petitioner qualifies for staff assistance pursuant to subsection (1) of this rule;~~
 - ~~(b) Whether the petitioners' books and records are organized consistent with rule 25-30.110, F.A.C., so as to allow Commission personnel to verify costs and other relevant factors within the 30-day time frame set out in this rule;~~
 - ~~(c) Whether the petitioner has filed annual reports;~~
 - ~~(d) Whether the petitioner has paid applicable regulatory assessment fees;~~
 - ~~(e) Whether the petitioner has at least one year of experience in utility operation;~~
 - ~~(f) Whether the petitioner has filed additional relevant information in support of eligibility together with reasons why the information should be considered;~~
 - ~~(g) Whether the utility was granted a rate case increase within the 2-year period prior to the receipt of the petition under review;~~

~~(h) Whether a final order in a rate proceeding that established the utility's rate base, capital structure, annual operating expenses and revenues has been issued for the utility within the 7-year period prior to the receipt of the petition under review.~~

~~(6) The Commission will deny the petition if the petitioner does not remit the filing fee, as provided by paragraph 25-30.020(2)(f), F.A.C., within 30 days after official acceptance of the petition.~~

~~(7) Each petitioner for limited alternative rate increase shall provide the following general information to the Commission:~~

~~(a) The name of the utility as it appears on the utility's certificate and the address of the utility's principal place of business; and,~~

~~(b) The type of business organization under which the utility's operations are conducted:~~

~~1. If the petitioner is a corporation, the date of incorporation and the names and addresses of all persons who own five percent or more of the petitioner's stock; or~~

~~2. If the petitioner is not a corporation, the names and addresses of the owners of the business.~~

~~(8) The petitioner shall provide a schedule showing:~~

~~(a) Annualized revenues by customer class and meter size for the most recent 12-month period using the rates in effect at the time the utility files its petition; and,~~

~~(b) Current and proposed rates for all classes of customers.~~

~~(9) The petitioner shall provide a statement that the figures and calculations upon which the change in rates is based are accurate and that the change will not cause the utility to exceed its last authorized rate of return on equity.~~

~~(5)(10) A financial or engineering audit of the utility's financial or engineering books and records will shall not be required in determining whether to approve or deny the application ~~conjunction with the petition under review.~~~~

~~(6)(11) Based upon the criteria contained in subsection (2), the Commission will approve, deny, or approve the application. The petition will be approved, denied, or approved with modifications that may include a reduction or an increase in the requested rate increase, within 90 days from the official filing date as established in subsection (4) of this rule.~~

~~(7)(12) Any revenue increase granted under the provisions of this rule shall be held subject to refund with interest in accordance with subsection rule 25-30.360(4), F.A.C., for a period of 15 months after the filing of the utility's annual report required by rule 25-30.110, F.A.C., for the year the adjustment in rates was implemented. Subsection 25-30.360(6), F.A.C., does not apply to any money collected subject to refund under this subsection.~~

~~(8)(13) To insure overearnings will not occur due to the implementation of this rate increase, The Commission staff will conduct an earnings review of the twelve-month period following the implementation of the revenue increase, utility's annual report to determine any potential overearnings for the year the adjustment in rates was implemented.~~

~~(a) At the end of the twelve-month period, the utility has 90 days to complete and file Form PSC 1025 (03/20), entitled "Limited Alternative Rate Increase Earnings Review," which is incorporated into this rule by reference and is available at [Dep't of State hyperlink].~~

~~(b) In the event the utility needs additional time to complete the form, the utility may request an extension of time supported by a statement of good cause that must be filed with Commission staff within seven days prior to the 90-day deadline. "Good cause" means a showing of financial hardship, unforeseen events, or other events outside the control of the utility, but does not include reasons such as management oversight.~~

~~(c)(14) If, within 15 months after the filing of a utility's annual report the Commission staff's earnings review demonstrates finds that the utility exceeded the range of its last authorized rate of return on equity after an adjustment in rates, as authorized by this rule, was implemented within the year for which the report was filed, such overearnings, up to the amount held subject to refund, with interest, shall be disposed of for the benefit of the customers. If the Commission staff determines that the utility did not exceed the range of its last authorized return on equity, the revenue increase will no longer be held subject to refund.~~

~~(9)(15) In the event of a protest of the Proposed Agency Action Order is protested pursuant to~~

Rule 28-106.111, F.A.C., by a substantially affected person other than the utility, the utility must file a staff assisted rate case application pursuant to Rule 25-30.455, F.A.C., within 21 days from the date the protest is filed or the utility's application for a limited alternative rate increase will be deemed withdrawn.

(10) Upon the utility filing a staff assisted rate case application pursuant to subsection (9) of this rule:

(a) unless the Proposed Agency Action Order proposes a rate reduction, the utility may implement the rates established in the Proposed Agency Action Order on a temporary basis subject to refund with interest in accordance with Rule 25-30.360, F.A.C.; upon the utility filing a staff assisted rate case application pursuant to rule 25-30.455, F.A.C., within 21 days of the date the protest is filed.

(b)(16) In the event of a protest, the limit on the maximum increase provided in subsection (1) of this rule will shall no longer apply; and

(c) The application will be processed under Rule 25-30.455, F.A.C.

(17) If the utility fails to file a staff assisted rate case application within 21 days in the event of a protest, the petition for a limited alternative rate increase will be deemed withdrawn.

Rulemaking Authority 350.127(2), 367.0814, 367.121 FS. Law Implemented 367.0814 FS. History—New 3-15-05, Amended 12-16-08, 8-10-14, 7-1-18, _____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Kathryn G.W. Cowdery

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

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: March 31, 2020

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: Volume 45, Number 197, October 9, 2019.

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: February 25, 2020

TO: Kathryn Gale Winter Cowdery, Senior Attorney, Office of the General Counsel

FROM: Sevini K. Guffey, Public Utility Analyst II, Division of Economics *S.K.G.*

RE: **Statement of Estimated Regulatory Costs** for Proposed Adoption of Rule 25-30.457, Florida Administrative Code (F.A.C.) Limited Alternative Rate Increase.

Commission staff is recommending revisions to Rule 25-30.457, Florida Administrative Code (F.A.C.), Limited Alternative Rate Increase. The rule is applicable to water utilities whose total gross annual operating revenues are \$300,000 or less for water service and wastewater utilities whose total gross annual operating revenues are \$300,000 or less for wastewater service. The purposes of these recommended rule revisions are to (1) update and clarify the application filing requirements for a limited alternative rate increase, (2) simplify the language to make it more understandable, and (3) remove the requirements that a utility provide security for money collected subject to refund and the corresponding monthly filing of refund reports with the Commission. The proposed revisions are discussed in detail in the staff recommendation.

The attached Statement of Estimated Regulatory Costs (SERC) addresses the economic impacts and considerations required pursuant to Section 120.541, Florida Statutes (F.S.). The proposed modifications to Rule 25-30.457, F.A.C., will lessen the financial burden on qualifying water and wastewater utilities when seeking a rate increase pursuant to the limited alternative rate increase process.

Staff sent a data request to the five water and wastewater utilities that have used the existing Rule 25-30.457, F.A.C. In response to staff's data request, these utilities estimate the current cost to secure monies and file monthly reports is \$1,500 to \$3,000. The responses also state that the proposed requirement to file the form *Limited Alternative Rate Increase Earnings Review* at the end of the twelve-month period would cost a utility approximately \$500 to \$1,000. However, since the monthly reporting requirement is proposed to be eliminated, the incremental cost to the utility will result in a decrease of \$1,000 to \$2,000. The modified rule provides an alternative to above described qualifying water and wastewater utilities for staff assistance in rate settings.

The SERC analysis indicates that the proposed rule amendments will not likely increase regulatory costs, including any transactional costs or have an adverse impact on business competitiveness, productivity, or innovation in excess of \$1 million in the aggregate within five years of implementation. The proposed rule amendments would not potentially have adverse impacts on small businesses, would have no implementation cost to the Commission or other state and local government entities, and would have no impact on small cities or counties.

K. Cowdery
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Staff held a noticed rule development workshop on October 30, 2019. Staff issued a data request on January 9, 2020, to utilities that have previously filed for a rate increase pursuant to the current Rule 25-30.457, F.A.C. The purpose of the request was to gauge the incremental financial impacts of filing for a rate increase pursuant to the current rule and pursuant to the proposed revisions to the rule. Responses to staff's data request were received on January 10, 2020. The responses have been evaluated during the preparation of this SERC. No regulatory alternatives were submitted pursuant to Section 120.541(1)(g), F.S. The SERC concludes that none of the impacts/cost criteria established in Sections 120.541(2)(a), (c), (d), and (e), F.S., will be exceeded as a result of the proposed rule revisions.

cc: SERC File

FLORIDA PUBLIC SERVICE COMMISSION
STATEMENT OF ESTIMATED REGULATORY COSTS
Rule 25-30.457, 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

If the answer to Question 1 is "yes", see comments in Section E.

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: This Limited Alternative Rate Increase rule is applicable to water and wastewater utilities whose total gross annual operating revenues are \$300,000 or less for water and wastewater services. The rule revisions are intended to establish an abbreviated procedure for a limited alternative rate increase that is less time consuming and less costly for the qualifying utilities, their customers, and the Commission.

The rule is being amended to update and clarify the application filing requirements for the limited alternative rate increase application process and to simplify the language to make the rule more readable and understandable. The rule amendments also remove the requirements that a utility provide security for money collected subject to refund and file monthly refund reports with the Commission. Further, the modifications implement the requirement for the utility to file a 12-month Earnings Review. The modified rule provides an alternative to above described qualifying water and wastewater utilities for staff assistance in rate settings.

Five water and wastewater utilities that have used the existing Limited Alternative Rate Increase rule state, in response to staff's data request, that they have experienced costs amounting to approximately \$125 to \$250 per month or approximately \$1,500 to \$3,000 per year, related to obtaining a security for money collected subject to refund, and for monthly reporting requirements. The responses further state that the proposed rule would eliminate these monthly reporting costs. The utilities state the anticipated regulatory costs to comply with the Commission's 12-month Earnings Review would be \$500 to \$1,000 resulting in a net savings to the utility over the current reporting requirements.

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.

The modified rule will be applicable to 78 water utilities and 59 wastewater utilities which meet the requirements set forth in the rule.

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

Types of individuals to be affected by this rule will be the customers and ratepayers of the affected water and wastewater utilities. The exact number of customers affected by this rule is not known. However, given the number of water and wastewater utilities referenced above, the number of customers affected would be limited to customers of those utilities that qualify for the use of the limited alternative rate increase option. Ratepayers benefit when a utility is able to take advantage of a more efficient and less costly means of filing a rate case. The modified rule provides tools designed to provide

a more stable revenue stream, resulting in a more financially stable utility.

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.
Paragraph 2(a) through (m) of the proposed rule requires certain information from the utilities. Most, if not all, of this information was required under the existing Rule or obtained by staff from the utility through the data discovery process. The responses from the utilities state that they anticipate a nominal

cost to gather, analyze and compile information for submission to the Commission. The responses to staff's data request state that there would be a one-time cost of about \$500 to \$1,000 to compile and submit the new annual filing requirement. However, these costs will be completely offset by the savings incurred by the removal of the monthly filing requirement.

Other. Provide an explanation for estimate and methodology used.

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(6), 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.

Some of the water and wastewater utilities that would qualify to utilize the Limited Alternative Rate Increase rule may qualify as "small business" with a net worth less than \$5 million. Staff believes that it is reasonable to assume that many of the water and wastewater utilities, some of their customers, and some businesses hired by the utilities to perform infrastructure repair or replacement work may also meet the definition of a small business as defined by Section 288.703, F.S. Potential cost impacts would be the same as discussed in Sections B and D above.

The proposed modifications to the Rule 25-30.457, F.A.C., will require certain information that was previously considered by the Commission and obtained by Commission staff through data requests. Since the utilities were already providing this information, they do not anticipate any adverse impacts from the revised rule which is codifying the previously submitted information. In addition, the modification will eliminate the utility's requirement to secure its money collected subject to refund and file monthly refund reports with the Commission which the utilities estimate would be \$1,500 to \$3,000. As stated in responses to staff's data request, the new requirement to file the form *Limited Alternative Rate Increase Earnings Review* at the end of the twelve-month period would cost a utility approximately \$500 to \$1,000. However, since the monthly reporting requirement is proposed to be eliminated, the incremental cost to the utility will result in a decrease of \$1,000 to \$2,000.

Minimal. Provide a brief explanation.

Other. Provide an explanation for estimate and methodology used.

(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:

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.

FLORIDA PUBLIC SERVICE COMMISSION
LIMITED ALTERNATIVE RATE INCREASE EARNINGS REVIEW

The 12-month period following the implementation of the revenue increase should be used for the purposes of completing this form.

Utility Name _____	Schedule No. 1-A
Schedule of Water Rate Base	
12-Month Period Ended _____	
Description	Per Utility
1 Plant in Service	_____
2 Land and Land Rights	_____
3 Non-used and Useful Components (1)	_____
4 Accumulated Depreciation	_____
5 Contribution in Aid of Construction (CIAC)	_____
6 Amortization of CIAC	_____
7 Net Debit Deferred Income Taxes	_____
8 Advances for Construction	_____
9 Working Capital Allowance	_____
10 Acquisition Adjustments (2)	_____
11 Accumulated Amortization of Acquisition Adjustments	_____
12 Rate Base	=====
Notes:	
(1) Estimate based on the methodology used in the last rate proceeding.	
(2) Include only those Acquisition Adjustments that have been approved by the Commission.	

Utility Name _____ Schedule No. 1-B
 Schedule of Wastewater Rate Base
 12-Month Period Ended _____

Description	Per Utility
1 Plant in Service	_____
2 Land and Land Rights	_____
3 Non-used and Useful Components (1)	_____
4 Accumulated Depreciation	_____
5 Contribution in Aid of Construction (CIAC)	_____
6 Amortization of CIAC	_____
7 Net Debit Deferred Income Taxes	_____
8 Advances for Construction	_____
9 Working Capital Allowance	_____
10 Acquisition Adjustments (2)	_____
11 Accumulated Amortization of Acquisition Adjustments	_____
12 Rate Base	=====

Notes:
 (1) Estimate based on the methodology used in the last rate proceeding.
 (2) Include only those Acquisition Adjustments that have been approved by the Commission.

Utility Name _____

Schedule No. 2

Schedule of Current Cost of Capital

12-Month Period Ended _____

Class of Capital (a)	Dollar Amount (b)	Percentage of Capital (c)	Actual Cost Rates (d)	Weighted Cost (e) = (c x d)
Common Equity	_____	_____	_____	_____
Preferred Stock	_____	_____	_____	_____
Long-Term Debt	_____	_____	_____	_____
Short-Term Debt	_____	_____	_____	_____
Customer Deposits	_____	_____	_____	_____
Tax Credits - Zero Cost	_____	_____	_____	_____
Tax Credits - Weighted Cost	_____	_____	_____	_____
Deferred Income Taxes	_____	_____	_____	_____
Other (Explain)	_____	_____	_____	_____
Total	=====	=====	=====	=====

Notes:

- (1) Consistent with the methodology used in the last rate proceeding.
- (2) Upper limit of the last authorized return on equity or current leverage if none has been established.

Utility Name _____		Schedule No. 3-A
Statement of Water Operations		
12-Month Period Ended _____		
Description	Per Utility	
1 Operating Revenues :	_____	
Operating Expenses		
2 Operation & Maintenance	_____	
3 Depreciation	_____	
4 Amortization	_____	
5 Taxes Other Than Income	_____	
6 Income Taxes	_____	
7 Total Operating Expense	_____	
8 Operating Income	=====	

Utility Name _____		Schedule No. 3-B
Statement of Wastewater Operations		
12-Month Period Ended _____		
Description	Per Utility	
1 Operating Revenues :	_____	
Operating Expenses		
2 Operation & Maintenance	_____	
3 Depreciation	_____	
4 Amortization	_____	
5 Taxes Other Than Income	_____	
6 Income Taxes	_____	
7 Total Operating Expense	_____	
8 Operating Income	=====	

Utility Name _____ Analysis of Water Operation and Maintenance Expense 12-Month Period Ended _____	Schedule No. 4-A
	Per Utility
(601) Salaries and Wages - Employees	_____
(603) Salaries and Wages - Officers	_____
(604) Employee Pensions and Benefits	_____
(610) Purchased Water	_____
(615) Purchased Power	_____
(616) Fuel for Power Production	_____
(618) Chemicals	_____
(620) Materials and Supplies	_____
(630) Contractual Services - Billing	_____
(631) Contractual Services - Professional	_____
(635) Contractual Services - Testing	_____
(636) Contractual Services - Other	_____
(640) Rents	_____
(650) Transportation Expense	_____
(655) Insurance Expense	_____
(665) Regulatory Commission Expense	_____
(670) Bad Debt Expense	_____
(675) Miscellaneous Expense	_____
Total	=====

Utility Name _____	Schedule No. 4-B
Analysis of Wastewater Operation and Maintenance Expense	
12-Month Period Ended _____	
	Per Utility
(701) Salaries and Wages - Employees	_____
(703) Salaries and Wages - Officers	_____
(704) Employee Pensions and Benefits	_____
(710) Purchased Sewage Treatment	_____
(711) Sludge Removal Expense	_____
(715) Purchased Power	_____
(716) Fuel for Power Production	_____
(718) Chemicals	_____
(720) Materials and Supplies	_____
(730) Contractual Services - Billing	_____
(731) Contractual Services - Professional	_____
(735) Contractual Services - Testing	_____
(736) Contractual Services - Other	_____
(740) Rents	_____
(750) Transportation Expense	_____
(755) Insurance Expense	_____
(765) Regulatory Commission Expense	_____
(770) Bad Debt Expense	_____
(775) Miscellaneous Expense	_____
Total	=====

Office of Fiscal Accountability and Regulatory Reform

Rulemaking Notification

(Executive Order 11-211 requires agencies must submit all rulemaking notices to OFARR at least 1 week prior to publication)

To: Kaley Flynn, Director

Submitted By: Name, Title:

Kathryn G.W. Cowdery, Senior Attorney

Agency, Board:

Florida Public Service Commission

Phone Number:

kcowdery@psc.state.fl.us (best contact since employees are working from home during COVID 19 pandemic)

Re: Rulemaking Notification for:

Rule Number:

25-
30.457

Rule Title:

Limited Alternative Rate Increase

Rule Summary:

Rule 25-30.457, F.A.C., implements Section 367.0814(9) by establishing standards and procedures whereby rates and charges of small utilities are set. The rule was amended to clarify application requirements, to change the procedure used to conduct an earnings review in order to reduce regulatory lag in implementing rates, and to delete requirements that utilities provide security for money collected subject to refund and monthly reports, which can be unduly burdensome for small water and wastewater utilities.

List EACH rule separately. Add tables as needed.

Date: [Date request sent to

4/2/2020

OFARR] Date of anticipated

4/2/2020

publication:

Does this rule qualify for Rules Ombudsman review in accordance with section 120.54(3)(b), F.S.? Yes No

Please complete this form when submitting rulemaking notification to the Office of Fiscal Accountability and Regulatory Reform (OFARR) pursuant to Executive Order 11-211 and Directive published on November 11, 2019. If any information or documents are missing, the notification will be returned without review. OFARR will indicate what is missing, and the completed notification must be resubmitted.

1. Proposed Rulemaking Activity:

- Notice of Development of Rulemaking – Attach the proposed Notice. If no text is available, give a detailed explanation of the rulemaking, including why it is necessary.
- Notice of Proposed Rule – Attach the proposed Notice, “Is a SERC Required” Checklist, and SERC (if required), all materials incorporated by reference, and all forms referenced or required by the rule.
- Notice of Emergency Rule – Attach the proposed Notice. Explain fully why emergency rulemaking is appropriate.
- Notice of Change – Attach the proposed Notice. Be sure the text is coded correctly according to Rule 1B-30.003(5)(f), F.A.C. Explain why a change is required. Attach any correspondence from JAPC or the public. If no documents exist, summarize any public comment the agency has received or public hearings/workshops the agency has held.
- Notice of Withdrawal – Attach the proposed Notice. Explain why it is necessary to withdraw the rulemaking. Include any JAPC correspondence.

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Other – Attach the proposed Notice. Include detailed information about the rulemaking.

2. Is this rulemaking included in the agency's Annual Regulatory Plan (ARP)? Yes No

3a. Does each amendment or new rule:

Rule Number: Rule Title:

Increase Fees? Yes No N/A

Increase Regulation? (I.E., Additional Licensure, Continuing Education Requirements, etc.) Yes No N/A

List EACH rule separately. Add tables as needed.

3b. For each new rule, the following information is required:

Rule Number: Rule Title:

Statute Authorizing Rulemaking: Statutory language authorizing rulemaking authority:

Statute Mandating Rulemaking: Statutory language requiring rulemaking:

New rule is due to a Legislative change occurring within the past 24 months: Yes No Provide chapter law and effective date:

List each rule separately. Add tables as needed.

4. Has the agency received any public comment about this rulemaking since the last rulemaking notification?

Yes No

If yes, please summarize the comment and the agency's position regarding the comment (i.e. has made or intends to make changes based on the comment, disagrees with the comment, etc.) and attach any documents.

5. Has the agency received any comment from JAPC since the last rulemaking notification?

Office of Fiscal Accountability and Regulatory Reform
Rulemaking Notification

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Yes No

If yes, please summarize the comment and attach any documents.

For Notice of Proposed Rules Only

6. Describe the public need for the proposed rule and an explanation of how the proposed rule will address that need.

See attached SERC

7. Has the agency received, been made aware of, or contemplated/reviewed any lower cost regulatory alternatives (LCRA)?

Yes No

If yes, describe in detail what action the agency took in response to the LCRA. If no, please explain.

8. Summarize qualitative and quantitative *benefits* of the proposed rule. Benefits may include but are not limited to: productivity, efficiency, employment and accessibility, enhancement of health and safety, and protection of the environment.

See attached SERC

Office of Fiscal Accountability and Regulatory Reform
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9. Summarize qualitative and quantitative costs of the proposed rule. Costs may include but are not limited to: cost to government in administering the regulation, costs to businesses and professionals in complying with the regulation, adverse effects on the economy, private markets, health, safety and the environment.

See attached SERC

10. Does the proposed rule include a sunset provision (not to exceed five years)?

Yes No

If no, please detail why and attach any supplemental documentation.

This rule implements Section 367.0814(9), F.S., and does not require a sunset provision.