If you have questions, you may call the Florida Public Service Commission's Office of Consumer Assistance & Outreach at 1-800-342-3552, fax your questions to 1-800-511-0809, or contact the PSC via the following e-mail address: contact@psc.state.fl.us.

Or write to the Florida Public Service Commission Office of Consumer Assistance & Outreach 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850


Why are price index and pass through increases helpful?

The narrow scope of these increases enables the PSC staff to review the rate applications without requiring a general rate proceeding, an expensive and time-consuming process. Also, these rate increases are smaller than those resulting from a general rate case, reducing the financial impact on customers. In fact, a price index increase is often only a few cents. Utilities that regularly take advantage of these two options are often able to delay applying for a full rate review. The price index and pass through rate adjustments are authorized by Section 367.081(4), Florida Statutes, and the filing procedures are detailed in Rule 25-30.420 & 425, Florida Administrative Code.

A general rate increase costs the customer more than a price index increase.
What is a Price Index?
Since 1981, the Florida Public Service Commission (PSC) has established an annual price index increase or decrease for major categories of operating costs in the water and wastewater industry. The price index rate adjustment process is designed to help utilities maintain financial stability by gradually keeping up with rising industry costs. The cost categories include labor, chemicals, sludge-hauling, materials and supplies, maintenance, transportation, and treatment expense. The price index is established by March 31 each year and is calculated using a comparison of the U.S. Department of Commerce’s average Gross Domestic Product Implicit Price Deflator Index for the preceding two years. Between 1998 and 2012, the PSC’s annual price index ranged from .56 percent to 3.09 percent.

What is a Pass Through?
A pass through rate adjustment enables a utility to adjust its rates to reflect an increase or decrease in the rates or fees that it is charged for certain expenses such as electric power, ad valorem taxes, and water or wastewater testing required by the Florida Department of Environmental Protection. A utility may implement a pass through rate increase 45 days after providing verified notice to the PSC.

What are the Limitations?
Utilities are limited to a total of two price index and/or pass through rate adjustments within any given 12-month period but are allowed to combine a price index and pass through into a single rate adjustment. For example, a utility could implement a pass through rate adjustment during one part of the year, then implement a second pass through rate adjustment combined with a price index rate adjustment some time during the next 12 months. The allowed combination of a price index and pass through enables a utility to keep up with its current financial needs without subjecting its customers to numerous rate adjustments. Also, a utility may not implement a price index or pass through rate adjustment within one year of filing for a general rate proceeding, unless the rate proceeding has been completed or terminated.

No additional profit is included in either the price index or pass through increase. However, if a utility exceeds its authorized rate of return after implementing a price index increase, the PSC may order the utility to reduce the rates and issue a refund with interest to the customers. The PSC’s authority to require a refund extends to 15 months after a utility files its annual report.