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August 29, 2018

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Item 1

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: August 17, 2018

TO: Office of Commission Clerk (Stauffer)

FROM: Office of Industry Development and Market Analysis (Wendel, Deas) *BHW S.D. 8/17 CH*
Office of the General Counsel (Trice, Murphy) *CM, TM*

RE: Application for Certificate of Authority to Provide Telecommunications Service

AGENDA: 8/29/2018 - Consent Agenda - Proposed Agency Action - Interested Persons May Participate

SPECIAL INSTRUCTIONS: None

Please place the following Application for Certificate of Authority to Provide Telecommunications Service on the consent agenda for approval.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>	<u>CERT. NO.</u>
20180151-TX	Faster.IO, INC.	8924
20180153-TX	Smart City Solutions II, LLC	8923

The Commission is vested with jurisdiction in this matter pursuant to Section 364.335, Florida Statutes. Pursuant to Section 364.336, Florida Statutes, certificate holders must pay a minimum annual Regulatory Assessment Fee if the certificate is active during any portion of the calendar year. A Regulatory Assessment Fee Return Notice will be mailed each December to the entity listed above for payment by January 30.

Item 2

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: August 17, 2018

TO: Office of Commission Clerk (Stauffer)

FROM: Office of the General Counsel (Gervasi) *ps s.m.l.*
Division of Economics (Draper) *ESD*
Office of Industry Development and Market Analysis (Fogleman) *GF GH*

RE: Docket No. 20170233-TP – Proposed amendment of Rule 25-4.0665, F.A.C., Lifeline Service, and Proposed Repeal of Rule 25-4.113, F.A.C., Refusal or Discontinuance of Service by Company.

AGENDA: 08/29/18 – Regular Agenda – Rule Proposal – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

RULE STATUS: Proposal May Be Deferred

SPECIAL INSTRUCTIONS: None

Case Background

On February 6, 2012, the Federal Communications Commission (FCC) released a Report and Order (Order FCC 12-11) and Further Notice of Proposed Rulemaking addressing Lifeline and Link Up Reform and Modernization.¹ The stated purposes of Order FCC 12-11 were to strengthen protections against waste, fraud, and abuse; improve program administration and accountability; improve enrollment and consumer disclosures; initiate modernization of the Lifeline program to include broadband; and constrain the growth of the program in order to reduce the burden on all who contribute to the Federal Universal Service Fund. Many of the

¹ In the Matter of Lifeline and Link Up Reform and Modernization (WC Docket No. 11-42), Lifeline and Link Up (WC Docket No. 03-109), Federal-State Joint Board on Universal Service (CC Docket No. 96-45), Advancing Broadband Availability Through Digital Literacy Training (WC Docket No. 12-23), Report and Order and Further Notice of Proposed Rulemaking. Adopted: January 31, 2012, Released: February 6, 2012.

modifications contained in Order FCC 12-11 affected Florida's Lifeline program. By Order No. PSC-12-0205-PAA-TP, issued April 17, 2012, in Docket No. 120052-TP,² the Commission modified Florida's Lifeline program accordingly and determined that Rule 25-4.0665, Florida Administrative Code (F.A.C.), the Commission's Lifeline rule, would need to be amended in order to conform to the requirements of Order FCC 12-11.

Meanwhile, during the course of the Commission's Lifeline rule development process, the FCC released a Notice of Proposed Rulemaking and Order seeking comments on restructuring the Lifeline program to include access to broadband.³ On April 27, 2016, the FCC released its Third Report and Order, Further Report and Order, and Order on Reconsideration (Order FCC 16-38), further addressing the modernization of the federal Lifeline program.⁴ The stated purpose of Order FCC 16-38 is to help low-income Americans afford access to the Internet. The Order reflects a transition of the FCC from primarily supporting voice services to targeting support at modern broadband services. Order FCC 16-38 encourages broadband providers to offer meaningful broadband services to Lifeline subscribers, streamlines Lifeline program rules, eliminates outdated program obligations, and makes several additional changes to combat waste, fraud, and abuse, including establishing a National Lifeline Eligibility Verifier that removes the responsibility of determining Lifeline subscriber eligibility from providers.

Many of the modifications contained in Order FCC 16-38 and the federal Lifeline rule amendments attached thereto affect Florida's Lifeline program. This recommendation addresses whether the Commission should propose the amendment of Rule 25-4.0665, F.A.C., Lifeline Service (Lifeline rule), in order to conform the rule to the requirements of Order FCC 16-38. This recommendation also addresses whether the Commission should propose the repeal of Rule 25-4.113, F.A.C., Refusal or Discontinuance of Service by Company, consistent with the 2011 deregulatory changes made to Chapter 364, Florida Statutes (F.S.).

A Notice of Development of Rulemaking was published on June 23, 2017, in Volume 43, Number 122, of the Florida Administrative Register (FAR). FairPoint Communications and Cox Florida Telcom, L.P., submitted comments on the draft Lifeline rule and AT&T requested a rule workshop. A Notice of Rule Development Workshop was published on July 26, 2017, in Volume 43, Number 144, of the FAR. Upon consideration of the comments submitted and concerns expressed by AT&T, staff further revised the preliminary draft rule language and AT&T thereafter withdrew its request for a workshop. Therefore, no rule development workshop was held. On August 29, 2017, staff issued notice of the revisions made to the preliminary draft rule language and provided all interested persons a second opportunity to submit further written comments or to request a workshop. No further comments or requests for workshop were received. The Commission has jurisdiction pursuant to sections 120.54, 350.127(2), 364.10, 364.105, and 364.183(1), F.S.

² In Re: Florida Link-Up and Lifeline Program Modernization. The order was consummated by Order No. PSC-12-0239-CO-TP, issued May 14, 2012.

³ FCC 15-71, WC Docket No. 11-42, Lifeline and Link-Up Reform and Modernization, Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinion and Order, released June 22, 2015. The Commission filed comments in that proceeding on August 31, 2015.

⁴ In the Matter of Lifeline and Link Up Reform and Modernization (WC Docket No. 11-42), Telecommunications Carriers Eligible for Universal Service Support (WC Docket No. 09-197), and Connect America Fund (WC Docket No. 10-90). Order No. FCC 12-11. Adopted: March 31, 2016, Released: April 27, 2016.

Discussion of Issues

Issue 1: Should the Commission propose the amendment of Rule 25-4.0665, F.A.C., Lifeline Service, and the repeal of Rule 25-4.113, F.A.C., Refusal or Discontinuance of Service by Company?

Recommendation: Yes, the Commission should propose the amendment of Rule 25-4.0665, F.A.C., Lifeline Service, and the repeal of Rule 25-4.113, F.A.C., Refusal or Discontinuance of Service by Company, as set forth in Attachment A. Staff recommends that the Commission certify proposed amended Rule 25-4.0665, F.A.C., as a minor violation rule. (Gervasi, Fogleman, Draper)

Staff Analysis: Staff recommends that the Commission propose the amendment of Rule 25-4.0665, F.A.C., and the repeal of Rule 25-4.113, F.A.C., as set forth in Attachment A. Staff's rationale for the rule amendment and repeal is discussed in more detail below.

Amendment of Rule 25-4.0665, F.A.C., Lifeline Service

Rule 25-4.0665, F.A.C., Lifeline Service, establishes the requirements eligible telecommunications carriers (ETCs)⁵ must follow when they offer Lifeline service. The rule lists the eligibility criteria for applications, processes and procedures for accepting applications, procedures for rejecting applications, timeframes for enrolling applicants, advertising, and reporting requirements. Staff is recommending that the Commission propose the amendment of Rule 25-4.0665, F.A.C., in order to conform the rule to the requirements of Order FCC 16-38 and the federal Lifeline rule amendments attached thereto, specifically including FCC Rules 47 CFR §§ 54.400 - 54.417.

Eligibility Criteria

As shown on Attachment A, staff recommends that Paragraph (1) of the Rule 25-4.0665, F.A.C., should be amended to require ETCs to offer Lifeline assistance as prescribed by the FCC, and to incorporate the federal Lifeline rules into the rule by reference. Among other things, by Order FCC 16-38, the FCC amended Rule 47 CFR § 54.409(a) to remove state-specified eligibility criteria for Lifeline support in order to continue to prevent waste, fraud, and abuse.⁶ Therefore, the state-specified eligibility criteria contained in Paragraphs (1)-(3) and (7) should be deleted.

Staff notes that the FCC expressly removed the Low Income Home Energy Assistance Program, the National School Lunch Program, and Temporary Assistance for Needy Families as qualifying federal assistance programs for determining eligibility for Lifeline.⁷ This was due in

⁵ Section 364.10(1)(a), F.S., defines an ETC to mean "a telecommunications company, as defined by s. 364.02, which is designated as an eligible telecommunications carrier by the commission pursuant to 47 C.F.R. s. 54.201." Pursuant to 47 U.S. Code § 214(e)(1), common carriers designated as ETCs must offer the services that are supported by Federal universal service support mechanisms under 47 U.S. Code § 254(c), either using their own facilities or a combination of their own facilities and resale of another carrier's services. Order FCC 16-38 at 80, para. 223, requires that Lifeline providers must be designated as ETCs.

⁶ Order FCC 16-38 at 77, para. 212. The FCC noted that the changes to eligibility only apply to the federal Lifeline program, and that states that maintain their own Lifeline funds may still adopt any eligibility requirements that they deem necessary. *Id.* at 78, para. 215. Florida does not maintain state Lifeline funding.

⁷ Order FCC 16-38 at 68, para. 188.

part to low enrollment in Lifeline based on participation in those programs, as well as to a finding that those programs do not offer the same advantages in developing a federal eligibility database, preventing waste, fraud, and abuse, nor better targeting of the neediest low-income households as the Supplemental Nutrition Assistance Program, Medicaid, SSI, Federal Public Housing Assistance, and the Veterans Pension benefit.⁸

Elimination of Link Up Service

Staff recommends that Paragraph (4) of Rule 25-4.0665, F.A.C., should be deleted, to eliminate the requirement that ETCs who charge an initial connection charge must offer Link Up service to subscribers who are eligible for Lifeline. Federal Link Up assistance is no longer available to subscribers who are eligible for Lifeline service. By Order FCC 12-11, the FCC eliminated Link Up support on non-Tribal lands for all ETCs, and Rule 47 CFR § 54.413 was amended to restrict Link Up assistance to eligible residents of Tribal lands seeking telecommunications service from a telecommunications carrier that is receiving high-cost support on Tribal lands. Therefore, by Order No. PSC-12-0205-PAA-TP, the Commission removed non-Tribal Link Up from the Florida Lifeline program.

Subscriber Certification Requirements

Paragraph (9) specifies that an ETC shall only require the last four digits of a customer's social security number for continued eligibility for Lifeline and Link-Up as part of the annual verification process. That requirement is contained in Rule 47 CFR § 54.410, Subscriber eligibility determination and certification for Lifeline service, and should thus be deleted as unnecessary.

Paragraph (10)(b) contains a 60-day deadline for initial enrollment in the Lifeline program and requires an ETC to credit the subscriber's bill for Lifeline service as of the date the ETC received the e-mail notification from the Commission. This paragraph should be deleted because it conflicts with the subscriber eligibility determination and certification requirements of Rule 47 CFR § 54.410, which do not contain a deadline for initial enrollment. It also conflicts with Rule 47 CFR § 54.407(a), which states that "Universal service support for providing Lifeline shall be provided directly to an [ETC] based on the number of actual qualifying low-income customers it serves directly as of the first day of the month."

Paragraph (12) prohibits an ETC from imposing any additional verification requirements on a subscriber who is certified by the Office of Public Counsel (OPC) as being eligible to receive Lifeline service under the income test set forth in Section 364.10(2)(a), F.S. Section 364.10(2)(a), F.S., prescribes an income eligibility test of 150 percent or less of the federal poverty income guidelines for Lifeline customers. By Order FCC 16-38, the FCC continued to allow income-based eligibility for households with annual incomes of less than 135 percent of the federal poverty income guidelines. This paragraph should be deleted because it is inconsistent with the FCC's eligibility criteria.

Paragraph (15) requires the reinstatement of a subscriber's terminated Lifeline service no later than 60 days following receipt of proof of eligibility and requires that the subscriber's bill must

⁸ Id.

be credited for Lifeline service as of the date the ETC received the proof of continued Lifeline eligibility. That paragraph should be deleted because it conflicts with the subscriber eligibility determination and certification requirements of Rule 47 CFR § 54.410, which do not contain a deadline for reinstatement of a subscriber's terminated Lifeline service. It also conflicts with Rule 47 CFR § 54.407(a), which states that "Universal service support for providing Lifeline shall be provided directly to an [ETC] based on the number of actual qualifying low-income customers it serves directly as of the first day of the month."

Other Recommended Changes

The recommended changes to Paragraphs (14), (17), and (18) (newly numbered as Paragraphs (9), (11), and (12)) contained on Attachment A are self-explanatory. Staff recommends that Paragraph (19) be deleted as unnecessary because it is duplicative of Section 364.10(1)(d), F.S., which requires that an ETC may not charge Lifeline subscribers a monthly number-portability charge. Finally, staff recommends the deletion of Paragraph (20), which contains quarterly reporting requirements to the Commission. The quarterly reporting requirements are no longer necessary because, as reflected in newly numbered Paragraph (11), Rule 47 CFR § 54.422(c) requires ETCs to file detailed annual reports with the FCC, the program administrator, and with the relevant state commissions.

Moreover, the FCC has developed new national Lifeline application and recertification forms, as well as a worksheet to be used to determine whether a customer is eligible for Lifeline service in instances where the customer shares an address with another Lifeline recipient. Customers who are Medicaid or Supplemental Nutrition Assistance Program (SNAP) participants may also enroll in the Lifeline program in Florida by submitting the Commission's on-line application form. These forms are referenced in newly numbered Paragraphs (2), (3), and (4) of the draft Lifeline rule and are attached to this recommendation as Attachment C.

Repeal of Rule 25-4.113, F.A.C., Refusal or Discontinuance of Service by Company

Rule 25-4.113, F.A.C., Refusal or Discontinuance of Service by Company, outlines the conditions under which a local exchange telecommunications company may discontinue or refuse to provide telephone service. Staff recommends that consistent with the 2011 changes made to Chapter 364, F.S., the Commission should propose to repeal Rule 25-4.113, F.A.C. The Regulatory Reform Act of 2011 amended Chapter 364, F.S., to remove Commission regulatory oversight of basic local telecommunications service and nonbasic service, including service quality and price regulation. Section 364.01(3), F.S., provides that "[t]he Legislature finds that the competitive provision of telecommunications services, including local exchange telecommunications service, is in the public interest and has provided customers with freedom of choice, encouraged the introduction of new telecommunications service, encouraged technological innovation, and encouraged investment in telecommunications infrastructure." Sections 364.011(5) and 364.011(6), F.S., exempt basic and nonbasic service from Commission oversight, respectively, except to the extent delineated in Chapter 364, F.S. Rule 25-4.113, F.A.C., has thus been rendered obsolete.

Staff notes that this rulemaking docket was initiated to address Rules 25-4.113 and 25-4.0665, F.A.C., at the same time because Rule 25-4.113 specifically addresses Lifeline. Rule 25-

4.113(1)(f) provides that a company shall not “discontinue a customer’s Lifeline local service if the charges, taxes, and fees applicable to dial tone, local usage, dual tone multifrequency dialing, emergency services such as ‘911,’ and relay service are paid.” Staff considered whether this language should be included in the Lifeline rule upon the repeal of Rule 25-4.113, under the authority of Section 364.10(2)(c), F.S., which states that “[a]n eligible telecommunications carrier may not discontinue basic local telecommunications service to a subscriber who receives Lifeline service because of nonpayment by the subscriber of charges for nonbasic services billed by the telecommunications company, including long-distance service.” However, staff is not recommending the inclusion of this language in the Lifeline rule because it would be inconsistent with Order FCC 16-38 and the federal Lifeline rules, which do not prohibit an ETC from discontinuing a customer’s Lifeline service for any of the reasons stated in Rule 25-4.113, F.A.C. Pursuant to Rule 47 CFR §54.405, de-enrollment from Lifeline service occurs when a subscriber no longer meets the criteria for eligibility for the service, for non-usage of the service for 30 consecutive days, for failure to re-certify for the service, or upon request by the subscriber.

Statement of Estimated Regulatory Costs

Pursuant to Section 120.54(3)(b)1., F.S., agencies are encouraged to prepare a statement of estimated regulatory costs (SERC) before the adoption, amendment, or repeal of any rule. A SERC was prepared for this rulemaking and is appended as Attachment B. As required by Section 120.541(2)(a), F.S., the SERC analysis includes whether the amendment of Rule 25-4.0665 and repeal of Rule 25-4.113, F.A.C. (rule amendment and repeal), are likely to have an adverse impact on economic growth, private sector job creation or employment, or private sector investment in excess of \$1 million in the aggregate within five years after implementation. None of the impact cost/criteria established will be exceeded as a result of the recommended revisions.

The SERC concludes that the rule amendment and repeal will likely not directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate in Florida within one year after implementation. The SERC concludes that the rule amendment and repeal will not likely increase regulatory costs, will have minimal transactional costs, and minimal impact on small businesses. Moreover, the rule amendment and repeal will not have an adverse impact on business competitiveness, productivity, or innovation in excess of \$1 million in the aggregate within five years of implementation. Thus, the rule amendment and repeal do not require legislative ratification pursuant to Section 120.541(3), F.S. In addition, the SERC states that if any of the ETCs are small businesses, any impact from the rule amendment and repeal would be minimal. The SERC also states that the rule amendment and repeal would have no implementation or enforcement cost on the Commission or any other state and local government entity and would have no impact on small cities or small counties.

Minor Violation Rules Certification

Pursuant to Section 120.695, F.S., beginning July 1, 2017, for each rule filed for adoption, the Commission is required to certify whether any part of the rule is designated as a rule the violation of which would be a minor violation. A list of the Commission rules designated as minor violation rules is published on the Commission’s website, as required by Section 120.695(2), F.S. Currently, Rules 25-4.0665 and 25-4.113, F.A.C., are on the Commission’s list of rules designated as minor violations. If the Commission proposes the repeal of Rule 25-4.113,

F.A.C., once the repeal becomes effective, the rule should be deleted from the Commission's published list of minor violation rules.

If the Commission proposes the amendment of Rule 25-4.0665, F.A.C., the rule would continue to be considered a minor violation rule. Therefore, for purposes of filing the amended rule for adoption with the Department of State, staff recommends that the Commission certify proposed amended Rule 25-4.0665, F.A.C., as a minor violation rule.

Conclusion

For the above reasons, staff recommends that the Commission propose the amendment of Rule 25-4.0665 and the repeal of Rule 25-4.113, F.A.C., as set forth in Attachment A. Moreover, the Commission should certify proposed amended Rule 25-4.0665, F.A.C., as a minor violation rule.

Issue 2: Should this docket be closed?

Recommendation: Yes, if no requests for hearing or comments are filed, the rule amendment and repeal as proposed should be filed for adoption with the Secretary of State and the docket should be closed. (Gervasi)

Staff Analysis: Unless comments or requests for hearing are filed, the rules as proposed may be filed with the Secretary of State without further Commission action. The docket may then be closed.

1 **25-4.0665 Lifeline Assistance Service.**

2 (1) Eligible Telecommunications Companies must offer Lifeline Assistance as prescribed
3 by the Federal Communications Commission in Title 47, Code of Federal Regulations, Part
4 54, Subpart E, Universal Service Support for Low-Income Consumers, Sections 54.400
5 through 54.417, as amended October 1, 2017, which are hereby incorporated into this rule by
6 reference, and which are available at [hyperlink]. A subscriber is eligible for Lifeline service
7 if:

8 ~~(a) The subscriber is a participant in one of the following federal assistance programs:~~

9 ~~1. Medicaid;~~

10 ~~2. Food Stamps;~~

11 ~~3. Supplemental Security Income (SSI);~~

12 ~~4. Temporary Assistance for Needy Families/Temporary Cash Assistance;~~

13 ~~5. “Section 8” Federal Public Housing Assistance;~~

14 ~~6. Low Income Home Energy Assistance Program; or~~

15 ~~7. The National School Lunch Program—Free Lunch; or~~

16 ~~(b) The subscriber’s eligible telecommunications carrier has more than one million access~~
17 ~~lines and the subscriber’s household income is at or below 150 percent of the federal poverty~~
18 ~~income guidelines.~~

19 ~~(2) A subscriber living on federally recognized Tribal lands who does not satisfy the~~
20 ~~eligibility requirements for Lifeline service in subsection (1) of this rule is nevertheless~~
21 ~~eligible for Lifeline service if the subscriber receives benefits from one of the following~~
22 ~~Bureau of Indian Affairs programs:~~

23 ~~(a) Tribal temporary assistance for needy families (TANF);~~

24 ~~(b) NSL Program—Free Lunch; or~~

25 ~~(c) Head Start.~~

CODING: Words underlined are additions; words in ~~struck through~~ type are deletions from existing law.

1 ~~(3) Eligible telecommunications carriers with less than one million access lines are not~~
2 ~~required to enroll Lifeline applicants through the income eligibility test of 150 percent or less~~
3 ~~of the federal poverty income guidelines, but may do so voluntarily.~~

4 ~~(4) Eligible telecommunications carriers that charge an initial connection charge must~~
5 ~~offer Link Up service to subscribers who are eligible for Lifeline service pursuant to this rule.~~

6 ~~(2)(5)~~ When enrolling customers in the Lifeline service program ~~under paragraph (1)(a) of~~
7 ~~this rule~~, eligible telecommunications carriers shall accept FCC Form 5629, OMB
8 APPROVAL EDITION 3060-0819, PSC/TEL 157 (6/10), entitled “Lifeline Program
9 Application Form,” “Application for Link Up Florida and Lifeline Assistance,” which is
10 incorporated into this rule by reference and which is available at [hyperlink] or can be
11 accessed from the Universal Service Administrative Company’s Commission’s website at
12 https://www.usac.org/res/documents/li/pdf/nv/LI_Application_UniversalForm.pdf.
13 www.floridapsc.com, by selecting “Link Up Florida and Lifeline Assistance,” then selecting
14 “Need Discounted Phone Service?,” and then selecting “English Link Up and Lifeline
15 Certification Form” (also available in Spanish and Creole). The Spanish version of this form
16 is also incorporated into this rule by reference and is available at [hyperlink] or from the
17 Universal Service Administrative Company’s website at
18 https://www.usac.org/res/documents/li/pdf/nv/LI-SP_Application_UniversalForms.pdf.
19 Eligible telecommunications carriers shall also accept Form PSC 1023 (08/18), entitled
20 “Lifeline Florida On-line Application for Recipients of Medicaid or Supplemental Nutrition
21 Assistance Program (SNAP),” which is incorporated into this rule by reference and which is
22 available at [hyperlink] or from the Commission’s website at www.floridapsc.com, by
23 selecting “Lifeline Assistance,” then selecting “Public Service Commission Secure On-Line
24 Application Form.”

25 ~~(3)(6)~~ When recertifying customers in the Lifeline service program, eligible

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1 telecommunications carriers shall accept FCC Form 5630, OMB APPROVAL EDITION
2 3060-0819, entitled “Lifeline Program Annual Recertification Form,” which is incorporated
3 into this rule by reference and which is available at [hyperlink] or from the Universal Service
4 Administrative Company’s website at
5 https://www.usac.org/res/documents/li/pdf/nv/LI_Recertification_UniversalForms.pdf. The
6 Spanish version of this form is also incorporated into this rule by reference and is available at
7 [hyperlink] or from the Universal Service Administrative Company’s website at
8 https://www.usac.org/res/documents/li/pdf/nv/LI-SP_Recertification_UniversalForms.pdf.
9 ~~Eligible telecommunications carriers shall enroll customers for Lifeline service who~~
10 ~~electronically submit Form PSC/TEL 158 (6/10), entitled “Lifeline and Link-Up Florida On-~~
11 ~~line Self Certification Form,” which is incorporated into this rule by reference and can be~~
12 ~~accessed from the Commission’s website at www.floridapsc.com, by selecting “Link-Up~~
13 ~~Florida and Lifeline,” then selecting “Apply On-line.”~~
14 ~~(7) For Lifeline applicants who do not use On-line enrollment or simplified certification~~
15 ~~enrollment, the eligible telecommunications carrier must accept Public Assistance eligibility~~
16 ~~determination letters, including those provided for food stamps, Medicaid, and public housing~~
17 ~~lease agreements, as proof of eligibility for Link-Up and Lifeline enrollment.~~
18 (4) To obtain information necessary to confirm whether a customer is eligible for Lifeline
19 service in instances where the customer shares an address with another Lifeline recipient,
20 eligible telecommunications carriers shall accept FCC Form 5631, OMB APPROVAL
21 EDITION 3060-0819, entitled “Lifeline Program Household Worksheet,” which is
22 incorporated into this rule by reference and which is available at [hyperlink] or from the
23 Universal Service Administrative Company’s website at
24 https://www.usac.org/res/documents/li/pdf/nv/LI_Worksheet_UniversalForms.pdf. The
25 Spanish version of this form is also incorporated into this rule by reference and is available at

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1 [hyperlink] or from the Universal Service Administrative Company's website at

2 https://www.usac.org/res/documents/li/pdf/nv/LI-SP Worksheet UniversalForms.pdf.

3 ~~(5)(8)~~ Eligible telecommunications carriers must allow customers the option to submit
4 Link Up or Lifeline application and recertification forms applications via U.S. Mail or
5 facsimile, and may allow applications to be submitted electronically. Eligible
6 telecommunications carriers must also allow customers the option to submit copies of
7 supporting documents via U.S. Mail or facsimile.

8 ~~(9) Eligible telecommunications carriers shall only require a customer to provide the last~~
9 ~~four digits of the customer's social security number for application for Lifeline and Link Up~~
10 ~~service and to verify continued eligibility for the programs as part of the annual verification~~
11 ~~process.~~

12 ~~(6)(40)~~ All eligible telecommunications carriers shall participate in the Lifeline service
13 Simplified Automatic Enrollment Process. For purposes of this rule, the Lifeline service
14 Simplified Automatic Enrollment Process is an electronic interface between the Department of
15 Children and Family Services, the Commission, and the eligible telecommunications carrier
16 that allows low-income individuals to automatically enroll in Lifeline following enrollment in
17 a qualifying public assistance program.

18 (a) The Commission shall send an e-mail to the eligible telecommunications carrier
19 informing the eligible telecommunications carrier that Lifeline service applications are
20 available for retrieval ~~for processing~~.

21 ~~(b) The eligible telecommunications carrier shall enroll the subscriber in the Lifeline~~
22 ~~service program as soon as practicable, but no later than 60 days from the receipt of the e-mail~~
23 ~~notification. Upon completion of initial enrollment, the eligible telecommunications carrier~~
24 ~~shall credit the subscriber's bill for Lifeline service as of the date the eligible~~
25 ~~telecommunications carrier received the e-mail notification from the Commission.~~

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1 ~~(b)(e)~~ The eligible telecommunications carrier shall maintain at least one a current e-mail
2 address with the Commission, which the Commission will use to inform the eligible
3 telecommunications carrier of the Commission's Lifeline secure website address and that new
4 Lifeline service applications are available for retrieval ~~for processing~~.

5 ~~(c)(d)~~ The eligible telecommunications carrier shall maintain with the Commission the
6 names, e-mail addresses and telephone numbers of at least one ~~primary and one secondary~~
7 company representative who will manage the user accounts on the Commission's Lifeline
8 secure website.

9 ~~(d)(e)~~ Within 20 calendar days of receiving the Commission's e-mail notification that the
10 Lifeline service application is available for retrieval, the eligible telecommunications carrier
11 shall provide a facsimile response to the Commission via the Commission's dedicated Lifeline
12 service facsimile telephone line at (850) 717-0108 ~~413-7142~~, or an electronic response via the
13 Commission's Lifeline secure website, identifying the customer name, address, telephone
14 number, and date of the application for:

- 15 1. Misdirected Lifeline service applications; or
- 16 2. Applications for customers currently receiving Lifeline service; ~~and~~
- 17 3. ~~Rejected applicants, which shall include the reason(s) why the applicants were rejected.~~

18 In lieu of a facsimile or electronic submission, the eligible telecommunications carrier may
19 file the information with the Office of Commission Clerk.

20 ~~(e)(f)~~ Pursuant to Section 364.107(1), F.S., information filed by the eligible
21 telecommunications carrier in accordance with paragraph ~~(6)(d)~~ ~~(9)(e)~~ of this rule is
22 confidential and exempt from Section 119.07(1), F.S. However, the eligible
23 telecommunications carrier may disclose such information consistent with the criteria in
24 Section 364.107(3)(a), F.S. For purposes of this rule, the information filed by the eligible
25 telecommunications carrier will be presumed necessary for disclosure to the Commission

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1 pursuant to the criteria in Section 364.107(3)(a)4., F.S.

2 ~~(7)(11)~~ An eligible telecommunications carrier shall not impose additional verification
3 requirements on subscribers beyond those which are required by this rule.

4 ~~(12) If the Office of Public Counsel certifies a subscriber eligible to receive Lifeline~~
5 ~~service under the income test set forth in Section 364.10(3)(a), F.S., an eligible~~
6 ~~telecommunications carrier shall not impose any additional verification requirements on the~~
7 ~~subscriber.~~

8 ~~(8)(13)~~ Within 20 calendar days of rejecting a Lifeline application, an An eligible
9 telecommunications carrier must provide written notice to the a customer ~~within 30 days of~~
10 ~~receipt of the application~~ providing the reason for rejecting the a ~~rejected~~ Lifeline application,
11 and providing contact information for the customer to get information regarding the
12 application denial. Rejected applications received by way of the Simplified Enrollment
13 Process under subsection (6) must also be reported to the Commission via the Commission's
14 dedicated Lifeline service facsimile telephone line at (850) 717-0108 or electronically via the
15 Commission's Lifeline secure website, with the reason why the application was rejected. In
16 lieu of a facsimile or electronic submission, the eligible telecommunications carrier may file
17 the information with the Office of Commission Clerk.

18 ~~(9)(14)~~ An eligible telecommunications carrier or its designee must provide ~~60 days~~
19 written notice prior to the termination of Lifeline service pursuant to Title 47, Code of Federal
20 Regulations, Part 54, Subpart E, Section 54.405 Carrier obligation to offer Lifeline, as
21 amended October 1, 2017. The notice of impending ~~pending~~ termination shall contain the
22 telephone number at which the subscriber can obtain information about the subscriber's
23 Lifeline service from the eligible telecommunications carrier. The notice shall also inform the
24 subscriber of the availability, pursuant to Section 364.105, F.S., of discounted residential basic
25 local telecommunications service.

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1 ~~(15) If a subscriber's Lifeline service is terminated and the subscriber subsequently~~
2 ~~presents proof of Lifeline eligibility, the eligible telecommunications carrier shall reinstate the~~
3 ~~subscriber's Lifeline service as soon as practicable, but no later than 60 days following receipt~~
4 ~~of proof of eligibility. Irrespective of the date on which the eligible telecommunications~~
5 ~~carrier reinstates the subscriber's Lifeline service, the subscriber's bill shall be credited for~~
6 ~~Lifeline service as of the date the eligible telecommunications carrier received the proof of~~
7 ~~continued Lifeline eligibility.~~

8 (10)(16) All eligible telecommunications carriers shall provide current Lifeline service
9 company information to the Universal Service Administrative Company at
10 www.lifelinesupport.org so that the information can be posted on the Universal Service
11 Administrative Company's consumer website.

12 (11)(17) Eligible telecommunications carriers must advertise the availability of Lifeline
13 service. Pursuant to Title 47, Code of Federal Regulations, Part 54, Subpart E, Section
14 54.405(b), all eligible telecommunications carriers are obligated to publicize the availability of
15 Lifeline service in a manner reasonably designed to reach those likely to qualify for the
16 service. Only posting the availability of Lifeline service on an eligible telecommunications
17 carrier's website is insufficient to meet this requirement. Advertising the availability of
18 Lifeline service can be achieved by using any of the following media: flyers, local newspaper
19 ads, local TV ads, mail, e-mail, web advertisements, bill inserts and other text-based methods
20 of advertisement or a combination of such media. Pursuant to Title 47 of the United States
21 Code, Section 214(e)(1)(B), as amended December 1, 1997, which is hereby incorporated into
22 this rule by reference, and which is available at [hyperlink], charges must also be included in
23 the Lifeline advertisement. The company may redirect consumers to a 1-800 customer service
24 number and website to see applicable charges and fees in lieu of listing all charges in an
25 advertisement. ~~to those who may be eligible for the service. At a minimum, if the eligible~~

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1 ~~telecommunications carrier publishes a directory, the eligible telecommunications carrier must~~
2 ~~include in the index of the directory a notice of the availability of Lifeline service. If the~~
3 ~~eligible telecommunications carrier generates customer bills, the eligible telecommunications~~
4 ~~carrier must also place an insert in the subscriber's bill or a message on the subscriber's bill at~~
5 ~~least once each calendar year advising subscribers of the availability of Lifeline service.~~

6 (12)(18) Eligible telecommunications carriers must file all reports with the Commission in
7 accordance with Title 47, Code of Federal Regulations, Part 54, Subpart E, Section 54.422(c),
8 Annual reporting for eligible telecommunications carriers that receive low-income support, as
9 amended October 1, 2017, which is hereby incorporated into this rule by reference, and which
10 is available at [hyperlink]. ~~may not charge a service deposit in order to initiate Lifeline service~~
11 ~~if the subscriber voluntarily elects toll blocking or toll control. If the subscriber elects not to~~
12 ~~place toll blocking or toll control on the line, an eligible telecommunications carrier may~~
13 ~~charge a service deposit.~~

14 ~~(19) Eligible telecommunications carriers may not charge Lifeline subscribers a monthly~~
15 ~~number portability charge.~~

16 ~~(20) Eligible telecommunications carriers offering Link Up and Lifeline service must~~
17 ~~submit quarterly reports to the Commission no later than 30 days following the ending of each~~
18 ~~quarter as follows: First Quarter (January 1 through March 31); Second Quarter (April 1~~
19 ~~through June 30); Third Quarter (July 1 through September 30); Fourth Quarter (October 1~~
20 ~~through December 31). The quarterly reports shall include the following data:~~

21 ~~(a) The number of Lifeline subscribers, excluding resold Lifeline subscribers, for each~~
22 ~~month during the quarter;~~

23 ~~(b) The number of subscribers who received Link Up for each month during the quarter;~~

24 ~~(c) The number of new Lifeline subscribers added each month during the quarter;~~

25 ~~(d) The number of transitional Lifeline subscribers who received discounted service for~~

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1 ~~each month during the quarter; and~~

2 ~~(e) The number of residential access lines with Lifeline service that were resold to other~~
3 ~~carriers each month during the quarter.~~

4 *Rulemaking Authority 120.80(13)(d), 350.127(2), 364.10(3)(j) FS. Law Implemented 364.10,*
5 *364.105, 364.183(1) FS. History—New 1-2-07, Amended 12-6-07, 6-23-10,_____.*

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1 **25-4.113 Refusal or Discontinuance of Service by Company.**

2 ~~(1) As applicable, the company may refuse or discontinue telephone service under the~~
3 ~~following conditions provided that, unless otherwise stated, the customer shall be given notice~~
4 ~~and allowed a reasonable time to comply with any rule or remedy any deficiency:~~

5 ~~(a) For non-compliance with or violation of any state or municipal law, ordinance, or~~
6 ~~regulation pertaining to telephone service.~~

7 ~~(b) For the use of telephone service for any other property or purpose than that described~~
8 ~~in the application.~~

9 ~~(c) For failure or refusal to provide the company with a deposit to insure payment of bills~~
10 ~~in accordance with the company's regulations.~~

11 ~~(d) For neglect or refusal to provide reasonable access to the company for the purpose of~~
12 ~~inspection and maintenance of equipment owned by the company.~~

13 ~~(e) For noncompliance with or violation of the Commission's regulations or the~~
14 ~~company's rules and regulations on file with the Commission, provided 5 working days'~~
15 ~~written notice is given before termination.~~

16 ~~(f) For nonpayment of bills for telephone service, including the telecommunications access~~
17 ~~system surcharge referred to in subsection 25-4.160(3), F.A.C., provided that suspension or~~
18 ~~termination of service shall not be made without 5 working days' written notice to the~~
19 ~~customer, except in extreme cases. The written notice shall be separate and apart from the~~
20 ~~regular monthly bill for service. A company shall not, however, refuse or discontinue service~~
21 ~~for nonpayment of a dishonored check service charge imposed by the company, nor~~
22 ~~discontinue a customer's Lifeline local service if the charges, taxes, and fees applicable to dial~~
23 ~~tone, local usage, dual tone multifrequency dialing, emergency services such as "911," and~~
24 ~~relay service are paid. No company shall discontinue service to any customer for the initial~~
25 ~~nonpayment of the current bill on a day the company's business office is closed or on a day~~

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1 ~~preceding a day the business office is closed.~~

2 ~~(g) For purposes of paragraphs (e) and (f), “working day” means any day on which the~~
3 ~~company’s business office is open and the U.S. Mail is delivered.~~

4 ~~(h) Without notice in the event of customer use of equipment in such manner as to~~
5 ~~adversely affect the company’s equipment or the company’s service to others.~~

6 ~~(i) Without notice in the event of hazardous conditions or tampering with the equipment~~
7 ~~furnished and owned by the company.~~

8 ~~(j) Without notice in the event of unauthorized or fraudulent use of service. Whenever~~
9 ~~service is discontinued for fraudulent use of service, the company may, before restoring~~
10 ~~service, require the customer to make, at his own expense, all changes in facilities or~~
11 ~~equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the~~
12 ~~loss in revenues resulting from such fraudulent use.~~

13 ~~(2) In case of refusal to establish service, or whenever service is discontinued, the~~
14 ~~company shall notify the applicant or customer in writing of the reason for such refusal or~~
15 ~~discontinuance.~~

16 ~~(3) Service shall be initiated or restored when the cause for refusal or discontinuance has~~
17 ~~been satisfactorily adjusted.~~

18 ~~(4) The following shall not constitute sufficient cause for refusal or discontinuance of~~
19 ~~service to an applicant or customer:~~

20 ~~(a) Delinquency in payment for service by a previous occupant of the premises, unless the~~
21 ~~current applicant or customer occupied the premises at the time the delinquency occurred and~~
22 ~~the previous customer continues to occupy the premises and such previous customer shall~~
23 ~~benefit from such new service.~~

24 ~~(b) Delinquency in payment for service by a present occupant who was delinquent at~~
25 ~~another address and subsequently joined the household of the customer in good standing.~~

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1 ~~(e) Delinquency in payment for separate telephone service of another customer in the same~~
2 ~~residence.~~

3 ~~(d) Failure to pay for business service at a different location and a different telephone~~
4 ~~number shall not constitute sufficient cause for refusal of residence service or vice versa.~~

5 ~~(e) Failure to pay for a service rendered by the company which is not regulated by the~~
6 ~~Commission.~~

7 ~~(f) Failure to pay the bill of another customer as guarantor thereof.~~

8 ~~(g) Failure to pay a dishonored check service charge imposed by the company.~~

9 ~~(5) When service has been discontinued for proper cause, the company may charge a~~
10 ~~reasonable fee to defray the cost of restoring service, provided such charge is set out in its~~
11 ~~approved tariff on file with the Commission.~~

12 *Rulemaking Authority 350.127, 427.704(8) FS. Law Implemented 427.704 FS. History—New*
13 *12-1-68, Amended 3-31-76, 10-25-84, 10-30-86, 1-1-91, 9-16-92, 1-7-93, 1-25-95, 7-5-00,*
14 *Repealed.*

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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: March 15, 2018

TO: Rosanne Gervasi, Senior Attorney, Office of the General Counsel

FROM: Elisabeth Draper, Economist Supervisor, Division of Economics

RE: Statement of Estimated Regulatory Costs (SERC) for Proposed Amendment to Rule 25-4.0665 and for proposed Repeal of Rule 25-4.113, Florida Administrative Code (F.A.C.)

Rule 25-4.0665, F.A.C., Lifeline Service (Lifeline rule), establishes the requirements eligible telecommunications carriers (ETCs) must follow when they offer Lifeline Service and Link-Up. The rule lists the eligibility criteria for applications, processes and procedures for accepting applications and submitting them to the Department of Children and Family Services, procedures for rejecting applications, timeframes for enrolling applicants, and reporting requirements. The rule is being amended to meet the requirements of new Lifeline rules adopted by the FCC and contained in the Code of Federal Regulations, §54.400 - §54.417, as amended October 1, 2016. The proposed amendment will eliminate Link-Up, eliminate Forms PSC/TEL 157 and 158, clarify ETCs' responsibilities regarding advertising the availability and charges or discounts of Lifeline service, and eliminate the Commission's quarterly reporting requirements.

Rule 25-4.113, F.A.C., Refusal or Discontinuance of Service by Company, outlines the conditions under which a local exchange telecommunications company may discontinue or refuse to provide telephone service. The rule specifically addresses discontinuing service to customers receiving Lifeline Service. Consistent with the 2011 changes made to Chapter 364, Florida Statutes (F.S.), Rule 25-4.113, F.A.C., would be repealed. The language from Rule 25-4.113, F.A.C., applicable to Lifeline subscribers is included in Chapter 364.10, F.S.

Without modification to its Lifeline rule, Florida's requirements will differ from the FCC's requirements. Under the FCC rule, state Lifeline programs can only differ from the FCC's requirements if the states pay for the variations themselves. Florida does not have a fund for Lifeline or program additions; therefore, ETCs must follow the new FCC rules. Any costs to the ETCs are as a result of the change in FCC rules. The majority of work associated with the changes to the FCC's rules has been completed. Most of the ETCs offer Lifeline in other states, so the impact to ETCs in Florida was shared with other states. The proposed amendment eliminates a Commission quarterly reporting requirement, which will save the ETCs money.

The attached SERC addresses the considerations required pursuant to Section 120.541, F.S. A workshop was scheduled for August 15, 2017, and then canceled at the request of an ETC. Subsequently, Commission staff made changes to the draft rule language provided for the August

15 workshop and requested comments; however, no comments were received. No regulatory alternatives were submitted pursuant to Section 120.541(1), F.S. None of the impact/cost criteria established in Section 120.541(2), F.S., will be exceeded as a result of the proposed revisions.

FLORIDA PUBLIC SERVICE COMMISSION
STATEMENT OF ESTIMATED REGULATORY COSTS
Rules 25-4.0665 and 25-4.113, 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:

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.

19 Eligible Telecommunications Carriers (ETCs)

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

Local Exchange Telephone Companies, Alternative Local Exchange Telephone Companies, and ETCs

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. Transactional costs only apply to ETCs. The majority of the work associated with the changes has been completed. Most ETCs offer discounts in multiple states so any impact in Florida was shared with other states. In addition, the proposed amendment eliminates an FPSC reporting 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, 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. If any of the ETCs are small

businesses, the impact would be minimal. The majority of the work associated with the changes has been completed. Most ETCs offer discounts in multiple states so any impact in Florida was shared with other states. In addition, the proposed amendment eliminates an FPSC reporting requirement.

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.

FCC FORM 5629

OMB APPROVAL EDITION 3060-0819

Lifeline Program Application Form



1. About Lifeline

Lifeline is a federal benefit that lowers the monthly cost of phone or internet service.

Rules

If you qualify, your household can get Lifeline for phone or internet service, but not both.

- If you get Lifeline for phone service, you can get the benefit for one mobile phone or one home phone, but not both.
- If you get Lifeline for internet service, you can get the benefit for your mobile phone or your home connection, but not both.
- If you get Lifeline for bundled phone and internet service, you can get the benefit for your mobile phone bundled service or your home bundled service, but not both.

Your household cannot get Lifeline from more than one phone or internet company.

You are only allowed to get one Lifeline benefit per household, **not per person**. If more than one person in your household gets Lifeline, you are breaking the FCC's rules and will lose your benefit.

What is a household?

A household is a group of people who live together and share income and expenses (even if they are not related to each other).

Do not give your benefit to another person

Lifeline is non-transferable. You cannot give your Lifeline benefit to another person, even if they qualify.

Be honest on this form

You must give accurate and true information on this form and on all Lifeline-related forms or questionnaires. If you give false or fraudulent information, you will lose your Lifeline benefit (i.e., de-enrollment or being barred from the program) and the United States government can take legal actions against you. This may include (but is not limited to) fines or imprisonment.

You may need to show other documents

You will need to show your phone or internet company an official document from one of the government qualifying programs or prove your annual income. Please provide copies of your official documents with this application. Include the documents in option 1 or option 2 below:

1. If you qualify through a government program: copies of your state ID card and an official document from the program you are qualifying through (your SNAP card, Medicaid card, Supplemental Security Income (SSI) benefit letter, Federal Public Housing Assistance (FPHA) award letter, or other accepted documents).
2. If you qualify through your income: copies of your state ID card and your last state, federal, or Tribal tax return, pay stubs for 3 consecutive months, or other accepted documents. Visit lifelinesupport.org to see the full list of accepted documents.

Visit lifelinesupport.org to see the full list of accepted documents.

<h3>Apply</h3> <p>To apply for a Lifeline benefit, fill out the required sections of this form, initial every agreement statement, and sign on page 6.</p>	<p>To apply, bring or mail this form to your phone or internet company.</p>
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FCC FORM 5629

OMB APPROVAL EDITION 3060-0819

Lifeline Program Application Form



2. Your Information

All fields are required unless indicated. Use only CAPITALIZED LETTERS and black ink to fill out this form.

What is your full legal name?
The name you use on official documents, like your Social Security Card or State ID. Not a nickname.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

First

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Middle (optional) Suffix (optional)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Last

What is your phone number (if you have one)?

--	--	--	--	--	--	--	--	--

What is your date of birth?

--	--	--	--	--	--

Month Day Year

What is your email address (if you have one)?

What are the last 4 numbers of your Social Security Number (SSN)?

--	--	--	--

If you do not have a SSN, what is your Tribal Identification Number?

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

What is the best way to reach you?

email phone text message mail

FCC FORM 5629

OMB APPROVAL EDITION 3060-0819

Lifeline Program Application Form



2. Your Information (continued)

*Tribal lands include any federally recognized Indian tribes reservation, pueblo, or colony, including former reservations in Oklahoma; Alaska Native regions established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688); Indian allotments; Hawaiian Home Lands—areas held in trust for Native Hawaiians by the state of Hawaii, pursuant to the Hawaiian Homes Commission Act, 1920 July 9, 1921, 42 Stat. 108, et. seq., as amended; and any land designated as such by the Commission for purposes of this subpart pursuant to the designation process in the FCC's Lifeline rules.

What is your home address? (The address where you will get service. Do not use a P.O. Box)

Street Number and Name																								
Apt., Unit, etc.					City																			
State		Zip Code																						

Is this a temporary address? Yes No **Check if you live on Tribal Lands***

What is your mailing address? (Only fill this out if it is not the same as your home address.)

Street Number and Name																								
Apt., Unit, etc.					City																			
State		Zip Code																						

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OMB APPROVAL EDITION 3060-0819

Lifeline Program Application Form



2. Your Information (continued)

Only fill this section
out if you are applying
through a child or
dependent.

Check if you are qualifying through a child or dependent in your household.
If so, answer the following questions:

What is their full legal name?

First

Middle (optional) Suffix (optional)

Last

What is their date of birth?

Month Day Year

What are the last 4 numbers of their Social Security Number (SSN)?

If they do not have a SSN, what is their Tribal Identification Number?

FCC FORM 5629

OMB APPROVAL EDITION 3060-0819

Lifeline Program Application Form



3. Qualify for Lifeline

Fill out this section to show that you, your dependent, or someone in your household qualifies for Lifeline.

You can qualify through some government assistance programs or through your income (you do not need to qualify through both).

Qualify through a government program:

Check all programs that you or someone in your household have:

- Supplemental Nutrition Assistance Program (SNAP) (Food Stamps)
- Supplemental Security Income (SSI)
- Medicaid
- Federal Public Housing Assistance (FPHA)
- Veterans Pension or Survivors Benefit Programs

Tribal Specific Programs

- Bureau of Indian Affairs (BIA) General Assistance
- Tribal Temporary Assistance for Needy Families (Tribal TANF)
- Food Distribution Program on Indian Reservations (FDPIR)
- Tribal Head Start (only households that meet the income qualifying standard)

Or

Qualify through your income:

(Only fill this out if you do not qualify through a government program.)

Including you, how many people live in your household? (check one)	Is your income the same or less than the amount listed for your state and household size? (only check yes or no next to your household size)				
	All 48 States & DC (not Alaska and Hawaii)	Alaska	Hawaii	Yes	No
<input type="checkbox"/> 1	\$16,389	\$20,493	\$18,846	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> 2	\$22,221	\$27,783	\$25,555.50	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> 3	\$28,053	\$35,073	\$32,265	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> 4	\$33,885	\$42,363	\$38,974.50	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> 5	\$39,717	\$49,653	\$45,684	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> 6	\$45,549	\$56,943	\$52,393.50	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> 7	\$51,381	\$64,233	\$59,103	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> 8	\$57,213	\$71,523	\$65,812.50	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> If more than 8, add this amount for each extra person:	Add \$5,832	Add \$7,290	Add \$6,709.50	<input type="checkbox"/>	<input type="checkbox"/>

135% of the 2018 Federal Poverty Guidelines
*The Federal Poverty Guidelines are typically updated at the end of January.

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OMB APPROVAL EDITION 3060-0819

Lifeline Program Application Form



4. Agreement

I agree, under penalty of perjury, to the following statements:

You must initial next to each statement.

Initial I (or my dependent or other person in my household) currently get benefits from the government program(s) listed on this form or my annual household income is 135% or less than the Federal Poverty Guidelines (the amount listed in the Federal Poverty Guidelines table on this form).

Initial I agree that if I move I will give my service provider my new address within 30 days.

Initial I understand that I have to tell my service provider within 30 days if I do not qualify for Lifeline anymore, including:

- 1) I, or the person in my household that qualifies, do not qualify through a government program or income anymore.
- 2) Either I or someone in my household gets more than one Lifeline benefit (including, more than one Lifeline broadband internet service, more than one Lifeline telephone service, or both Lifeline telephone and Lifeline broadband internet services).

Initial I know that my household can only get one Lifeline benefit and, to the best of my knowledge, my household is not getting more than one Lifeline benefit.

Initial I agree that my service provider can give the Lifeline Program administrator all of the information I am giving on this form. I understand that this information is meant to help run the Lifeline Program and that if I do not let them give it to the Administrator, I will not be able to get Lifeline benefits.

Initial All the answers and agreements that I provided on this form are true and correct to the best of my knowledge.

Initial I know that willingly giving false or fraudulent information to get Lifeline Program benefits is punishable by law and can result in fines, jail time, de-enrollment, or being barred from the program.

Initial My service provider may have to check whether I still qualify at any time. If I need to recertify (renew) my Lifeline benefit, I understand that I have to respond by the deadline or I will be removed from the Lifeline Program and my Lifeline benefit will stop.

Initial I was truthful about whether or not I am a resident of Tribal lands, as defined in section 2 of this form.

I consent to let USAC contact me at my Lifeline phone number for important reminders and updates to my Lifeline service. Message and data rates may apply. Text STOP to end messages.

Signature	Today's Date
<input type="text"/>	<input type="text"/>

FCC FORM 5629

OMB APPROVAL EDITION 3060-0819

Lifeline Program Application Form



5. Agent Information

*Answer only if a sales
person submits this form.*

What is the agent's full legal name? The name you use on official documents, like your Social Security Card or State ID. Not a nickname.	
<input type="text"/>	
First	
<input type="text"/>	<input type="text"/>
Middle (optional)	Suffix (optional)
<input type="text"/>	
Last	
What is the agent's ID number?	What is the agent's date of birth?
<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
	Month Day Year

FCC FORM 5629

OMB APPROVAL EDITION 3060-0819

Lifeline Program Application Form



Notice

PAPERWORK REDUCTION ACT NOTICE: Section 54.410 of the Federal Communications Commission's rules requires all Lifeline subscribers to demonstrate their eligibility to receive Lifeline services. This collection of information stems from the Commission's authority under Section 254 of the Communications Act of 1934, as amended, 47 U.S.C. §254. Using this authority, the FCC has designated USAC as the permanent Lifeline Administrator. The FCC has published rules detailing how consumers can qualify for Lifeline services and what Lifeline services they may receive (47 CFR §54.400 et seq.). The data provided in response to this information collection will be used by USAC to verify the applicant's eligibility for Lifeline services.

We have estimated that each response to this collection of information will take, on average, between 0.25 and 0.75 hours. Our estimate includes the time to read the questions, look through existing records, gather the required data, and actually complete and review the form or response. If you have any comments on this estimate, or how we can improve the collection and reduce the burden it causes you, please write to the Federal Communications Commission, OMB-PERM, Paperwork Reduction Project (3060-0819), Washington, D.C. 20554. We also will accept your comments via the Internet if you send them to PRA@fcc.gov. Please DO NOT SEND COMPLETED DATA COLLECTION FORMS TO THIS ADDRESS.

Remember – You are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor this collection, unless it displays a currently valid Office of Management and Budget (OMB) control number. This collection has been assigned an OMB control number of 3060-0819.

The Commission is authorized under the Communications Act of 1934, as amended, to collect the information we request on this form. If we believe there may be a violation or potential violation of a statute or a Commission regulation, rule, or order, your response may be referred to the Federal, state, or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation, or order.

If you do not provide the information we request on this form, you will not be eligible to receive Lifeline services under the Lifeline Program rules, 47 C.F.R. §§ 54.400-54.423.

The foregoing Notice is required by the Paperwork Reduction Act of 1995, P.L. No. 104-13, 44 U.S.C. § 3501, et seq.

PRIVACY ACT STATEMENT: The Privacy Act is a law that requires the Federal Communications Commission (FCC) and the Universal Service Administrative Company (USAC) to explain why we are asking individuals for personal information and what we are going to do with this information after we collect it.

Authority: Section 254 of the Communications Act (47 U.S.C. § 254), as amended, 47 U.S.C. § 254, authorizes the FCC to operate the Lifeline program. Using this authority, the FCC has designated USAC as the permanent Lifeline Administrator. The FCC has published rules detailing how consumers can qualify for Lifeline services and what Lifeline services they may receive (47 CFR §54.400 et seq.).

Purpose: We are collecting this personal information so we can verify that you qualify for the Lifeline program and so we can efficiently provide Lifeline services to you. We access, maintain and use your personal information in the manner described in the Lifeline System of Records Notice (SORN), FCC/WCB-1, which we have published in 82 Fed. Reg. 38686 (Aug. 15, 2017).

Routine Uses: We may share the personal information you enter into this form with other parties for specific purposes, such as: with contractors that help us operate the Lifeline program; with other federal and state government agencies that help us determine your Lifeline eligibility; with the telecommunications companies that provide you Lifeline service; and with law enforcement and other officials investigating potential violations of Lifeline rules.

A complete listing of the ways we may use your information is published in the Lifeline SORN described in the "Purpose" paragraph of this statement.

Disclosure: You are not required to provide the information we are requesting, but if you do not, you will not be eligible to receive Lifeline services under the Lifeline Program rules, 47 C.F.R. §§ 54.400-54.423.



Lifeline Florida On-line Application for Recipients of Medicaid or Supplemental Nutrition Assistance Program (SNAP)

ABOUT SSL CERTIFICATES

Section 364.107(1), Florida Statutes provides that personal identifying information concerning a participant in a telecommunications carrier's Lifeline Assistance Plan held by the Public Service Commission is confidential.

Lifeline is a federal benefit. Willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program. Only one Lifeline service is available per household. A household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and expenses. For example, apartments in an apartment building are usually unique households. Individuals living in a nursing home can be considered unique households. Answer the questions below to determine if there is more than one household living at your address.

Does another adult (age 18 or older or emancipated minor) live with you <u>AND</u> have a Lifeline-discounted service or a "free" wireless Lifeline service? For example, husband, wife, domestic partner, parent, son, daughter, another relative (such as a sibling, aunt, cousin, grandparent, grandchild, etc.), a roommate, or another person.	<input type="radio"/> Yes <input type="radio"/> No
Do you share expenses for bills, food, or other living expenses <u>AND</u> share income (salary, public assistance benefits, social security payments or other income) with the person in question #1 that has a Lifeline-discounted services?	<input type="radio"/> Yes <input type="radio"/> No

A household is not permitted to receive Lifeline benefits from multiple providers. This includes both wireline and wireless providers. Violation of the one-per-household limitation constitutes a violation of the Lifeline rules and will result in the subscriber's de-enrollment from the program and potentially prosecution by the US government. Lifeline is a non-transferable benefit and the subscriber may not transfer his or her benefit to any other person.

Contact Information

*First Name	<input type="text"/>	*Last Name	<input type="text"/>
*Service Address Line 1	<input type="text"/>	*Service Address Line 2	<input type="text"/>
*City	<input type="text"/>	*State	FL <input type="text"/>
*Zipcode	<input type="text"/>	The residential address listed on this application is:	<input type="radio"/> Permanent <input type="radio"/> Temporary
*Telephone (###-###-####)	<input type="text"/>	* Date of Birth (mm/dd/yyyy)	<input type="text"/>
* Last 4 digits of Social Security Number	<input type="text"/> (The last four digits of your Social Security Number are required to complete this application. If you do not wish to provide this information here, please apply for Lifeline directly through your Service Provider.)	Service Provider	Please select an option <input type="text"/>
I hereby certify that I participate in the following public assistance program(s):		<input type="checkbox"/> Checked if Different Billing	
<input type="checkbox"/> Medicaid			
<input type="checkbox"/> SNAP			

I certify, that:

I will notify my Lifeline provider within 30 days if I no longer participate in a qualifying DCF assistance program, if I receive more than one Lifeline benefit, or if another member of my household is receiving a Lifeline benefit;

If I move to a new address, I will provide that new address to my Lifeline provider within 30 days;

My household will receive only one Lifeline service and, to the best of my knowledge, my household is not already receiving a Lifeline service;

The information contained in this application is true and correct to the best of my knowledge;

I acknowledge that providing false or fraudulent information to receive Lifeline benefits is punishable by law; and,

I acknowledge that I may be required by my Lifeline provider to recertify my continued eligibility for Lifeline at any time, and my failure to recertify as to my continued eligibility will result in disenrollment and the termination of my Lifeline benefits.

I understand that my name, telephone number, and address may be provided to the Universal Service Administrative Company (USAC) (the administrator of the program) and/or its agents for the purpose of verifying that my household does not receive more than one Lifeline benefit and for proper administration of the program.

I agree to allow exchange of any necessary information between the local telephone company, the appropriate federal or state agency, or fund administrator, to verify my eligibility to participate in the Lifeline discount program. I give this permission on the condition that the information in this form and any information about my participation in the above public assistance programs provided by officials be maintained as confidential customer account information.

I agree to these terms and conditions:

Yes No

Date (mm/dd/yyyy)

SUBMIT

CLEAR

FCC FORM 5630

OMB APPROVAL EDITION 3060-0819

Lifeline Program Annual Recertification Form



1. About Lifeline

Lifeline is a federal benefit that lowers the monthly cost of phone or internet service.

Rules

If you qualify, your household can get Lifeline for phone or internet service, but not both.

- If you get Lifeline for phone service, you can get the benefit for one mobile phone or one home phone, but not both.
- If you get Lifeline for internet service, you can get the benefit for your mobile phone or your home connection, but not both.
- If you get Lifeline for bundled phone and internet service, you can get the benefit for your mobile phone bundled service or your home bundled service, but not both.

Your household cannot get Lifeline from more than one phone or internet company.

You are only allowed to get one Lifeline benefit per household, **not per person**. If more than one person in your household gets Lifeline, you are breaking the FCC's rules and will lose your benefit.

What is a household?

A household is a group of people who live together and share income and expenses (even if they are not related to each other).

Do not give your benefit to another person

Lifeline is non-transferable. You cannot give your Lifeline benefit to another person, even if they qualify.

Be honest on this form

You must give accurate and true information on this form and on all Lifeline-related forms or questionnaires. If you give false or fraudulent information, you will lose your Lifeline benefit (i.e., de-enrollment or being barred from the program) and the United States government can take legal actions against you. This may include (but is not limited to) fines or imprisonment.

Recertify

To recertify for a Lifeline benefit, fill out the required sections of this form, initial every agreement statement, and sign on page 5.

To recertify, bring or mail this form to your phone or internet company.

FCC FORM 5630

OMB APPROVAL EDITION 3060-0819

Lifeline Program Annual Recertification Form



2. Your Information

All fields are required unless indicated. Use only CAPITALIZED LETTERS and black ink to fill out this form.

What is your full legal name?
The name you use on official documents, like your Social Security Card or State ID. Not a nickname.

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Middle (optional) Suffix (optional)

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Last

What is your phone number (if you have one)? **What is your date of birth?**

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Month Day Year

What is your email address (if you have one)?

What are the last 4 numbers of your Social Security Number (SSN)?

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If you do not have a SSN, what is your Tribal Identification Number?

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What is the best way to reach you?

email phone text message mail

FCC FORM 5630

OMB APPROVAL EDITION 3060-0819

Lifeline Program Annual Recertification Form



2. Your Information (continued)

*Tribal lands include any federally recognized Indian tribes reservation, pueblo, or colony, including former reservations in Oklahoma; Alaska Native regions established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688); Indian allotments; Hawaiian Home Lands—areas held in trust for Native Hawaiians by the state of Hawaii, pursuant to the Hawaiian Homes Commission Act, 1920 July 9, 1921, 42 Stat. 108, et. seq., as amended; and any land designated as such by the Commission for purposes of this subpart pursuant to the designation process in the FCC's Lifeline rules.

What is your home address? (The address where you will get service. Do not use a P.O. Box)

Street Number and Name																								
Apt., Unit, etc.					City																			
State		Zip Code																						

Is this a temporary address? Yes No **Check if you live on Tribal Lands***

What is your mailing address? (Only fill this out if it is not the same as your home address.)

Street Number and Name																								
Apt., Unit, etc.					City																			
State		Zip Code																						

FCC FORM 5630

OMB APPROVAL EDITION 3060-0819

**Lifeline Program
Annual Recertification Form**



3. Qualify for Lifeline

Fill out this section to show that you, your dependent, or someone in your household qualifies for Lifeline.

You can qualify through some government assistance programs or through your income (you do not need to qualify through both).

Qualify through a government program:

Check all programs that you or someone in your household have:

- Supplemental Nutrition Assistance Program (SNAP) (Food Stamps)
- Supplemental Security Income (SSI)
- Medicaid
- Federal Public Housing Assistance (FPHA)
- Veterans Pension or Survivors Benefit Programs

Tribal Specific Programs

- Bureau of Indian Affairs (BIA) General Assistance
- Tribal Temporary Assistance for Needy Families (Tribal TANF)
- Food Distribution Program on Indian Reservations (FDPIR)
- Tribal Head Start (only households that meet the income qualifying standard)

Or

Qualify through your income:

(Only fill this out if you do not qualify through a government program.)

Including you, how many people live in your household? (check one)	Is your income the same or less than the amount listed for your state and household size? (only check yes or no next to your household size)			Yes	No
	All 48 States & DC (not Alaska and Hawaii)	Alaska	Hawaii		
<input type="checkbox"/> 1	\$16,389	\$20,493	\$18,846	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> 2	\$22,221	\$27,783	\$25,555.50	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> 3	\$28,053	\$35,073	\$32,265	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> 4	\$33,885	\$42,363	\$38,974.50	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> 5	\$39,717	\$49,653	\$45,684	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> 6	\$45,549	\$56,943	\$52,393.50	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> 7	\$51,381	\$64,233	\$59,103	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> 8	\$57,213	\$71,523	\$65,812.50	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> If more than 8, add this amount for each extra person:	Add \$5,832	Add \$7,290	Add \$6,709.50	<input type="checkbox"/>	<input type="checkbox"/>

135% of the 2018 Federal Poverty Guidelines
*The Federal Poverty Guidelines are typically updated at the end of January.

FCC FORM 5630

OMB APPROVAL EDITION 3060-0819

Lifeline Program Annual Recertification Form



4. Agreement

I agree, under penalty of perjury, to the following statements:

You must initial next to each statement.

I (or my dependent or other person in my household) currently get benefits from the government program(s) listed on this form or my annual household income is 135% or less than the Federal Poverty Guidelines (the amount listed in the Federal Poverty Guidelines table on this form).
Initial

I agree that if I move I will give my service provider my new address within 30 days.
Initial

I understand that I have to tell my service provider within 30 days if I do not qualify for Lifeline anymore, including:
Initial

- 1) I, or the person in my household that qualifies, do not qualify through a government program or income anymore.
- 2) Either I or someone in my household gets more than one Lifeline benefit (including, more than one Lifeline broadband internet service, more than one Lifeline telephone service, or both Lifeline telephone and Lifeline broadband internet services).

I know that my household can only get one Lifeline benefit and, to the best of my knowledge, my household is not getting more than one Lifeline benefit.
Initial

I agree that my service provider can give the Lifeline Program administrator all of the information I am giving on this form. I understand that this information is meant to help run the Lifeline Program and that if I do not let them give it to the Administrator, I will not be able to get Lifeline benefits.
Initial

All the answers and agreements that I provided on this form are true and correct to the best of my knowledge.
Initial

I know that willingly giving false or fraudulent information to get Lifeline Program benefits is punishable by law and can result in fines, jail time, de-enrollment, or being barred from the program.
Initial

My service provider may have to check whether I still qualify at any time. If I need to recertify (renew) my Lifeline benefit, I understand that I have to respond by the deadline or I will be removed from the Lifeline Program and my Lifeline benefit will stop.
Initial

I was truthful about whether or not I am a resident of Tribal lands, as defined in section 2 of this form.
Initial

I consent to let USAC contact me at my Lifeline phone number for important reminders and updates to my Lifeline service. Message and data rates may apply. Text STOP to end messages.

Signature <input type="text"/>	Today's Date <input type="text"/>
--	---

FCC FORM 5630

OMB APPROVAL EDITION 3060-0819

Lifeline Program
Annual Recertification Form



5. Agent Information

*Answer only if a sales
person submits this form.*

What is the agent's full legal name?
The name you use on official documents, like your Social Security Card or State ID. Not a nickname.

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First

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Middle (optional)

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Suffix (optional)

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Last

What is the agent's ID number?

--	--	--	--	--	--	--	--	--	--

What is the agent's date of birth?

--	--	--	--	--	--

Month Day Year

FCC FORM 5630

OMB APPROVAL EDITION 3060-0819

Lifeline Program Annual Recertification Form



Notice

PAPERWORK REDUCTION ACT NOTICE: Section 54.410 of the Federal Communications Commission's rules requires all Lifeline subscribers to recertify their eligibility to receive Lifeline services annually. This collection of information stems from the Commission's authority under Section 254 of the Communications Act of 1934, as amended, 47 U.S.C. §254. Using this authority, the FCC has designated USAC as the permanent Lifeline Administrator. The FCC has published rules detailing how consumers can qualify for Lifeline services and what Lifeline services they may receive (47 CFR §54.400 et seq.). The data provided in response to this information collection will be used by USAC to verify the applicant's continued eligibility for Lifeline services.

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Remember – You are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor this collection, unless it displays a currently valid Office of Management and Budget (OMB) control number. This collection has been assigned an OMB control number of 3060-0819.

The Commission is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. We will use the information that you provide to determine your eligibility for Lifeline services. If we believe there may be a violation or potential violation of a statute or a Commission regulation, rule, or order, your form may be referred to the Federal, state, or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation, or order. In certain cases, the information in your form may be disclosed to the Department of Justice, court, or other adjudicative body when (a) the Commission; (b) any employee of the Commission; or (c) the United States government, is a party to a proceeding before the body or has an interest in the proceeding.

If you do not provide the information we request on this form, you will not be eligible to receive Lifeline services under the Lifeline Program rules, 47 C.F.R. §§ 54.400-54.423.

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Routine Uses: We may share the personal information you enter into this form with other parties for specific purposes, such as: with contractors that help us operate the Lifeline program; with other federal and state government agencies that help us determine your Lifeline eligibility; with the telecommunications companies that provide you Lifeline service; and with law enforcement and other officials investigating potential violations of Lifeline rules.

A complete listing of the ways we may use your information is published in the Lifeline SORN described in the "Purpose" paragraph of this statement.

Disclosure: You are not required to provide the information we are requesting, but if you do not, you will not be eligible to receive Lifeline services under the Lifeline Program rules, 47 C.F.R. §§ 54.400-54.423.

FCC FORM 5631

OMB APPROVAL EDITION 3060-0819

Lifeline Program Household Worksheet



About Lifeline

Lifeline is a benefit that lowers the monthly cost of phone or internet service (not both). You are only allowed to get one Lifeline benefit per household, not per person.

What this worksheet is for

Use this worksheet if someone else at your address gets Lifeline. The answers to these questions will help you find out if there is more than one household at your address.

What is a household?

A household is a group of people who live together and share income and expenses (even if they are not related to each other).

Examples of one household:

- A married couple who live together are one household. They must share one Lifeline benefit.
- A parent/guardian and child who live together are one household. They must share one Lifeline benefit.
- An adult who lives with friends or family who financially support him/her are one household. They must share one Lifeline benefit.

Examples of more than one household:

- 4 roommates who live together but do not share money are 4 households. They can have one Lifeline benefit each, 4 total.
- 30 seniors who live in an assisted-living home are 30 households. They can have one Lifeline benefit each, 30 total.

Household expenses

A household shares expenses. Household expenses include, but are not limited to, food, healthcare expenses, and the cost of renting or paying a mortgage on your place of residence and utilities.

Income

Households share income. Income includes salary, public assistance benefits, social security payments, pensions, unemployment compensation, veteran's benefits, inheritances, alimony, child support payments, worker's compensation benefits, gifts, and lottery winnings.

FCC FORM 5631

OMB APPROVAL EDITION 3060-0819

Lifeline Program
Household Worksheet



Your Information

All fields are required unless indicated. Use only CAPITALIZED LETTERS and black ink to fill out this form.

What is your full legal name?
The name you use on official documents, like your Social Security Card or State ID. Not a nickname.

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First

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Middle (optional) Suffix (optional)

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Last

What is your home address? (The address where you will get service. Do not use a P.O. Box)

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Street Number and Name

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Apt., Unit, etc. City

--	--	--	--	--	--	--

State Zip Code

FCC FORM 5631

OMB APPROVAL EDITION 3060-0819

Lifeline Program Household Worksheet



Can you apply?

Follow this decision tree to confirm if you qualify for the Lifeline Program.

1. Do you live with another adult?

Adults are people who are 18 years old or older, or who are emancipated minors. This can include a spouse, domestic partner, parent, adult son or daughter, adult in your family, adult roommate, etc.

Yes

if yes, answer question 2

No

2. Do they get Lifeline?

Yes

if yes, answer question 3

No

3. Do you share money (income and expenses) with them?

This can be the cost of bills, food, etc., and income. If you are married, you should check yes for this question.

Yes

No

You do not qualify for Lifeline because someone in your household already gets the benefit. You are only allowed to get one Lifeline discount per household, not per person.

Check this box

You can apply for Lifeline. You live in a household that does not get Lifeline yet. Please initial line **B** on page 4, and sign and date the worksheet.

Check this box

You can apply for Lifeline. You live at an address with more than one household and your household does not get Lifeline yet. Please initial lines **A** and **B** on page 4, and sign and date the worksheet.

Check this box

FCC FORM 5631

OMB APPROVAL EDITION 3060-0819

Lifeline Program Household Worksheet



Agreement

Please initial the agreement below and sign and date this worksheet. Submit this worksheet to your service provider with your Lifeline Program Application Form.

I consent to let USAC contact me at my Lifeline phone number for important reminders and updates to my Lifeline service. Message and data rates may apply. Text STOP to end messages.

A I live at an address with more than one household.

B I understand that the one-per-household limit is a Federal Communications Commission (FCC) rule and I will lose my Lifeline benefit if I break this rule.

Signature

Today's Date

Notice

NOTICE: Section 54.410 of the Federal Communications Commission's rules requires all Lifeline subscribers to demonstrate their eligibility to receive Lifeline services. If more than one person at the same address is applying for Lifeline service, all applicants must submit a Household Worksheet. This collection of information stems from the Commission's authority under Section 254 of the Communications Act of 1934, as amended, 47 U.S.C. §254. Using this authority, the FCC has designated USAC as the permanent Lifeline Administrator. The FCC has published rules detailing how consumers can qualify for Lifeline services and what Lifeline services they may receive (47 CFR §54.400 et seq.). The data provided in response to this information collection will be used by USAC to verify the applicant's eligibility for Lifeline services.

We have estimated that each response to this collection of information will take, on average, 0.25 hours. Our estimate includes the time to read and complete the form and review the form or response. If you have any comments on this estimate, or how we can improve the collection and reduce the burden it causes you, please write to the Federal Communications Commission, OMD-PER, Paperwork Reduction Project (3060-0819), Washington, D.C. 20554. We also will accept your comments via the Internet if you send them to PRA@fcc.gov. Please DO NOT SEND COMPLETED DATA COLLECTION FORMS TO THIS ADDRESS.

Remember – You are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor this collection, unless it displays a currently valid Office of Management and Budget (OMB) control number. This collection has been assigned an OMB control number of 3060-0819.

The Commission is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. We will use the information that you provide to determine your eligibility for Lifeline services. If we believe there may be a violation or potential violation of a statute or a Commission regulation, rule, or order, your form may be referred to the Federal, state, or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation, or order. In certain cases, the information in your form may be disclosed to the Department of Justice, court, or other adjudicative body when (a) the Commission; (b) any employee of the Commission; or (c) the United States government, is a party to a proceeding before the body or has an interest in the proceeding.

If you do not provide the information we request on this form, you will not be eligible to receive Lifeline services under the Lifeline Program rules, 47 C.F.R. §§ 54.400-54.423.

The foregoing Notice is required by the Paperwork Reduction Act of 1995, P.L. No. 104-13, 44 U.S.C. § 3501, et seq.

PRIVACY ACT STATEMENT: The Privacy Act is a law that requires the Federal Communications Commission (FCC) and the Universal Service Administrative Company (USAC) to explain why we are asking individuals for personal information and what we are going to do with this information after we collect it.

Authority: Section 254 of the Communications Act (47 U.S.C. § 254), as amended, 47 U.S.C. § 254, authorizes the FCC to operate the Lifeline program. Using this authority, the FCC has designated USAC as the permanent Lifeline Administrator. The FCC has published rules detailing how consumers can qualify for Lifeline services and what Lifeline services they may receive (47 CFR §54.400 et seq.).

Purpose: We are collecting this personal information so we can verify that you qualify for the Lifeline program and so we can efficiently provide Lifeline services to you. We access, maintain and use your personal information in the manner described in the Lifeline System of Records Notice (SORN), FCC/WCB-1, which we have published in 82 Fed. Reg. 38686 (Aug. 15, 2017).

Routine Uses: We may share the personal information you enter into this form with other parties for specific purposes, such as: with contractors that help us operate the Lifeline program; with other federal and state government agencies that help us determine your Lifeline eligibility; with the telecommunications companies that provide you Lifeline service; and with law enforcement and other officials investigating potential violations of Lifeline rules.

A complete listing of the ways we may use your information is published in the Lifeline SORN described in the "Purpose" paragraph of this statement.

Disclosure: You are not required to provide the information we are requesting, but if you do not, you will not be eligible to receive Lifeline services under the Lifeline Program rules, 47 C.F.R. §§ 54.400-54.423.

Item 3

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: August 17, 2018

TO: Office of Commission Clerk (Stauffer)

FROM: Office of the General Counsel (Gervasi) *RG/S.M.L.*
Division of Economics (Draper, Merryday) *ESD*
Division of Accounting and Finance (Mouring, Smith) *SM* *ALM*

RE: Docket No. 20180143-EI – Petition to initiate rulemaking to revise and amend portions of Rule 25-6.0426, F.A.C., by Florida Power & Light Company, Gulf Power Company, and Tampa Electric Company.

AGENDA: 08/29/18 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Fay

CRITICAL DATES: 09/06/18 (30-day statutory deadline waived to this date)

SPECIAL INSTRUCTIONS: None

Case Background

On July 30, 2018, Florida Power & Light Company (“FPL”), Gulf Power Company (“GPC”), and Tampa Electric Company (“TECO”) (collectively referred to herein as “Petitioners”) jointly filed a Petition to Initiate Rulemaking (“Petition”) to revise and amend portions of Rule 25-6.0426, Florida Administrative Code (“F.A.C.”), Recovery of Economic Development Expenses. The stated purpose of the Petition is for the Commission to initiate rulemaking to amend the rule to “increase the effective cap on recoverable economic development expenses on a phased basis through 2023, in order to provide a more appropriate and representative cap for larger utilities and to counter the effects of inflation since the cap was originally set.”

Pursuant to Section 120.54(7)(a), Florida Statutes (F.S.), any person regulated by an agency or having substantial interest in an agency rule may petition the agency to adopt, amend, or repeal a

Docket No. 20180143-EI

Date: August 17, 2018

rule. That section requires the Commission to either initiate rulemaking proceedings or deny the petition with a written statement of its reasons for the denial not later than 30 calendar days following the date of filing the petition. This recommendation addresses whether the Commission should grant the Petition in order to collect information and evaluate whether the Commission should propose to adopt the Petitioners' suggested rule amendments at a later date. It does not address the merits of the Petitioners' suggested rule amendments. The Commission has jurisdiction pursuant to Sections 120.54(7), 288.035, and 350.127(2), F.S.

Discussion of Issues

Issue 1: Should the Commission grant the Petition to Initiate Rulemaking to amend Rule 25-6.0426, F.A.C.?

Recommendation: Yes, the Commission should grant the Petition to Initiate Rulemaking to amend Rule 25-6.0426, F.A.C., in order to collect information and evaluate whether the Commission should propose to adopt the Petitioners' suggested rule amendments at a later date. (Gervasi, Merryday, Smith)

Staff Analysis: Pursuant to Section 288.035(1), F.S., the Commission "may authorize public utilities to recover reasonable economic development expenses." Section 288.035(2), F.S., limits such expenses to expenditures for: (a) operational assistance, including the participation in trade shows and prospecting missions with state and local entities; (b) assisting the state and local governments in the design of strategic plans for economic development activities; and (c) marketing and research services, including assisting local governments in marketing specific sites for business and industry development or recruitment, and assisting local governments in responding to inquiries from business and industry concerning the development of specific sites. Section 288.035(3), F.S., requires the Commission to "adopt rules for the recovery of economic development expenses by public utilities, including the sharing of expenses by shareholders."

Rule 25-6.0426(3), F.A.C., limits each utility's recoverable economic development expenses to the greater of: (a) the amount approved in each utility's last rate case escalated for customer growth; or (b) 95 percent of the expenses incurred for the reporting period not to exceed the lesser of 0.15 percent of gross annual revenues or \$3 million.

Petition to Initiate Rulemaking

The Petitioners state that although Rule 25-6.0426, F.A.C., is intended to promote economic development in Florida, it has come to be unduly restrictive in its current form. The \$3 million expense cap set forth in Rule 25-6.0426(3), F.A.C., has not changed since 1995 and, according to the Petitioners, for a large utility such as FPL "this expense cap has had the practical consequence of limiting FPL's recoverable economic development expenses to a flat \$3.0 million per year in each and every year since the Rule's inception over 20 years ago."

The Petitioners further state that due to the flat \$3 million cap contained in the rule, FPL's economic development expenses have been limited to approximately 0.00267 percent of gross annual revenues, as opposed to 0.15 percent. The Petitioners claim that this severely limits, and will increasingly limit, FPL's ability to promote economic development in the state. The rule currently limits the recoverability of TECO's economic expenses to approximately \$2.9 million; however, the Petitioners assert that as the company grows and revenues increase, the rule in its current form will prevent the limit from keeping pace with the company's growth. For GPC, the Petitioners state that the limitation of recoverable economic development expenses contained in the rule effectively imposes a cap of approximately \$2.3 million. According to the Petitioners, recognizing the effect of inflation, the impact of their recoverable economic development expenses has been steadily eroded since the establishment of the rule, and the buying power of the effective \$3 million expense cap has decreased by approximately 65 percent.

The Petitioners suggest that Rule 25-6.0426(3)(b), F.A.C., should be revised to change the annual cap to the greater of 0.15 percent of gross annual revenues, rather than the lesser of 0.15 percent of gross annual revenues, or \$3 million. For FPL, this would immediately increase the eligible recoverable economic development expense to approximately \$16 million per year and also would allow that cap to increase over time, to the extent that annual gross revenues increase to reflect the effects of inflation. For TECO and GPC, this change would increase eligible recoverable economic expense to \$3 million.

The Petitioners further suggest that the current limitation to 0.15 percent of gross annual revenues should gradually increase to 0.175 percent in 2020; to 0.2 percent in 2021; to 0.225 percent in 2022; and to 0.25 percent in 2023 and beyond. These changes would gradually increase the level of funding for promotion of economic development by 2023 to approximately \$26.7 million for FPL, \$4.9 million for TECO, and \$3.8 million for GPC. The Petitioners assert that the rule changes would likewise increase the funding available for economic development activities of all Florida electric investor-owned utilities. The Petitioners state that expenditures for the promotion of economic development have produced substantial benefits for the state that far exceed the level of investment in the form of job creation, which contributes new direct capital investment to the Florida economy. The Petitioners state that modification of the rule will encourage utilities to intensify efforts to promote new investment, which in turn will expand Florida's economic base and foster economic growth. A copy of the Petitioners' suggested amendments to Rule 25-6.0426, F.A.C., is appended to this recommendation as Attachment A.

According to the Petitioners, the suggested rule changes are not projected to have any adverse impacts to their general body of ratepayers. The Petitioners contend that customers will see no rate increase as a result of the suggested rule changes between rate cases and that the revenue increases from new and expanding businesses will allow for long-term fixed costs to be spread over a larger customer base, thereby benefiting existing customers. The Petitioners further contend that even in the unlikely event that increased promotion of economic development fails to result in additional electric revenues, increasing economic development costs to the requested levels would result only in very small and gradual rate increases by 2023. According to the Petitioners, a typical 1,000-kWh monthly residential bill would increase by \$0.24 for FPL, by \$0.14 for GPC, and by \$0.10 for TECO.

Statutory Authority and Conclusion

Pursuant to Section 120.54(7)(a), F.S., any person regulated by an agency or having a substantial interest in an agency rule may petition an agency to amend a rule. The petition is required to specify the proposed rule and action requested. The Petition to Initiate Rulemaking meets those requirements. Further, pursuant to Section 288.035, F.S., the Commission has the authority to implement the rule amendments suggested by the Petitioners, if it chooses to do so as a result of the rulemaking process. Therefore, staff recommends that the Commission grant the Petition.

Staff notes that a Commission decision to grant the Petition merely begins the rulemaking process. It does not mean that the Commission has proposed or adopted any rule amendment. If the Commission approves staff's recommendation, then a Notice of Rule Development will be issued and a staff rule development workshop will be held. This will allow all interested persons to participate and discuss the potential rule amendment. It will also give staff an opportunity to

collect information that is needed to evaluate the proposed changes. Staff will return at a later date with a recommendation for the Commission on whether to propose amendments to Rule 25-6.0426, F.A.C.

Issue 2: Should this docket be closed?

Recommendation: No. If the Commission approves staff's recommendation in Issue 1, this docket should remain open to proceed with the rulemaking process. (Gervasi)

Staff Analysis: If the Commission approves staff's recommendation in Issue 1 and initiates rulemaking on Rule 25-6.0426, F.A.C., this docket should remain open to proceed with the rulemaking process, which would include a staff rule development workshop.

1 **25-6.0426 Recovery of Economic Development Expenses.**

2 (1) Pursuant to Section 288.035, F.S., the Commission shall allow a public utility to
3 recover reasonable economic development expenses subject to the limitations contained in
4 subsections (3) and (4), provided that such expenses are prudently incurred and are consistent
5 with the criteria established in subsection (7).

6 (2) Definitions.

7 (a) “Economic Development” means those activities designed to improve the quality of
8 life for all Floridians by building an economy characterized by higher personal income, better
9 employment opportunities, and improved business access to domestic and international
10 markets.

11 (b) “Economic development organization” means a state, local, or regional public or
12 private entity within Florida that engages in economic development activities, such as city and
13 county economic development organizations, chambers of commerce, Enterprise Florida, the
14 Florida Economic Development Council, and World Trade Councils.

15 (c) “Trade show” means an exhibition at which companies, organizations, communities, or
16 states advertise or display their products or services, in which economic development
17 organizations attend or participate to identify potential industrial prospects, to provide
18 information about the locational advantages of Florida and its communities, or to promote the
19 goods and services of Florida companies.

20 (d) “Prospecting mission” means a series of meetings with potential industrial prospects at
21 their business locations with the objectives of convincing the prospect that Florida is a good
22 place to do business and offers unique opportunities for that particular business, and
23 encouraging the prospect to commit to a visit to Florida if a locational search is pending or in
24 progress.

25 (e) “Strategic plan” means a long-range guide for the economic development of a
CODING: Words underlined are additions; words in ~~struck through~~ type are deletions from
existing law.

1 community or state that focuses on broad priority issues, is growth-oriented, is concerned with
2 fundamental change, and is designed to develop and capitalize on new opportunities.

3 (f) "Recruitment" means active efforts to encourage specific companies to expand or begin
4 operations within Florida.

5 (3) Prior to each utility's next rate change enumerated in subsection (6), the amounts
6 reported for surveillance reports and earnings review calculations shall be limited to the
7 greater of:

8 (a) The amount approved in each utility's last rate case escalated for customer growth
9 since that time, or

10 (b) 95 percent of the expenses incurred for the reporting period so long as such does not
11 exceed the greater ~~lesser~~ of 0.15 percent of gross annual revenues or \$3 million. Beginning on
12 January 1, 2020, the amounts reported for surveillance reports and earnings review
13 calculations shall not exceed the greater of \$3 million or 95 percent of the following
14 percentages of gross annual revenues: January 1, 2020 – 0.175 percent; January 1, 2021 – 0.2
15 percent; January 1, 2022 – 0.225 percent; and January 1, 2023 and beyond – 0.25 percent.

16 (4) At the time of each utility's next rate case and for subsequent rate proceedings
17 enumerated in subsection (6) the Commission will determine the level of sharing of prudent
18 economic development costs and the future treatment of these expenses for surveillance
19 purposes.

20 (5) Each utility shall report its total economic development expenses as a separate line
21 item on its income statement schedules filed with the earnings surveillance report required by
22 Rule 25-6.1352, F.A.C. Each utility shall make a line item adjustment on its income statement
23 schedule to remove the appropriate percentage of economic development expenses incurred
24 for the reported period consistent with subsections (3) and (4).

25 (6) Requests for changes relating to recovery of economic development expenses shall be
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existing law.

1 considered only in the context of a full revenue requirements rate case or in a limited scope
2 proceeding for the individual utility.

3 (7) All financial support for economic development activities given by public utilities to
4 state and local governments and organizations shall be pursuant to a prior written agreement.

5 Recoverable economic development expenses shall be limited to the following:

6 (a) Expenditures for operational assistance, including:

7 1. Planning, attending, and participating in trade shows;

8 2. Planning, conducting, and participating in prospecting missions designed to encourage
9 the location in Florida of domestic and foreign companies;

10 3. Providing financial support to economic development organizations to assist with their
11 economic development operations;

12 4. Providing financial support to economic development programs or initiatives identified
13 or developed by Enterprise Florida, Inc.;

14 5. Participating in joint economic development efforts, including public-private
15 partnerships, consortia, and multi-county regional initiatives;

16 6. Participating in downtown revitalization and rural community developmental programs.

17 7. Supporting state and local efforts to promote small and minority-owned business
18 development efforts; and

19 8. Supporting state and local efforts to promote business retention and expansion activities.

20 (b) Expenditures for assisting state and local governments in the design of strategic plans
21 for economic development activities, including:

22 1. Making financial contributions to state and local governments to assist strategic
23 planning efforts; and

24 2. Providing technical assistance, data, computer programming, and financial support to
25 state and local governments in the design and maintenance of information systems used in

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1 strategic planning activities.

2 (c) Expenditures of marketing and research services, including;

3 1. Assisting state and local governments and economic development organizations in
4 marketing specific sites for business and industry development or recruitment;

5 2. Assisting state and local governments and economic development organizations in
6 responding to inquiries from business and industry concerning the development of specific
7 sites within the utility's service area;

8 3. Providing technical assistance, data, computer programming, and financial support to
9 state and local governments in the design and maintenance of geographic information systems,
10 computer networks, and other systems used in marketing and research activities;

11 4. Providing financial support to economic development organizations to assist with their
12 research and marketing activities;

13 5. Sponsoring publications, conducting direct mail campaigns, and providing advertising
14 support for state and local economic development efforts;

15 6. Participating in cooperative marketing efforts with economic development
16 organizations;

17 7. Helping state and local businesses identify suppliers, markets, and sources of financial
18 assistance;

19 8. Helping economic development organizations identify specific industries and
20 companies for targeting and recruitment;

21 9. Working with economic development organizations to identify businesses in need of
22 help for expansion, going out of business, or at risk of leaving the area;

23 10. Providing site and facility selection assistance, including lists of commercial or
24 industrial sites, computer databases, toll-free telephone numbers, maps, photographs, videos,
25 and other activities in cooperation with economic development organizations; and

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1 11. Supporting state and local efforts to promote exports of goods and services, and other
2 international business activities.
3 *Rulemaking Authority 288.035(3), 350.127(2) FS. Law Implemented 288.035 FS. History–*
4 *New 7-17-95, Amended 6-2-98, 9-25-00.*

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Item 4

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: August 17, 2018

TO: Office of Commission Clerk (Stauffer)

FROM: Office of Industry Development and Market Analysis (Wooten, Bates, Long)^{EW}
Office of the General Counsel (Murphy)^{EM} TM ^{CF}

RE: Docket No. 20180122-TP – 2019 State certification under 47 C.F.R. §54.313 and §54.314, annual reporting requirements for high-cost recipients and certification of support for eligible telecommunications carriers.

AGENDA: 08/29/18 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 10/01/18 (Filing deadline with Federal Communications Commission and Universal Service Administrative Company)

SPECIAL INSTRUCTIONS: None

Case Background

Section 254(e) of the Telecommunications Act of 1996, provides in part, that a carrier that receives universal service support “shall use that support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.” States seeking federal high-cost support for carriers within their jurisdiction are required to file a certification annually with the Federal Communications Commission (FCC) and with the Universal Service Administrative Company (USAC). The federal universal service high-cost program is designed to ensure that consumers in rural, insular, and high-cost areas have access to modern communications networks capable of providing voice and broadband service, both fixed and mobile, at rates that are reasonably comparable to those in urban areas. The program fulfills this

universal service goal by allowing eligible telecommunications carriers (ETCs) that serve these areas to recover some of their costs from the federal Universal Service Fund.

Each Florida ETC filed an affidavit with the Florida Public Service Commission (Commission) attesting that funds received during the preceding calendar year and the upcoming calendar year will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Staff's recommendation for certification affirms that the federal high-cost funds flowing to carriers in the state will be used in a manner that comports with Section 254(e) of the 1996 Telecommunications Act. Certification is defined by 47 C.F.R. §54.314(a) as follows:

Certification of support for eligible telecommunications carriers

(a) Certification. States that desire eligible telecommunications carriers to receive support pursuant to the high-cost program must file an annual certification with the Administrator [USAC] and the Commission [FCC] stating that all federal high-cost support provided to such carriers within that State was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. High-cost support shall only be provided to the extent that the State has filed the requisite certification pursuant to this section.

In order for a carrier to be eligible for high-cost universal service support for all of calendar year 2019, certification must be submitted by the Commission by October 1, 2018.¹ The certification may be filed online with USAC. After online certification is complete, the USAC website will generate a letter that can be subsequently filed electronically with the FCC to comport with the requirements of 47 C.F.R. §54.314(c). Based on prior support received by these carriers in Florida, staff estimates that the amount of high-cost support these carriers will receive for 2019 will be approximately \$58 million.²

¹ 47 C.F.R. §54.314(d).

² This estimate was obtained using data from the USAC high-cost funding data disbursement search tool and does not include wireless carriers.

Discussion of Issues

Issue 1: Should the Commission certify to USAC and to the FCC that BellSouth Telecommunications, LLC d/b/a AT&T Florida d/b/a AT&T Southeast; Embarq Florida, Inc. d/b/a CenturyLink; Frontier Florida LLC; Frontier Communications of the South, LLC; GTC, Inc. d/b/a Consolidated Communications/GTC; ITS Telecommunications Systems, Inc.; Knology of Florida, Inc. d/b/a WOW! Internet, Cable and Phone; Northeast Florida Telephone Company d/b/a NEFCOM; Quincy Telephone Company d/b/a TDS Telecom; Smart City Telecommunications LLC d/b/a Smart City Telecom; and Windstream Florida, LLC are eligible to receive federal high-cost support, that they have used the federal high-cost support in the preceding calendar year, and they will use the federal high-cost support they receive in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended?

Recommendation: Yes. The Commission should certify to USAC and to the FCC that BellSouth Telecommunications, LLC d/b/a AT&T Florida d/b/a AT&T Southeast; Embarq Florida, Inc. d/b/a CenturyLink; Frontier Florida LLC; Frontier Communications of the South, LLC; GTC, Inc. d/b/a Consolidated Communications/GTC; ITS Telecommunications Systems, Inc.; Knology of Florida, Inc. d/b/a WOW! Internet, Cable and Phone; Northeast Florida Telephone Company d/b/a NEFCOM; Quincy Telephone Company d/b/a TDS Telecom; Smart City Telecommunications LLC d/b/a Smart City Telecom; and Windstream Florida, LLC are eligible to receive federal high-cost support, that they have used the federal high-cost support in the preceding calendar year, and they will use the federal high-cost support they receive in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. (Wooten, Bates, Long)

Staff Analysis: Staff reviewed each of the carriers' affidavits and submissions to USAC. Each of the Florida ETCs receiving high-cost support has certified that all federal high-cost support provided to them within Florida was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

Previously, the Commission submitted certification to the FCC and USAC via USAC's online portal coupled with a separate letter from the Chairman. However, USAC's online certification process now generates a letter that can be used to file state certification at the FCC, making a separate letter from the Chairman unnecessary.

Having reviewed the ETCs' filings, staff recommends that the Commission certify to USAC and to the FCC, through USAC's online portal and the FCC's Electronic Comment Filing System, that BellSouth Telecommunications, LLC d/b/a AT&T Florida d/b/a AT&T Southeast; Embarq Florida, Inc. d/b/a CenturyLink; Frontier Florida LLC; Frontier Communications of the South, LLC; GTC, Inc. d/b/a Consolidated Communications/GTC; ITS Telecommunications Systems, Inc.; Knology of Florida, Inc. d/b/a WOW! Internet, Cable and Phone; Northeast Florida Telephone Company d/b/a NEFCOM; Quincy Telephone Company d/b/a TDS Telecom; Smart City Telecommunications LLC d/b/a Smart City Telecom; and Windstream Florida, LLC are eligible to receive federal high-cost support, that they have used the federal high-cost support in the preceding calendar year, and they will use the federal high-cost support they receive in the

Docket No. 20180122-TP

Date: August 17, 2018

coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

Docket No. 20180122-TP

Date: August 17, 2018

Issue 2: Should this docket be closed?

Recommendation: Yes. This docket should be closed upon issuance of a Final Order.
(Murphy)

Staff Analysis: This docket should be closed upon issuance of a Final Order.

Item 5

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: August 17, 2018

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Engineering (O. Wooten, Ellis) *PDE*
Division of Accounting and Finance (Andrews, Fletcher, Norris) *TS*
Division of Economics (Bethea) *TB* *PP* *JSH* *BOG* *ALM*
Office of the General Counsel (J. Crawford, Dziechciarz, DuVal) *MS* *SC*
ERAD *TU*

RE: Docket No. 20180066-WU – Application for transfer of facilities of Kincaid Hills Water Company and Water Certificate No. 555-W to Gator Waterworks, Inc.

Docket No. 20170200-WU – Initiation of show cause proceedings against Kincaid Hills Water Company, in Alachua County, for noncompliance with Sections 350.113, 350.117, 367.121, and 367.145, Florida Statutes, and Rules 25-30.110, 25-30.120, 25-30.355, and 25-22.032, Florida Administrative Code.

AGENDA: 08/29/18 – Regular Agenda – Proposed Agency Action for Issue 2 – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Polmann

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On March 12, 2018, Gator Waterworks, Inc. (Gator Waterworks or Buyer) filed an application for a transfer of Certificate No. 555-W from Kincaid Hills Water Company (Kincaid, Utility, or Seller) in Alachua County. According to the Utility’s 2016 Annual Report, Kincaid is a Class C utility serving approximately 324 water customers.

Kincaid has been providing service to customers since 1965. On June 30, 1992, the Board of County Commissioners of Alachua County adopted a resolution declaring water and wastewater utilities in that county shall become subject to the provisions of the Water and Wastewater Regulatory Law, Chapter 367, Florida Statutes (F.S). On July 13, 1993, the Florida Public Service Commission (Commission) granted the Utility its grandfather Certificate No. 555-W for water by Order No. PSC-93-1027-FOF-WU.¹

Docket No. 20170200-WU was established on September 7, 2017 to initiate a show cause proceeding against Kincaid for noncompliance with Sections 350.113, 350.117, 367.121, and 367.145, F.S., and Rules 25-30.110, 25-30.120, 25-30.355, and 25-22.032, Florida Administrative Code (F.A.C.). By Order No. PSC-2017-0470-PCO-WU, issued December 15, 2017, the Commission directed Commission staff to initiate certificate revocation proceedings against Kincaid, consistent with Chapter 120 and Section 367.161, F.S.² On February 27, 2018, Commission staff received notice, by email, from Gator Waterworks that it acquired Kincaid on February 23, 2018.³ Also, on February 27, 2018, the Commission received a payment of \$38,698.08 from Gator Waterworks which resolved Kincaid's outstanding Regulatory Assessment Fees (RAFs), the associated penalties, and the penalties associated with Kincaid's late-filed annual reports.⁴

Docket No. 20180066-WU was established on March 12, 2018, when Gator Waterworks filed an application with the Commission for transfer of facilities and Water Certificate No. 555-W from Kincaid to Gator Waterworks. On March 20, 2018, Gator Waterworks filed a request to hold the certificate revocation proceedings in abeyance until such time as the Commission makes its ruling on the transfer application.⁵ By Order No. PSC-2018-0166-PCO-WU, issued March 27, 2018, Gator Waterworks' request for abeyance was granted.⁶

This recommendation addresses the transfer of the water system, the net book value of the water system at the time of the transfer, the need for an acquisition adjustment and the resolution of the show cause proceedings. The Commission has jurisdiction pursuant to Sections 367.071, 367.091 and 367.161 F.S.

¹ Docket No. 19921195-WU, *In re: Application for certificate to provide water service in Alachua County under grandfather rights by Kincaid Hills Water Company.*

² Order No. PSC-2017-0470-PCO-WU, issued December 15, 2017, in Docket No. 20170200-WU, *In re: Initiation of show cause proceedings against Kincaid Hills Water Company, in Alachua County, for noncompliance with Sections 350.113, 350.117, 367.121, and 367.145, Florida Statutes, and Rules 25-30.110, 25-30.120, 25-30.355, and 25-22.032, Florida Administrative Code.*

³ See Document No. 02094-2018, filed in Docket No. 20170200-WU.

⁴ Id.

⁵ See Document No. 02417-2018, filed in Docket Nos. 20170200-WU and 20180066-WU.

⁶ Order No. PSC-2018-0166-PCO-WU, issued March 27, 2018, in Docket No. 20170200-WU, *In re: Initiation of show cause proceedings against Kincaid Hills Water Company, in Alachua County, for noncompliance with Sections 350.113, 350.117, 367.121, and 367.145, Florida Statutes, and Rules 25-30.110, 25-30.120, 25-30.355, and 25-22.032, Florida Administrative Code.*

Discussion of Issues

Issue 1: Should the transfer of Certificate No. 555-W in Alachua County from Kincaid Hills Water Company to Gator Waterworks, Inc. be approved?

Recommendation: Yes. The transfer of the water system and Certificate No. 555-W is in the public interest and should be approved effective the date of the Commission vote. The resultant order should serve as the Buyer's certificate and should be retained by the Buyer. The existing rates and charges should remain in effect until a change is authorized by the Commission in a subsequent proceeding. The tariffs reflecting the transfer should be effective for services rendered or connections made on or after the stamped approval date on the tariffs, pursuant to Rule 25-30.475, F.A.C. Gator Waterworks should be responsible for filing the 2018 Annual Report, all future annual reports, and RAFs subsequent to the date of closing. (O. Wooten, Andrews, Bethea)

Staff Analysis: On March 12, 2018, Gator Waterworks filed an application for the transfer of Certificate No. 555-W from Kincaid to Gator Waterworks pursuant to Rule 25-30.037, F.A.C. The application is in compliance with Section 367.071, F.S., and Commission rules concerning applications for transfer of certificates.

Noticing, Territory, and Land Ownership

Gator Waterworks provided notice of the application pursuant to Section 367.071, F.S., and Rule 25-30.030, F.A.C. No objections to the transfer were filed, and the time for doing so has expired. The application contains a description of the waster service territory which is appended to this recommendation as Attachment A. The application contains a copy of a warranty deed agreement that was executed on February 20, 2018, as evidence that Gator Waterworks owns or has rights to long-term use of the land upon which the water treatment facilities are located pursuant to Rule 25-30.037(2)(s), F.A.C.

Purchase Agreement and Financing

Pursuant to Rule 25-30.037(2)(i), and (j), F.A.C., the application contains a statement regarding financing and a copy of the Purchase Agreement, which includes the purchase price, terms of payment, and a list of the assets purchased. The Seller retained the customer deposits for appropriate disposition. There are no developer agreements or customer advances that must be disposed of with regard to the transfer. According to the purchase agreement, the total purchase price for the assets is \$82,500. An appropriate portion of this purchase price equal to unpaid past due RAFs, fines, and interest was paid to the Commission at the date of closing. An appropriate portion of this purchase price equal to the unpaid property taxes due to Alachua County was paid to Alachua County at the date of closing. Eighty percent of the remaining purchase price was paid to the Seller at the date of closing with 20 percent of the remaining purchase price to be paid to the Seller after Commission approval of the transfer. According to the Buyer, the sale took place on February 23, 2018, subject to Commission approval, pursuant to Section 367.071(1), F.S.

Facility Description and Compliance

The water treatment system consists of two wells, with a pair of hydropneumatic tanks rated at 3,100 and 5,000 gallons, a contact storage tank rated at 1,000 gallons and uses hypo-chlorination for disinfection. The distribution system consists of 17,000 feet of 2 inch Galvanized Iron Pipe (GIP), 3,800 feet of 3 inch GIP, 3,400 feet of 4 inch GIP and 5,200 feet of 6 inch asbestos-cement pipe. The last sanitary survey of the facility was conducted on April 29, 2016, by the Department of Environmental Protection (DEP). There was one deficiency noted, which has been corrected. On December 22, 2016, the DEP deemed the Utility was in compliance with applicable rules.

Technical and Financial Ability

Pursuant to Rule 25-30.037(2)(I), F.A.C., the application contains statements describing the technical and financial ability of Gator Waterworks to provide service to the proposed service area. The application states that the President, Gary Deremer, has over 29 years of Florida related water and wastewater industry experience with previous private utility ownership of five utility systems. Further, the application indicates that the President has secured the services of U.S. Water Services Corporation to provide contract operating service, as well as, billing and collection services. Pursuant to Rule 25-30.037(2)(I), F.A.C., the application contains statements describing the financial ability of Gator Waterworks to provide service to the proposed service area. According to the application, the Buyer has acquired the assets of the Utility. Staff also reviewed the personal financial statements of the primary shareholder, which is the President.⁷ Based on the above, staff believes the Buyer has demonstrated the financial ability to provide service to the existing service territory.

Rates and Charges

The Utility's rates, charges, and customer deposits were approved in the original grandfather certificate in 1993.⁸ The rates were subsequently amended through three price index increases. The Utility's existing rates are shown on Attachment B. Rule 25-9.044(1), F.A.C., provides that, in the case of a change of ownership or control of a utility, the rates, classifications, and regulations of the former owner must continue unless authorized to change by this Commission. Therefore, staff recommends that the Utility's existing rates and charges remain in effect until a change is authorized by this Commission in a subsequent proceeding.

Regulatory Assessment Fees and Annual Reports

Staff has verified that the Utility is current on the filing of RAFs through February 23, 2018. The Seller is responsible for filing the 2017 Annual Report. However, the filing is currently delinquent, and the Seller has not responded to two certified letters regarding the delinquency. The Buyer has indicated that it does not possess the records required to prepare the 2017 Annual Report.

The purpose of the annual report filing requirement is to monitor earnings and gather information. The RAFs due for the year 2017 were based on estimated earnings and were paid in full by the Buyer. Staff believes that the absence of the 2017 Annual Report will not impair the

⁷ Document No. 05042-2018 (Confidential), in Docket No. 20180066-WU.

⁸ Order No. PSC-93-1027-FOF-WU, issued July 13, 1998, in Docket No. 19921195-WU, *In re: Application for certificate to provide water service in Alachua County under grandfather rights by Kincaid Hills Water Company.*

Commission from fulfilling its obligation to ensure safe and reliable utility service, and the 2017 RAFs have already been paid. Therefore, it is not crucial that the Commission obtain the 2017 Annual Report. The Commission has previously not enforced this requirement for a utility in a similar situation.⁹ Accordingly, staff recommends the Commission not seek enforcement of the annual report requirement for the year 2017. The Buyer will be responsible for filing Gator Waterworks' 2018 and subsequent annual reports and paying RAFs from February 23, 2018, and all future years.

Conclusion

Staff recommends the transfer of the water system and Certificate No. 555-W is in the public interest and should be approved effective the date of the Commission vote. The resultant order should serve as the Buyer's certificate and should be retained by the Buyer. The existing rates and charges should remain in effect until a change is authorized by the Commission in a subsequent proceeding. The tariffs reflecting the transfer should be effective for services rendered or connections made on or after the stamped approval date on the tariffs, pursuant to Rule 25-30.475, F.A.C. Gator Waterworks should be responsible for filing the 2018 Annual Report, all future annual reports, and RAFs subsequent to the date of closing.

⁹ Order No. 24157, issued February 25, 1991, in Docket No. 19900911-WU, *In re: Initiation of show proceeding against Sebring County Estates Water Company in Highlands County for failure to file 1988 annual report in compliance with Rule 25-30.110, F.A.C.*

Issue 2: What is the appropriate net book value for the Gator Waterworks water system for transfer purposes and should an acquisition adjustment be approved?

Recommendation: The net book value of the water system for transfer purposes is \$63,321 as of February 23, 2018. An acquisition adjustment should not be included in rate base. Within 90 days of the date of the final order, Gator Waterworks should be required to notify the Commission in writing that it has adjusted its books in accordance with the Commission's decision. The adjustments should be reflected in Gator Waterworks' 2018 Annual Report when filed. (D. Andrews)

Staff Analysis: Rate base has never been established for this Utility. Audit staff was able to obtain the Seller's 1993 1120S Federal Tax Return. Thus, staff used the December 31, 1992, amounts for utility plant in service and accumulated depreciation beginning balances. The purpose of establishing net book value (NBV) for transfers is to determine whether an acquisition adjustment should be approved. The NBV does not include normal ratemaking adjustments for used and useful plant or working capital. The Utility's NBV has been updated to reflect balances as of February 23, 2018. Staff's recommended NBV, as described below, is shown on Schedule No. 1.

Utility Plant in Service (UPIS)

The Buyer's plant value in its application for transfer reflected a water UPIS balance of \$454,492. Staff reviewed UPIS additions since the 1993 tax return and has decreased UPIS by \$73,593 to reflect unsupported plant additions. Therefore, staff recommends that the Utility's UPIS balance as of February 23, 2018, should be \$380,899.

Land

The Buyer's application for transfer reflected a land balance of \$14,000. In a warranty deed between Sheldon A. Brook, grantor, and Kincaid Hills Water Company, grantee, dated October 5, 1982, the documentary stamps supported \$8,000 for utility land. There have been no additions to land purchased since that deed was granted. Therefore, staff has decreased land by \$6,000. Staff recommends a land balance of \$8,000, as of February 23, 2018.

Accumulated Depreciation

The Buyer's application for transfer reflected an accumulated depreciation balance of \$342,780. Based on the UPIS adjustment discussed earlier, staff calculated the appropriate accumulated depreciation balance to be \$288,095. As a result, accumulated depreciation should be decreased by \$54,685 to reflect an accumulated depreciation balance of \$288,095 as of February 23, 2018.

Contributions-in-Aid-of-Construction (CIAC) and Accumulated Amortization of CIAC

As of February 23, 2018, the Buyer's application for transfer reflected a CIAC balance of \$0 and an accumulated amortization of CIAC balance of \$0. The CIAC balance should be increased by \$156,085, and the accumulated amortization of CIAC balance should be increased by \$125,376, per Rule 25-30.570, F.A.C. This rule states that if the amount of CIAC has not been recorded on the utility's books and the utility does not submit competent substantial evidence as to the

amount of CIAC, the amount of CIAC shall be imputed to be the proportion of the cost of the facilities and plant attributable to the water transmission and distribution system.

Additionally, the CIAC balance should be increased by \$9,600. Order No. PSC-1993-1027-FOF-WU approved service availability charges of \$75 for tap-in fees, \$75 for meter installations, and \$450 for plant capacity charges for a total of \$600. Audit staff scheduled customer activity as shown in the annual reports from 1992 through 2016, and noted that the customer count grew by 16 customers from December 31, 1992 to December 31, 2007. After 2007, the customer count diminished over time. Audit staff determined a balance of \$9,600 ($\600×16) for CIAC, and calculated a balance of \$2,826 for accumulated amortization of CIAC using a composite rate of 2.5 percent as of February 23, 2018. Rule 25-30.570, F.A.C. relates to the imputation of CIAC based on the premise that the developer donated the transmission and distribution system when it was transferred. Cash CIAC collected from service availability charges is unrelated to the cost of the transmission and distribution system. Thus, cash CIAC should also be recognized for the tap-in fees, meter installations, and plant capacity charges. As such, staff increased CIAC by \$165,685 ($\$156,085 + \$9,600$) and accumulated amortization of CIAC by \$128,202 ($\$125,376 + \$2,826$) to reflect the appropriate balances. Therefore, staff recommends a CIAC balance of \$165,685 and an accumulated amortization of CIAC balance of \$128,202 as of February 23, 2018.

Net Book Value

The Buyer's application for transfer reflected a NBV of \$125,712. Based on the adjustments described above, staff recommends that the NBV is \$63,321. Staff's recommended NBV and the National Association of Regulatory Utility Commissioners, Uniform System of Accounts (NARUC USOA) balance for UPIS and accumulated depreciation as of February 23, 2018, are shown on Schedule No. 1.

Acquisition Adjustment

An acquisition adjustment results when the purchase price differs from the NBV of the assets at the time of the acquisition. The Utility and its assets were to be purchased for \$82,500. However, the contract for sale stated that the "final purchase price will be determined by any change in Rate Base as determined by the FPSC during the approval of transfer application. The final purchase price will be adjusted for any reductions to the approved Rate Base as determined by the FPSC." As stated above, staff has determined the appropriate NBV total to be \$63,321. Therefore, the Utility and its assets were purchased for \$63,321. Pursuant to Rule 25-30.0371, F.A.C., a positive acquisition adjustment may be appropriate when the purchase price is greater than the NBV, and a negative acquisition adjustment may be appropriate when the purchase price is less than NBV. However, pursuant to Rule 25-30.0371(2), F.A.C., a positive acquisition adjustment shall not be included in rate base unless there is proof of extraordinary circumstances. The Buyer did not request a positive acquisition adjustment. As such, staff recommends that no positive acquisition adjustment be approved.

Conclusion

Based on the above, staff recommends that the NBV of Kincaid Hills water system for transfer purposes is \$63,321 as of February 23, 2018. No acquisition adjustment should be included in rate base. Within 90 days of the date of the final order, the Buyer should be required to notify the

Date: August 17, 2018

Commission in writing that it has adjusted its books in accordance with the Commission's decision. The adjustments should be reflected in Gator Waterworks' 2018 Annual Report when filed.

Issue 3: Should the show cause proceeding against Kincaid Hills Water Company be dismissed, and Docket No. 20170200-WU, be closed?

Recommendation: Yes. If the Commission approves Gator Waterworks, Inc.'s transfer application, then the show cause proceeding against Kincaid Hills Water Company should be dismissed and Docket No. 20170200-WU should be closed. (Dziechciarz, DuVal)

Staff Analysis: By Order No. PSC-2017-0470-PCO-WU, issued December 15, 2017, the Commission ordered Docket No. 20170200-WU to remain open until certificate revocation proceedings were initiated. Gator Waterworks' acquisition of Kincaid negates the need for a certificate revocation proceeding. Therefore, if the Commission approves staff's recommendation in Issues 1 and 2, then the show cause proceeding against Kincaid Hills Water Company should be dismissed and Docket No. 20170200-WU should be closed.

Conclusion

If the Commission approves Gator Waterworks, Inc.'s transfer application, then the show cause proceeding against Kincaid Hills Water Company should be dismissed and Docket No. 20170200-WU should be closed.

Issue 4: Should these dockets be closed?

Recommendation: If no protest to the proposed agency action is filed by a substantially affected person within 21 days of the date of the issuance of the order, a consummating order should be issued and these dockets should be closed administratively upon Commission staff's verification that the revised tariff sheets have been filed, the Buyer has notified the Commission in writing that it has adjusted its books in accordance with the Commission's decision, and proof that appropriate noticing has been done pursuant to Rule 25-30.4345, F.A.C. (J. Crawford)

Staff Analysis: If no protest to the proposed agency action is filed by a substantially affected person within 21 days of the date of the issuance of the order, a consummating order should be issued and these dockets should be closed administratively upon Commission staff's verification that the revised tariff sheets have been filed, the Buyer has notified the Commission in writing that it has adjusted its books in accordance with the Commission's decision and proof that appropriate noticing has been done pursuant to Rule 25-30.4345, F.A.C.

Gator Waterworks, Inc.
Water Territory Description
Alachua County

Alachua County, Florida, Kincaid Hills

The following described lands located in portions of Sections 11 and 12, Township 10-South, Range 20-East, Alachua County, Florida:

Kincaid Road Subdivision - A subdivision lying within the southwest one-quarter of Section 11, Township 10 South, Range 20 East; encompassed within the boundary commencing 2,280 feet north of the southwest corner of Section 11, Township 10 South, Range 20 East and on the eastern side of Florida Highway S-329A; thence running 1,880 feet east (to Southeast 33rd St.); thence running 600 feet south (to Southeast 18th Ave.); thence running 570 feet east (to Southeast 35th Street); thence running 600 feet south (to Southeast 21st Ave.); thence running 2450 feet west to Florida Highway S-329A; thence running 600 feet north (to Southeast 18th Ave.).

Devonshire Hills Subdivision - A subdivision lying within the northeast one-quarter of Section 11, Township 10 South, Range 20 East; encompassed within the boundary commencing at the point that is 600 feet northwest of the point on the western boundary of Section 12, Township 10 South, Range 20 East where it intersects Florida Highway 20; thence running 1,310 feet south (to Southeast 18th Ave.); thence running 1,100 feet east; thence running 300 feet north (to Southeast 17th Ave.); thence running 550 feet west (to Southeast 37th St.); thence running 540 feet north (to Southeast 15th Ave.); thence running 200 feet west (to Southeast 36th St.); thence running 560 feet north to Florida Highway 20; thence running 200 feet northwest along, and south of, Florida Highway 20.

Kreftwood Estates Subdivision - A subdivision lying within the southwest one-quarter of Section 12, Township 10 South, Range 20 East; encompassed within the boundary commencing at the southwest corner of Section 12, Township 10 South, Range 20 East; thence running 1,800 feet north to Florida Highway 20; thence running 750 feet southeast along the southern side of Florida Highway 20 to the northwest corner of the Shady Lawn subdivision (described below); thence running 1,350 feet south to Section 13, Township 10 south, Range 20 East; thence running 575 feet west to the southwest corner of Section 12, Township 10 South, Range 20 East.

Shady Lawn Estates - A subdivision lying within the southwest one-quarter of Section 12, Township 10 South, Range 20 East; encompassed within the boundary commencing at the northeast corner of the Kreftwood Estates subdivision (described above); thence running 750 feet southeast along the southern side of Florida Highway 20; thence running 1,200 feet south to Section 13, Township 10 South, Range 20 East; thence running 575 feet west to the southeast corner of the Kreftwood Estate subdivision (described above).

FLORIDA PUBLIC SERVICE COMMISSION

**Authorizes
Gator Waterworks, Inc.
Pursuant to
Certificate Number 555-W**

To provide water service in Alachua County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
PSC-93-1027-FOF-WU	07/13/1993	921195 -WU	Grandfather Certificate
*	*	20180066-WU	Transfer of Certificate

*** Order Numbers and dates to be provided at time of issuance**

**Kincaid Hills Water Company
Monthly Water Rates**

Residential and General Service

Base Facility Charge - All Meter Sizes \$6.94

Charge per 1,000 Gallons - Residential and General Service \$0.92

Initial Customer Deposits

Residential and General Service - All Meters \$25.00

Miscellaneous Service Charges

	Business Hours	After Hours
Initial Connection Charge	\$20.00	\$30.00
Normal Reconnection Charge	\$20.00	\$30.00
Violation Reconnection Charge	\$40.00	\$50.00
Premises Visit Charge (in lieu of disconnection)	\$20.00	\$30.00
Late Payment Charge		\$2.00

Service Availability Charges

Customer Connection Charge	\$75.00
Main Extension Charge	Actual Cost
Meter Installation Charge	\$75.00
Plant Capacity Charge	\$450.00

**Kincaid Hills Water Company Water System Schedule
Water System
Schedule of Net Book Value as of February 23, 2018**

Description	Balance Per	Adjustments	Staff
	Utility		Recommendation
Utility Plant in Service	\$454,492	(\$73,593)	\$380,899
Land & Land Rights	14,000	(6,000)	8,000
Accumulated Depreciation	(342,780)	54,685	(288,095)
CIAC	0	(165,685)	(165,685)
Amortization of CIAC	<u>0</u>	<u>128,202</u>	<u>128,202</u>
Total	<u>\$125,712</u>	<u>(\$62,391)</u>	<u>\$63,321</u>

**Explanation of Staff's Recommended
Adjustments to Net Book Value as of February 23, 2018
Water System**

Explanation	Amount
A. Utility Plant in Service To reflect appropriate amount of utility plant in service.	<u>(\$73,593)</u>
B. Land & Land Rights To reflect appropriate amount of land & land rights.	<u>(\$6,000)</u>
C. Accumulated Depreciation To reflect appropriate amount of accumulated depreciation.	<u>\$54,685</u>
D. Contributions-in-Aid-of-Construction (CIAC) To reflect appropriate CIAC.	<u>(\$165,685)</u>
E. Accumulated Amortization of CIAC To reflect appropriate amount of accumulated amortization of CIAC.	<u>\$128,202</u>
Total Adjustments to Net Book Value as of February 23, 2018.	<u>(\$62,391)</u>

**Kincaid Hills Water Company
 Water System**

Schedule of Staff Recommended Account Balances as of February 23, 2018

Account			Accumulated
No.	Description	UPIS	Depreciation
304	Structures & Improvements	\$6,000	(\$6,000)
307	Wells & Springs	3,800	(3,800)
309	Supply Mains	1,500	(265)
310	Power Generation Equipment	18,300	(18,300)
311	Pumping Equipment	84,254	(35,149)
320	Water Treatment Equipment	2,409	(1,516)
330	Distribution Reservoirs	24,905	(20,155)
331	Transmission & Distribution Mains	156,085	(125,376)
334	Meters & Meter Installations	71,168	(65,545)
339	Other Plant And Misc.	4,000	(4,000)
340	Office Furniture & Equipment	4,528	(4,039)
343	Tools, Shop, and Garage Equipment	1,200	(1,200)
344	Lab Equipment	200	(200)
345	Power Operated Equipment	2,200	(2,200)
346	Communication Equipment	350	(350)
	Total	<u>\$380,899</u>	<u>(\$288,095)</u>