

STATE OF FLORIDA

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Public Service Commission

August 6, 2019

Jamie L. Jackson, Chief Attorney
Joint Administrative Procedures Committee
Room 680, Pepper Building
111 W. Madison Street
Tallahassee, FL 32399-1400

VIA HAND DELIVERY

Re: Docket No. 20190055-WS; Rule 25-30.420, F.A.C., Establishment of Price Index, Adjustment of Rates; Requirement of Bond; Filings After Adjustment; Notice to Customers.

Dear Ms. Jackson:

This letter responds to your July 18, 2019, letter concerning proposed addition of the word "Price" at the beginning of the form's title in Rule 25-30-420(1), F.A.C., Establishment of Price Index, Adjustment of Rates; Requirement of Bond; Filings After Adjustment; Notice to Customers. In response to your comments, we have made the technical change to the rule. A draft of the rule is attached.

We plan to file Rule 25-30.420 for adoption with the technical change with the Department of State on August 14, 2019.

Sincerely,

Lauren E. Davis
Senior Attorney

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cc: Office of Commission Clerk

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

(1) ~~On or before March 31 of each year,~~ 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. The Office of Commission Clerk shall mail each regulated water and wastewater utility a copy of the proposed agency action order establishing the index for the year and a copy of ~~the application.~~ Form PSC 1022 (9/18) PSC/AFD 15 (4/99), entitled "Price Index Application", which is incorporated into this rule by reference and may be obtained from [Dept of State hyperlink] and the Commission's Division of Accounting and Finance. Applications for the newly established price index will be accepted from April 1 of the year the index is established through March 31 of the following year.

(a) The index shall be applied to all operation and maintenance expenses, except for amortization of rate case expense, costs subject to pass-through adjustments pursuant to Section 367.081(4)(b), F.S., and adjustments or disallowances made in a utility's most recent rate proceeding.

(b) In establishing the price index, the Commission will consider cost statistics compiled by government agencies or bodies, cost data supplied by utility companies or other interested parties, and applicable wage and price guidelines.

(2) Any utility seeking to increase or decrease its rates based upon the application of the index established pursuant to subsection (1) and as authorized by Section 367.081(4)(a), F.S., shall file ~~an original and five copies of a~~ notice of intention and the materials listed in paragraphs (a) through (i) below with the Commission's Division of Accounting and Finance either by mail at 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399 or by e-mail at Applications@psc.state.fl.us at least 60 days prior to the effective date of the increase or decrease. Form PSC 1022 (9/18) is an example application that may be completed by the applicant to comply with this subsection. 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 Section 367.081(4), F.S. or this rule 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 on equity 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;

(g) The utility's Department of Environmental Protection Public Water System identification number and Wastewater Treatment Plant Operating Permit number;

(h) A statement that the utility does not have any active written complaints, corrective orders, consent orders, or outstanding citations with the Department of Environmental Protection (~~DEP~~) or the County Health Department(s) or that the utility does have active written complaints, corrective orders, consent orders, or outstanding citations with the Department of Environmental Protection or the County Health Department(s);

(i) A copy of any active written complaints, corrective orders, consent orders, or outstanding citations with the Department of Environmental Protection (~~DEP~~) or the County Health Department(s).

(3) If the Commission, upon its own motion, implements an increase or decrease in the rates of a utility based upon the application of the index established pursuant to subsection (1) and as authorized by Section 367.081(4)(a), F.S., the Commission will require a utility to file the information required in subsection (2).

(4) Upon a finding of good cause, the Commission shall ~~may~~ require that a rate increase pursuant to Section 367.081(4)(a), F.S., be implemented under a bond or 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) 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 therefore.

(6) No utility shall file a notice of intention pursuant to this rule unless the utility has filed ~~on file~~ with the Commission an annual report as required by subsection 25-30.110(3), F.A.C., for the test year specified in the order establishing the index for the year.

(7) 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.

Rulemaking Authority 350.127(2), 367.081(4)(a), 367.121(1)(c), (f) FS. Law Implemented 367.081(4), 367.121(1)(c), (g) FS. History--New 4-5-81, Amended 9-16-82, Formerly 25-10.185, Amended 11-10-86, 6-5-91, 4-18-99, 12-11-03, _____