

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

NOTICE OF STAFF WORKSHOP

TO

ALL WATER AND WASTEWATER UTILITIES

AND

ALL OTHER INTERESTED PERSONS

UNDOCKETED

IN RE: TO EXAMINE REGULATORY POLICIES AND PRACTICES IN THE WATER AND  
WASTEWATER INDUSTRIES IN FLORIDA

ISSUED: December 21, 2022

NOTICE is hereby given that a Commission staff workshop will be held at the following time and place:

February 1, 2023 at 9:30 a.m.  
Room 148, Betty Easley Conference Center  
4075 Esplanade Way  
Tallahassee, FL 32399-0850

PURPOSE AND PROCEDURE

Because of expected growth in Florida and the aging of Florida's water and wastewater infrastructure, the Commission has directed staff to review the Commission's existing regulatory policies and practices. The purpose of the workshop is to explore ways to promote investment in water and wastewater utility infrastructure and to find greater utility cost efficiencies in order to improve quality of service and ensure reasonable rates and charges to customers.

The following topics will be discussed at the workshop: acquisition adjustments; allowed return on equity; used and useful adjustments, system consolidation; and cost recovery mechanisms to facilitate recovery of urgently needed or environmental compliance improvements. Participants are encouraged to present, for discussion, proposals for new policies and practices. One or more Commissioners may be in attendance and participate in the workshop.

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The agenda for the workshop is attached. Staff will use the input from the workshop to generate proposals to further evaluate the topics set forth in the agenda.

The person to be contacted regarding this workshop is: Douglas Sunshine, Office of the General Counsel, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, (850) 413-6224, [douglas.sunshine@psc.state.fl.us](mailto:douglas.sunshine@psc.state.fl.us). **Persons who wish to make a formal presentation at the workshop must contact Mr. Sunshine at the above email address no later than January 25, 2023.**

In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate at this workshop should contact the Office of Commission Clerk no later than five days prior to the workshop at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850 or 850-413-6770 (Florida Relay Service, 1-800-955-8770 Voice or 1-800-955-8771 TDD). Assisted Listening Devices are available upon request from the Office of Commission Clerk, Gerald L. Gunter Building, Room 152.

EMERGENCY CANCELLATION OF THE WORKSHOP

If a named storm or other disaster requires cancellation of the workshop, notice of cancellation will be provided on the Commission's website (<http://www.psc.state.fl.us>) under the Hot Topics link found on the home page. Cancellation can also be confirmed by calling the Office of the General Counsel at (850) 413-6199.

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By DIRECTION of the Florida Public Service Commission this 21st day of December,  
2022.



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ADAM J. TEITZMAN  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399  
(850) 413-6770  
[www.floridapsc.com](http://www.floridapsc.com)

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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**AGENDA**

**I. Introductions**

- A. Staff introductions.
- B. Participant introductions.

**II. Acquisition Adjustments (Rule 25-30.0371, Florida Administrative Code)**

- A. Should criteria other than extraordinary circumstances be considered for allowing positive acquisition adjustments? If so, what criteria should be considered; how can the Commission ensure customers benefit from a positive acquisition adjustment if allowed; and how are customers protected from utilities “swapping assets”?
- B. Should acquisition adjustments be addressed only at the time of transfer, at the utility’s next rate case, or at a limited time after the transfer of assets? What are the appropriate criteria and timing for addressing acquisition adjustments after the time of transfer? 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?
- C. Should the Commission’s existing policy regarding negative acquisition adjustments be modified or eliminated?

**III. Allowed Return on Equity (ROE)**

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

**IV. Used and Useful Adjustments (Rules 25-30.431, 25-30.432, and 25-30.4325, Florida Administrative Code)**

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

**V. System Consolidation**

- A. How can economies of scale be maximized?
- B. How can rate impacts be minimized?
- C. How can the Commission improve regulatory efficiency?
- D. What regulatory processes are obstacles to consolidation of systems?

**VI. Cost Recovery Mechanisms**

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 has a high consequence of failure? If so, how would such a mechanism be structured?

**VII. Utility Reserve Fund (Rule 25-30.444, Florida Administrative Code)**

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

**VIII. Other Topics For Discussion**

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

**IX. Adjourn**