

Staff Assistance In Alternate Rate Setting



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- Rule 25-30-456, F.A.C., *Staff Assistance in Alternative Rate Setting*, covers the timeframe, eligibility, rate increase limit, and the Proposed Agency Action (PAA) procedure for this type of case.
- Staff Assistance In Alternate Rate Setting is a procedure whereby a utility qualifying for staff assistance can obtain a rate increase in an expedited manner to recover operation and maintenance expense.



Advantages

The advantages include the following:

- Quick turnaround
- Minimized time and cost of processing an increase
- Reduced likelihood of a protest
- Reduced likelihood of rate shock between Staff Assisted Rate Cases (SARCs)
- Opportunity to recover increased operation and maintenance costs to remain a viable utility



Staff Assistance Eligibility

To be eligible for staff assistance, gross annual operating revenue must be less than:

- \$275,000 for water service.
- \$275,000 for wastewater service.
- \$550,000 on a combined basis.

In determining eligibility, the Commission will also consider:

- Whether the utility is current with annual reports.
- Whether the utility is current with regulatory assessment fees (RAFs). Calendar year RAFs are due the following March 31.



Filing Fees

Filing Fees per Rule 25-30.020, F.A.C., *Fees Required to be Paid by Water and Wastewater Utilities*, are based upon the equivalent residential connections (ERCs) capacity of the system:

| | |
|--------------------|---------|
| Up to 100 ERCs | \$200 |
| From 101-200 ERCs | \$500 |
| More than 200 ERCs | \$1,000 |



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Section 367.091(2), F.S., *Rates, tariffs; new class of service*, sets forth certain noticing requirements.

- Upon filing an application for new rates, the utility shall mail a copy of the application to the chief executive officer of the governing body of each county within the service areas included in the rate request.
- The governing body may petition the Commission for leave to intervene in the rate change proceeding and the Commission shall grant intervener status to any governing body that files a petition.



Rate Increase

- Commission staff will compare operation and maintenance expenses to test year operating revenues.
- The maximum increase is 50 percent of test year revenues.
- There is no review of the utility's rate base.
- Allowance for return on working capital is determined using the one-eighth of operation and maintenance expense formula approach.



Timeframe

- The official date of filing will be 30 days after official acceptance of the application.
- Commission shall vote on a PAA Recommendation establishing rates no later than 90 days from the official filing date. A Commission order will be issued within 20 days of the vote followed by a 21-day protest period.



Protest Situation

If a protest is filed:

- The utility may implement temporary rates, subject to refund with interest.
- The utility shall provide direct testimony, through the sponsor of a witness, regarding the appropriate rate base, capital structure, and revenue requirement, as well as its fall-out rates. The utility witness may include factual testimony on any issues which the utility may take a different position on in the case.
- The utility must meet all requirements of the order establishing procedure.
- The maximum 50 percent increase no longer applies.

