

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Annual reestablishment
of price increase or decrease
index of major categories of
operating costs incurred by
water and wastewater utilities
pursuant to Section
367.081(4)(a), F.S.

DOCKET NO. 980005-WS
ORDER NO. PSC-98-0242-FOF-WS
ISSUED: February 6, 1998

The following Commissioners participated in the disposition of
this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.

NOTICE OF PROPOSED AGENCY ACTION
ORDER ESTABLISHING 1998 PRICE INDEX FOR
WATER AND WASTEWATER UTILITIES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service
Commission that the action discussed herein is preliminary in
nature and will become final unless a person whose interests are
substantially affected files a petition for a formal proceeding,
within **fourteen days** of issuance of this order pursuant to Rule 25-
22.029, Florida Administrative Code.

Background

Since March 31, 1981, pursuant to the guidelines established
by Section 367.081(4)(a), Florida Statutes, and Rule 25-30.420,
Florida Administrative Code, this Commission has established a
price index increase or decrease for major categories of operating
costs on or before March 31 of each year. Since the initiation of
the price index, we have received and processed 2,265 index
applications. Over the past 17 years, an estimated 70 percent of

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the regulated water and wastewater utilities have utilized the index adjustments.

The 1998 price index has been calculated by using a fiscal year four quarter comparison ending with the third quarter 1997. The analysis compares the change in the average Gross Domestic Product Implicit Price Deflator Index for two fiscal years ending with the third quarter 1997. Our findings as to the category of costs, appropriate index, and implementation of the index are addressed below.

Categories of Operating Costs

All operation and maintenance costs, except for costs subject to pass-through adjustments pursuant to Section 367.081(4)(b), Florida Statutes, amortization of rate case expense, and adjustments or disallowances from a utility's most recent rate proceeding, shall be subject to price increases or decreases. The approved form for the calculation of price level adjustments, Appendix "A" attached hereto to this Order, indicates the appropriate categories of costs, and those costs which are excluded.

The pass-through adjustments include water quality testing for volatile organics and unregulated contaminants and wastewater quality testing required by the Department of Environmental Protection (DEP) pursuant to Rule 17-550.590, Florida Administrative Code. This pass-through provision does not provide for routine daily, weekly, or monthly testing currently included in utility rates.

Appropriate Index

Pursuant to Section 367.081 (4)(a), Florida Statutes, the price increase or decrease index for major categories of operating costs must reflect the percentage of increase or decrease in such costs from the most recent 12-month historical data available. By Order No. PSC-97-0145-FOF-WS, issued February 11, 1997, we found the Gross Domestic Product Implicit Price Deflator Index to be the appropriate method of determining the water and wastewater price index and utilized a four quarter fiscal year comparison as the means to accomplish it. We find it appropriate for the Gross Domestic Product Implicit Price Deflator Index to remain the determinant for the 1998 water and wastewater price index, and that the four quarter fiscal year comparison shall continue to be used.

Before we reached our conclusion as to the appropriate index, we examined a number of alternatives which could be used to calculate the indexing of utility revenues. Those alternatives included a survey of water and wastewater utilities, forecasts of the Data Resources Institute, and various price indices. We were also cognizant of general concerns expressed by utilities regarding the method of measurement and the implementation of the index. After considering the alternatives, and examining the possibility of using specific categorical indices for categories of operating expense, we conclude that the Gross Domestic Product Implicit Price Deflator Index continues to be the appropriate basis upon which to calculate water and wastewater price level adjustments.

The U.S. Department of Commerce, Bureau of Economic Analysis, released the final third quarter 1997 figures on December 23, 1997. The percentage change in the GDP Implicit Price Deflator Index, using the four quarter fiscal year comparison ending with the third quarter, is 2.10 percent. We therefore adopt that percentage as the 1998 price index.

Appropriate Filing Procedures

Rule 25-30.420, Florida Administrative Code, sets forth the Commission's procedures for implementing the price index. Appendix "C" attached to this Order contains the applicable statutory and rule provisions, as well as sample affidavits and customer notices, to be used when a utility seeks to change or adjust its rates through the index of pass-through methods, and a waiver form to be used if the utility wishes to implement an index and pass-through increase together. Six copies of the index and/or pass-through application must be filed with the Division of Water and Wastewater.

If a utility has increased its rates, Rule 25-30.420(2)(f), Florida Administrative Code, requires the utility to annualize revenues in order to calculate the appropriate index amount. The sample format contained in Appendix "B" of this Order indicates the appropriate form and methodology for annualizing revenue.

This Order and its appendices shall be sent to every regulated water and wastewater utility. A brief cover letter from the Director of the Division of Water and Wastewater, explaining the application procedures and the availability of Commission staff for assistance, shall also accompany this Order.

Proposed Agency Action Protest Period

Section 367.081 (4), Florida Statutes, requires that the price index must be set on or before March 31 of each year. In order to meet that statutory deadline, a relatively short timeline must be established for proceeding to hearing.

This Commission regularly permits a 21-day protest period for Proposed Agency Action (PAA) orders. However, Rule 25-22.029, Florida Administrative Code, provides that for good cause shown, we may establish a fourteen day period to request a Section 120.57, Florida Statutes hearing. Given the limited time in which to resolve any protest of the PAA Order, we find it appropriate to require any protest to the PAA Order in this docket to be filed within fourteen days of the issuance of the Order. Further, any party filing a protest to the Order shall also prefile testimony with the protest.

This docket shall be closed if no substantially affected person files a timely protest within the fourteen-day protest period.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the 1998 price index is 2.10 percent, as set forth in the body of this Order. It is further

ORDERED that water and wastewater utilities notifying the Commission on or after March 31, 1998, of their intent to use the price index to increase or decrease rates shall apply the 1998 index to 1997 operation and maintenance expenses. It is further

ORDERED that all attachments referred to in the body of this Order are expressly incorporated by reference. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

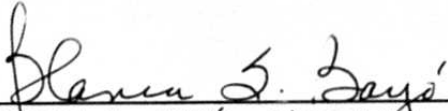
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ORDERED that any substantially affected person filing a protest to this Order shall do so within fourteen days of the issuance of this Order. It is further

ORDERED that persons filing protests to this Order shall also prefile testimony with the protest. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 6th day of February, 1998.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on February 20, 1998.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

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Appendix A
 1998 PRICE INDEX APPLICATION
 TEST YEAR ENDED DECEMBER 31, 1997

DEP FWS ID NO. _____	<u>WATER</u>	<u>WASTEWATER</u>
DEP WWTP ID NO. _____		
*1997 Operation and Maintenance Expenses	\$	\$
LESS:		
(a) Pass-through Items:		
(1) Purchased Power		
(2) Purchased Water		
(3) Purchased Wastewater Treatment		
** (4) DEP Required Water Testing		
*** (5) DEP Required Wastewater Testing		
(6) NPDES Fees		
(b) Rate Case Expense Included in 1996 Expenses		
(c) Adjustments to O & M Expenses from last rate case, if applicable:		
(1)		
(2)	_____	_____
Costs to be Indexed	\$	\$
Multiply by change in GDP Implicit Price Deflator Index	_____	_____
	.0210	.0210
Indexed Costs	\$	\$
****Add Pass-Through Items:		
(1)		
(2)		
Divide Index and Pass-Through Sum by Expansion Factor for Regulatory Assessment Fees	_____	_____
	.955	.955
Increase in Revenue	\$	\$
*****Divide by 1997 Revenue	_____	_____
Percentage Increase in Rates	%	%
	=====	=====

EXPLANATORY NOTES APPEAR ON THE FOLLOWING PAGE

APPENDIX 'A'

- * This amount must match 1997 annual report.
- ** Testing for volatile organic and unregulated contaminants per DEP Rule 17-550.590 F.A.C. and lead and copper testing per DEP Rule 17-551.450, F.A.C.
- *** Routine daily, weekly, or monthly testing required by the Department of Environmental Protection (DEP) not currently included in the utility's rates.
- **** This may include an increase in purchased power, purchased water, purchased wastewater treatment, required DEP testing, and ad valorem taxes, providing that those increases have been incurred within the 12 month period prior to the submission of the pass-through application. Pass-through NPDES fees and increases in regulatory assessment fees are eligible as pass-through costs but not subject to the twelve month rule. DEP water and wastewater testing pass-throughs require invoices. See Chapter 25-30.425 F.A.C. (included in this order) for more information.
- ***** If rates changed after January 1, 1997, the book revenues must be adjusted to show the changes and an explanation of the calculation should be attached to this form. See Appendix 'B' for instructions and a sample format.

APPENDIX 'B'

Have the rates charged for customer services changed since January 1, 1997?

() If no, the utility should use actual revenues. This form may be disregarded.

() If yes, the utility must annualize its revenues. Read the remainder of this form.

Annualizing calculates the revenues the utility would have earned based upon 1996 customer consumption at the most current rates in effect. To complete this calculation, the utility will need consumption data for 1996 to apply to the existing rate schedule. Below is a sample format which may be used.

CALCULATION OF ANNUALIZED REVENUES*
 Consumption Data for 1997

	<u>Number of</u> <u>Bill/Gal. Sold</u>	<u>Current</u> <u>X Rates</u>	<u>Annualized</u> <u>Revenues</u>
Residential Service:			
Bills: 5/8"x3/4" meters
1" meters
1 1/2" meters
2" meters
Gallons Sold
General Service:			
Bills: 5/8"x3/4" meters
1" meters
1 1/2" meters
2" meters
3" meters
4" meters
6" meters
Gallons Sold
Total Annualized Revenues for 1997			\$ <u> </u>

* Annualized revenues must be calculated separately if the utility consists of both a water system and a wastewater system. This form is designed specifically for utilities using a base facility charge rate structure. If annualized revenues must be calculated and further assistance is needed, contact the Commission Staff at (850) 413-6900.

APPENDIX 'C'

PRICE INDEX ADJUSTMENTS IN RATES

Section 367.081(4)(a), (c), (d), and (e), Florida Statutes
Rule 25-30.420, Florida Administrative Code
Sample Affirmation Affidavit
Notice to Customers

Sections 367.081(4)(a), (c), (d), and (e), Florida Statutes

(4)(a) On or before March 31 of each year, the commission by order shall establish a price increase or decrease index for major categories of operating costs incurred by utilities subject to its jurisdiction reflecting the percentage of increase or decrease in such costs from the most recent 12-month historical data available. The commission by rule shall establish the procedure to be used in determining such indices and a procedure by which a utility, without further action by the commission, or the commission on its own motion, may implement an increase or decrease in its rates based upon the application of the indices to the amount of the major categories of operating costs incurred by the utility during the immediately preceding calendar year, except to the extent of any disallowances or adjustments for those expenses of that utility in its most recent rate proceeding before the commission. The rules shall provide that, upon a finding of good cause, including inadequate service, the commission may order a utility to refrain from implementing a rate increase hereunder unless implemented under a bond or corporate undertaking in the same manner as interim rates may be implemented under s. 367.082. A utility may not use this procedure between the official filing date of the rate proceeding and 1 year thereafter, unless the case is completed or terminated at an earlier date. A utility may not use this procedure to increase any operating cost for which an adjustment has been or could be made under paragraph (b), or to increase its rates by application of a price index other than the most recent price index authorized by the commission at the time of filing.

(c) Before implementing a change in rates under this subsection, the utility shall file an affirmation under oath as to the accuracy of the figures and calculations upon which the change in rates is based, stating that the change will not cause the utility to exceed the range of its last authorized rate of return on equity. Whoever makes a false statement in the affirmation required hereunder, which statement he does not believe to be true in regard to any material matter, is guilty of a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

(d) If, within 15 months after the filing of a utility's annual report required by s. 367.121, the commission finds that the utility exceeded the range of its last authorized rate of return on equity after an adjustment in rates as authorized by this subsection was implemented within the year for which the report was filed or was implemented in the preceding year, the commission may order the utility to refund, with interest, the difference to the ratepayers and adjust rates accordingly.

This provision shall not be construed to require a bond or corporate undertaking not otherwise required.

(e) Notwithstanding anything herein to the contrary, a utility may not adjust its rates under this subsection more than two times in any 12-month period. For the purpose of this paragraph, a combined application or simultaneously filed applications that were filed under the provisions of paragraphs (a) and (b) shall be considered one rate adjustment.

Rule 25-30.420, Florida Administrative Code

25-30.420 Establishment of Price Index, Adjustment of Rates; Requirement of Bond; Filings After Adjustment; Notice to Customers.

(1) The Commission shall, on or before March 31 of each year, establish a price increase or decrease index as required by section 367.081(4)(a), F. S.

(a) In determining major categories of operating costs to which the index will apply, the Commission may consider whether the cost category is material to the operation of water and wastewater utilities, whether the cost category is applicable to all utilities regardless of size and geographic location, and whether sufficient data is available regarding price increases or decreases.

(b) In establishing price indices for major categories of operating costs, the Commission may consider cost statistics compiled by government agencies or bodies, cost data supplied by utility companies or other interested parties, applicable wage and price guidelines, or other relevant available data.

(2) Any utility seeking to increase or decrease its rates based upon the application of the indices established pursuant to subsection (1) and as authorized by section 367.081(4)(a), F. S., shall file a notice of intention with the Commission at least 60 days prior to the effective date of the increase or decrease. The adjustment in rates shall take effect on the date specified in the notice of intention unless the Commission finds that the notice of intention or accompanying materials do not comply with the law, or the rules or orders of the Commission. The notice shall be accompanied by:

- (a) Revised tariff sheets;
- (b) A computation schedule showing the increase or decrease in annual revenue that will result when the index is applied;
- (c) The affirmation required by section 367.081(4)(c), F. S.;
- (d) A copy of the notice to customers required by subsection (6);
- (e) The rate of return that the utility is affirming it will not exceed pursuant to section 367.081(4)(c), F. S.;
- (f) An annualized revenue figure for the test year used in the index calculation reflecting the rate change, along with an explanation of the calculation, if there has been any change in the utility's rates during or subsequent to the test year.

(3) The Commission, upon its own motion, may implement an increase or decrease in the rates of a utility based upon the application of the

indices established pursuant to subsection (1) and as authorized by section 367.081(4)(a), F. S. The Commission may require a utility to file any of the information required in subsection (2).

(4) Upon a finding of good cause, the Commission may require that a rate increase pursuant to section 367.081(4)(a), F. S., be implemented under a bond of corporate undertaking in the same manner as interim rates. For purposes of this subsection, "good cause" shall include:

(a) Inadequate service by the utility;
(b) Inadequate record-keeping by the utility such that the Commission is unable to determine whether the utility is entitled to implement the rate increase or decrease under this rule.

(5) After a rate adjustment pursuant to this rule, the Commission may require a utility to file with it such information required in Rule 25-30.436, F. A. C., that is necessary to determine whether the utility has exceeded its last authorized rate of return.

(6) Prior to the time a customer begins consumption at the rates established by application of the index, the utility shall notify each customer of the increase (or decrease) authorized and explain the reasons therefor.

(7) No utility shall implement a rate increase pursuant to this rule unless the utility has on file with the Commission a current annual report as required by Rule 25-30.110(3), F. A. C.

(8) No utility shall implement a rate increase pursuant to this rule within one year of the official date that it filed a rate proceeding, unless the rate proceeding has been completed or terminated.

Specific Authority 367.081(4)(a) FS.
Law Implemented 367.081(4)(a) FS.
History--New 4-5-81, Amended 9-16-82, Formerly 25-10.185, Amended
11-10-86, 6-5-91.

AFFIRMATION

I, _____, hereby affirm that the figures and calculations upon which the change in rates is based are accurate and that the change will not cause _____ to exceed the range of its last authorized rate of return, which is _____.

This affirmation is made pursuant to my request for a 1998 price index and/or pass-through rate increase, in conformance with Section 367.081(4)(c), Florida Statutes.

Signature: _____

Title: _____

Sworn to and subscribed before me this _____ day of _____, 19__.

My Commission expires:

(SEAL)

Notary Public
State of Florida

NOTICE TO CUSTOMERS

Pursuant to Section 367.081 (4) (a), Florida Statutes, water and wastewater utilities are permitted to adjust, twice a year, the rates and charges to its customers without those customers bearing the additional expense of a public hearing. These adjustments in rates would depend on increases or decreases in noncontrollable expenses subject to inflationary pressures such as chemicals, and other general operation and maintenance costs.

On _____, _____
(date) (name of company)

filed its notice of intention with the Florida Public Service Commission to increase water and wastewater rates in _____ County pursuant to this Statute. The filing is subject to review by the Commission Staff for accuracy and completeness. If acknowledged by the Commission, water rates will increase by approximately _____% and wastewater rates by _____%. These rates should be reflected on your _____ bill.
(date)

If you should have any questions, please contact your local utility office. Be sure to have your account number handy for quick reference.

PASS-THROUGH RATE ADJUSTMENTS

Section 367.081(4)(b), Florida Statutes
Rule 25-30.425, Florida Administrative Code
Waiver Form
Sample Affirmation Affidavit
Notice to Customers

Section 367.081(4)(b), Florida Statutes

(b) The approved rates of any utility which receives all or any portion of its utility service from a governmental authority or from a water or wastewater utility regulated by the commission and which redistributes that service to its utility customers shall be automatically increased or decreased without hearing, upon verified notice to the commission 45 days prior to its implementation of the increase or decrease that the rates charged by the governmental authority or other utility have changed. The approved rates of any utility which is subject to an increase or decrease in the rates or fees that it is charged for electric power, the amount of ad valorem taxes assessed against its used and useful property, the fees charged by the Department of Environmental Protection in connection with the National Pollutant Discharge Elimination System Program, or the regulatory assessment fees imposed upon it by the commission shall be increased or decreased by the utility, without action by the commission, upon verified notice to the commission 45 days prior to its implementation of the increase or decrease that the rates charged by the supplier of the electric power or the taxes imposed by the governmental authority, or the regulatory assessment fees imposed upon it by the commission have changed. The new rates authorized shall reflect the amount of the change of the ad valorem taxes or rates imposed upon the utility by the governmental authority, other utility, or supplier of electric power, or the regulatory assessment fees imposed upon it by the commission. The approved rates of any utility shall be automatically increased, without hearing, upon verified notice to the commission 45 days prior to implementation of the increase that costs have been incurred for water quality or wastewater quality testing required by the Department of Environmental Protection. The new rates authorized shall reflect, on an amortized basis, the cost of, or the amount of change in the cost of, required water quality or wastewater quality testing performed by laboratories approved by the Department of Environmental Protection for that purpose. The new rates, however, shall not reflect the costs of any required water quality or wastewater quality testing already included in a utility's rates. A utility may not use this procedure to increase its rates as a result of water quality or wastewater quality testing or an increase in the cost of purchased water services, sewer services, or electric power or in assessed ad valorem taxes, which increase was initiated more than 12 months before the filing by the utility. The provisions of this subsection do not prevent a utility from seeking a change in rates pursuant to the provisions of subsection (2).

Rule 25-30.425, Florida Administrative Code

25-30.425 Pass Through Rate Adjustment. The verified notice to the Commission of an adjustment of rates under the provisions of section 367.081(4)(b), F. S., shall be made in the following manner:

(1) Prior to an adjustment in rates because of an increase or decrease in purchased utility service, the utility shall file:

(a) A certified copy of the order, ordinance or other evidence whereby the rates for utility service are increased or decreased by the governmental agency or by a water or wastewater utility regulated by the Commission.

(b) A statement setting out by month the charges for utility services purchased from the governmental agency or regulated utility for the most recent 12-month period.

(c) 1. A statement setting out by month the gallons of water or wastewater treatment purchased from the governmental agency or regulated utility for the most recent 12-month period. If wastewater treatment service is not based on a metered flow, the number of units by which the service is measured shall be stated.

2. A statement setting out by month gallons of water and units of wastewater service sold by the utility for the most recent 12-month period.

(d) A statement setting out by month the gallons of water or wastewater treatment purchased from any other government entity or utility company.

(e) A statement setting out by month the gallons of water pumped or wastewater treated by the utility filing the verified notice.

(f) If the total water available for sale is in excess of 110% of the water sold, a statement explaining the unaccounted for water.

(2) Prior to an adjustment in rates because of an increase or decrease in the charge for electric power the utility shall file with the Commission:

(a) A certified copy of the order, ordinance or other evidence which establishes that the rates for electric power have been increased or decreased by the supplier.

(b) A schedule showing, by month, the charges for electric power and consumption for the most recent 12 month period, the charges that would have resulted had the new electric rates been applied, and the difference between the charges under the old rates and the charges under the new rates. A statement outlining the measures taken by the utility to conserve electricity.

(3) Prior to an adjustment in rates because of an increase or decrease in ad valorem taxes the utility shall file with the Commission:

(a) A copy of the ad valorem tax bills which increased or decreased and copies of the previous three years' bills; if copies have been submitted previously, a schedule showing the tax total only is acceptable; and

(b) A calculation of the amount of the ad valorem taxes related to that portion of the water or wastewater plant not used and useful in providing utility service.

(4) Prior to an adjustment in rates because of an increase or decrease in the costs of water quality or wastewater quality testing required by the Department of Environmental Regulation, the company shall file with the Commission:

- (a) A copy of the invoice for testing;
- (b) Calculation of the amortized amount.

(5) In addition to (1), (2) and (3) above, the utility shall also file:

(a) A schedule of proposed rates which will pass the increased or decreased costs on to the customers in a fair and nondiscriminatory manner and on the basis of current customers, and a calculation showing how the rates were determined;

(b) A statement, by class of customer and meter size, setting out by month the gallons of water and units of wastewater service sold by the utility for the most recent 12 month period. This statement shall not be required in filings for the pass through of increased regulatory assessment fees or ad valorem taxes.

The affirmation reflecting the authorized rate of return required by section 367.081(4)(c), F. S.; and

(d) A copy of the notice to customers required by subsection (7) of this rule;

(e) Revised tariff sheets reflecting the increased rates; and

(f) The rate of return that the utility is affirming it will not exceed pursuant to section 367.081(4)(c), F. S.

(6) In order for the Commission to determine whether a utility which had adjusted its rates pursuant to section 367.081(4)(b), F. S., has thereby exceeded the range of its last authorized rate of return, the Commission may require a utility to file the information required in Rule 25-30.437, F. A. C., for the test year specified.

(7) Prior to the time a customer begins consumption at the adjusted rates, the utility shall notify each customer of the increase authorized and explain the reasons for the increase.

(8) The official date of filing for the verified notice to the Commission of adjustment in rates shall be at least 45 days before the new rates are implemented.

Specific Authority 367.121(1)(f) FS.

Law Implemented 367.081(4)(b) FS.

History--New 6-10-75, Amended 4-5-79, 4-5-81, 10-21-82,

Formerly 25-10.179, Amended 11-10-86, 6-5-91.

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WAIVER

_____ hereby waives the right to implement a pass-through rate increase within 45 days of filing, as provided by Section 367.081(4)(b), Florida Statutes, in order that the pass-through and index rate increase may both be implemented together 60 days after the official filing date of this notice of intention.

Signature: _____

Title: _____

(To be used if an index and pass-through rate increase are requested jointly.)

AFFIRMATION

I, _____, hereby affirm that the figures and calculations upon which the change in rates is based are accurate and that the change will not cause _____ to exceed the range of its last authorized rate of return, which is _____. This affirmation is made pursuant to my request for a 1998 price index and/or pass-through rate increase, in conformance with Section 367.081(4)(c), Florida Statutes.

Signature: _____

Title: _____

Sworn to and subscribed before me this _____ day of _____, 19__.

My Commission expires:

(SEAL)

Notary Public
State of Florida

NOTICE TO CUSTOMERS

Pursuant to Section 367.081 (4) (b), Florida Statutes, water and wastewater utilities are permitted to pass through, without a public hearing, a change in rates resulting from: an increase or decrease in rates charged for utility services received from a governmental agency or another regulated utility and which services were redistributed by the utility to its customers; an increase or decrease in the rates that it is charged for electric power, the amount of ad valorem taxes assessed against its used and useful property, the fees charged by the Department of Environmental Protection in connection with the National Pollutant Discharge Elimination System Program, or the regulatory assessment fees imposed upon it by the Commission; and costs incurred for water quality or wastewater quality testing required by the Department of Environmental Protection.

On _____, _____
(date) (name of company)

filed its notice of intention with the Florida Public Service Commission to increase water and wastewater rates in _____ County pursuant to this Statute. The filing is subject to review by the Commission Staff for accuracy and completeness. If acknowledged by the Commission, water rates will increase by approximately _____% and wastewater rates by _____%. These rates should be reflected on your _____ bill.

(date)

If you should have any questions, please contact your local utility office. Be sure to have your account number handy for quick reference.