

Florida Public Service Commission

Staff Workshop to Examine Regulatory Policies and Practices in the
Water and Wastewater Industries in Florida

February 1, 2023

Acquisition Adjustments

(Rule 25-30.0371, Florida Administrative Code)

1. Should criteria other than extraordinary circumstances be considered for allowing positive acquisition adjustments? If so, what criteria should be considered?
2. How can the Commission ensure customers benefit from a positive acquisition adjustment if allowed?
3. How can customers be protected from utilities “swapping assets”?
4. Should acquisition adjustments be addressed only at the time of transfer, at the utilities next rate case, or at a limited time after the transfer of assets?

Acquisition Adjustments

(Rule 25-30.0371, Florida Administrative Code)

5. What are the appropriate criteria and timing for addressing acquisition adjustments after the time of transfer?
6. What conditions, if any, should be placed upon the approval of an acquisition adjustment that would be subject to review in a future rate proceeding?
7. Should the Commission's existing policy regarding negative acquisition adjustments be modified or eliminated?

Allowed Return on Equity (ROE)

1. Should the Commission consider a time-limited ROE adder for infrastructure replacement investments?
2. Should the Commission consider an increase to the midpoint or an expansion of the traditional ROE range?

Used and Useful Adjustments

(Rules 25-30.431, 25-30.432, and 25-30.4325, Florida Administrative Code)

1. Should the Commission consider modifications to its Used and Useful Rules to provide incentives that encourage new investment and replacement of aging infrastructure?

System Consolidation

1. How can economies of scale be maximized?
2. How can rate impacts be minimalized?
3. How can the Commission improve regulatory efficiency?
4. What regulatory processes are obstacles to consolidation of systems?

Cost Recovery Mechanisms

1. Should the Commission develop an annual cost recovery mechanism that would facilitate the accelerated replacement of identified water distribution and wastewater collection/transmission pipe and infrastructure that has reached the end of its useful life or would result in significant consequence in the event of failure? If so, how would such a mechanism be structured?

Cost Recovery Mechanisms

2. Similar to:

- Gas Reliability Infrastructure Program (GRIP)
- Safe Access Facility Enhancement (SAFE)
- Cast Iron Bare Steel (CI/BS)

3. If adopted, would Statute 367.0812 F.S. (addressing secondary water quality standards when there is a rate change) need to be amended to allow an exemption?

Utility Reserve Fund

(Rule 25-30.444, Florida Administrative Code)

1. Should the Commission consider modifications to increase use of the Utility Reserve Fund Rule?

Other Topics for Discussion

1. Are there any proposals for new policies or practices that participants would like to present for discussion?