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STATE OF FLORIDA



OFFICE OF THE GENERAL COUNSEL
KEITH C. HETRICK
GENERAL COUNSEL
(850) 413-6199

Public Service Commission

May 13, 2020

Mr. Ernest Reddick
Florida Department of State
Administrative Code and Register Section
Room 701, the Capitol
Tallahassee, FL 32399-0250
AdministrativeCode@dos.myflorida.com.

VIA EMAIL AND US MAIL

FILED
2020 MAY 13 AM 11:35
TALLAHASSEE, FLORIDA

Re: Rule Certification Packet for Rule 25-30.457, F.A.C., Limited Alternative Rate Increase

Dear Mr. Reddick:

Enclosed for filing is a complete rule certification packet for Rule 25-30.457, F.A.C., consisting of:

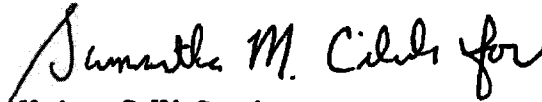
- (1) One copy of the coded text of the rule in Word version sent as an email attachment;
- (2) One copy of the e-mail approval confirmation with the certification form required by Rule 1-1.013, F.A.C., for the materials incorporated by reference that were filed electronically;
- (3) One copy of the signed rule certification form;
- (4) One copy of the signed designation of minor violation rule certification form required by Rule 1-1.010, F.A.C.;
- (5) One copy of the coded text of the rule, including the legal citations and history notes;
- (6) One copy of the summary of the rule;
- (7) One copy of the detailed written statement of the facts and circumstances justifying the rule; and
- (8) One copy of the summary of the hearings held on the rule.

RECEIVED-FPSC
2020 MAY 14 PM 12:02
COMMISSION CLERK

Page 2
Ernest Reddick
May 13, 2020

Please let me know if you have any questions. The contact name and information for this rule are Kathryn G. W. Cowdery, Florida Public Service Commission, Office of General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0250, (850) 413-6216, kcowdery@psc.state.fl.us.

Sincerely,



Kathryn G. W. Cowdery
Senior Attorney

Enclosures
cc: Commission Clerk

**CERTIFICATION OF FLORIDA PUBLIC SERVICE COMMISSION
ADMINISTRATIVE RULES FILED WITH THE DEPARTMENT OF STATE**

FILED
2020 MAY 13 AM 11:38
ADMINISTRATIVE SECTION

I hereby certify:

(1) That all statutory rulemaking requirements of Chapter 120, F.S., and all rulemaking requirements of the Department of State have been complied with; and

(2) That there is no administrative determination under Section 120.56(2), F.S., pending on any rule covered by this certification; and

(3) All rules covered by this certification are filed within the prescribed time limitations of Section 120.54(3)(e), F.S. They are filed not less than 28 days after the notice required by Section 120.54(3)(a), F.S.; and

(a) Are filed not more than 90 days after the notice; or

(b) Are filed more than 90 days after the notice, but not more than 60 days after the administrative law judge files the final order with the clerk or until 60 days after subsequent judicial review is complete; or

(c) Are filed more than 90 days after the notice, but not less than 21 days nor more than 45 days from the date of publication of the notice of change; or

(d) Are filed more than 90 days after the notice, but not less than 14 nor more than 45 days after the adjournment of the final public hearing on the rule; or

(e) Are filed more than 90 days after the notice, but within 21 days after the date of receipt of all material authorized to be submitted at the hearing; or

(f) Are filed more than 90 days after the notice, but within 21 days after the date the transcript was received by this agency; or

(g) Are filed not more than 90 days after the notice, not including days the adoption of the rule was postponed following notification from the Joint Administrative Procedures Committee that an objection to the rule was being considered; or

(h) Are filed more than 90 days after the notice, but within 21 days after a good faith written proposal for a lower cost regulatory alternative to a proposed rule is submitted which substantially accomplishes the objectives of the law being implemented; or

(i) Are filed more than 90 days after the notice, but within 21 days after a regulatory alternative is offered by the Small Business Regulatory Advisory Committee.

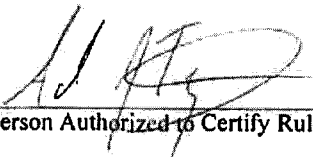
Attached is each rule covered by this certification. The rules are hereby adopted by the undersigned agency by and upon their filing with the Department of State.

Rule Nos.

25-30.457

Under the provision of Section 120.54(3)(e)6., F.S., the rules take effect 20 days from the date filed with the Department of State or a later date as set out below:

Effective Date: _____.



Person Authorized to Certify Rules

Commission Clerk

Title

5

Number of Pages Certified

**DESIGNATION OF RULE THE VIOLATION OF WHICH IS A MINOR VIOLATION
CERTIFICATION**

Pursuant to Section 120.695(2)(c)3, Florida Statutes, I certify as agency head, as defined by section 20.05(1)(b), Florida Statutes, that:

All rules covered by this certification are not rules the violation of which would be a minor violation pursuant to Section 120.695, F.S.

The following parts of the rules covered by this certification have been designated as rules the violation of which would be a minor violation pursuant to Section 120.695, F.S.:

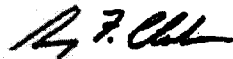
Rule No(s).

25-30.457

Rules covered by this certification:

Rule No(s).

25-30.457



Signature of Agency Head

Chairman, Florida Public Service Commission
Title

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2020 MAY 13 AM 11:35
FLORIDA PUBLIC SERVICE COMMISSION

25-30.457 Limited Alternative Rate Increase.

(1) As an alternative to a staff assisted rate case as described in Rule 25-30.455, F.A.C., or to staff assistance in alternative rate setting as described in Rule 25-30.456, F.A.C., water utilities whose total gross annual operating revenues are \$300,000 or less for water service and wastewater utilities whose total gross annual operating revenues are \$300,000 or less for wastewater service may file with the Office of Commission Clerk an application petition the Commission for a limited alternative rate increase of up to 20 percent applied to metered or flat recurring rates of all classes of service by filing with the Office of Commission Clerk the information required by subsections (7), (8) and (9) of this rule.

(2) The application for limited alternative rate increase must contain the following information:

(a) The name of the utility as it appears on the utility's certificate and the address of the utility's principal place of business;

(b) The type of business organization under which the utility's operations are conducted;

(c) If the utility is a corporation, the date of incorporation and the names and addresses of all persons who own five percent or more of the utility's stock;

(d) If the utility is not a corporation, the names and addresses of the owners of the business;

(e) A schedule showing the annualized revenues by customer class and meter size for the most recent 12-month period using the rates in effect at the time the utility files its application;

(f) A schedule showing the current and proposed rates for all classes of customers;

(g) A statement providing the specific basis or bases for the requested rate increase;

(h) If the requested rate increase is based upon the utility's underearning or the utility's expectation to underearn, a statement explaining why the utility is, or is expected to, underearn its authorized rate of return;

(i) A statement that the figures and calculations upon which the change in rates is based are accurate and that the change will not cause the utility to exceed its last authorized rate of return on equity;

(j) A statement that the utility is currently in compliance with its annual report filing in accordance with Rule 25-30.110(3), F.A.C.;

(k) A statement that the utility has paid all required regulatory assessment fees or is current on any approved regulatory assessment fee payment plan;

(l) A statement that an order in a rate proceeding that established the utility's rate base, capital structure, annual

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OFFICE OF THE CLERK
STATE OF FLORIDA

operating expenses and revenues has been issued for the utility within the 7-year period prior to the official date of filing of the application; and

(m) Any additional relevant information in support of the application and reasons why the information should be considered.

(3) Within 30 days of the application's filing date, Commission staff will notify the utility in writing that the application requirements of subsection (2) of this rule have been met or that the requirements of subsection (2) have not been met with an explanation of the application's deficiencies.

~~(2) Within 30 days of receipt of the completed petition, the Commission will evaluate the petition and determine the petitioner's eligibility for a limited alternative rate increase.~~

~~(3) The Commission will notify the petitioner in writing as to whether the petition is accepted or denied. If the petition is accepted, staff assistance in alternative rate setting will be initiated. If the petition is denied, the notification of petition denial will state the deficiencies in the petition with reference to the criteria set out in subsection (5) of this rule.~~

(4) The date of Commission staff's written notification to the utility that the requirements of subsection (2) of this rule have been met will be considered the date of official acceptance by the Commission of the application. The official date of filing is established as will be 30 days after the official acceptance by the Commission of the application date of the written notification to the petitioner of the Commission's acceptance of the petition. The application is deemed denied if the utility does not remit the filing fee as required by paragraph 25-30.020(2)(f), F.A.C., within 30 days after the official acceptance of the application.

~~(5) In determining whether to grant or deny the petition, the Commission will consider the following criteria:~~

~~(a) Whether the petitioner qualifies for staff assistance pursuant to subsection (1) of this rule;~~

~~(b) Whether the petitioners' books and records are organized consistent with rule 25-30.110, F.A.C., so as to allow Commission personnel to verify costs and other relevant factors within the 30-day time frame set out in this rule;~~

~~(c) Whether the petitioner has filed annual reports;~~

~~(d) Whether the petitioner has paid applicable regulatory assessment fees;~~

~~(e) Whether the petitioner has at least one year of experience in utility operation;~~

~~(f) Whether the petitioner has filed additional relevant information in support of eligibility together with reasons~~

why the information should be considered;

~~(g) Whether the utility was granted a rate case increase within the 2 year period prior to the receipt of the petition under review;~~

~~(h) Whether a final order in a rate proceeding that established the utility's rate base, capital structure, annual operating expenses and revenues has been issued for the utility within the 7 year period prior to the receipt of the petition under review.~~

~~(6) The Commission will deny the petition if the petitioner does not remit the filing fee, as provided by paragraph 25-30.020(2)(f), F.A.C., within 30 days after official acceptance of the petition.~~

~~(7) Each petitioner for limited alternative rate increase shall provide the following general information to the Commission:~~

~~(a) The name of the utility as it appears on the utility's certificate and the address of the utility's principal place of business; and,~~

~~(b) The type of business organization under which the utility's operations are conducted:~~

~~1. If the petitioner is a corporation, the date of incorporation and the names and addresses of all persons who own five percent or more of the petitioner's stock; or~~

~~2. If the petitioner is not a corporation, the names and addresses of the owners of the business.~~

~~(8) The petitioner shall provide a schedule showing:~~

~~(a) Annualized revenues by customer class and meter size for the most recent 12 month period using the rates in effect at the time the utility files its petition; and,~~

~~(b) Current and proposed rates for all classes of customers.~~

~~(9) The petitioner shall provide a statement that the figures and calculations upon which the change in rates is based are accurate and that the change will not cause the utility to exceed its last authorized rate of return on equity.~~

~~(5)(10) A financial or engineering audit of the utility's financial or engineering books and records will shall not be required in determining whether to approve or deny the application conjunction with the petition under review.~~

~~(6)(11) Based upon the criteria contained in subsection (2), the Commission will approve, deny, or approve the application The petition will be approved, denied, or approved with modifications that may include a reduction or an increase in the requested rate increase. within 90 days from the official filing date as established in subsection (4) of this rule.~~

~~(7)(12)~~ Any revenue increase granted under the provisions of this rule shall be held subject to refund with interest in accordance with subsection rule 25-30.360(4), F.A.C., for a period of 15 months after the filing of the utility's annual report required by rule 25-30.110, F.A.C., for the year the adjustment in rates was implemented. Subsection 25-30.360(6), F.A.C., does not apply to any money collected subject to refund under this subsection.

~~(8)(13)~~ To insure overearnings will not occur due to the implementation of this rate increase, the Commission staff will conduct an earnings review of the twelve-month period following the implementation of the revenue increase. utility's annual report to determine any potential overearnings for the year the adjustment in rates was implemented.

(a) At the end of the twelve-month period, the utility has 90 days to complete and file Form PSC 1025 (03/20), entitled "Limited Alternative Rate Increase Earnings Review," which is incorporated into this rule by reference and is available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-11955>.

(b) In the event the utility needs additional time to complete the form, the utility may request an extension of time supported by a statement of good cause that must be filed with Commission staff within seven days prior to the 90-day deadline. "Good cause" means a showing of financial hardship, unforeseen events, or other events outside the control of the utility, but does not include reasons such as management oversight.

~~(c)(14)~~ If, within 15 months after the filing of a utility's annual report the Commission staff's earnings review demonstrates 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 rule, was implemented within the year for which the report was filed, such overearnings, up to the amount held subject to refund, with interest, shall be disposed of for the benefit of the customers. If the Commission staff determines that the utility did not exceed the range of its last authorized return on equity, the revenue increase will no longer be held subject to refund.

~~(9)(15)~~ In the event of a protest of the pProposed aAgency aAction oOrder is protested pursuant to Rrule 28-106.111, F.A.C., by a substantially affected person other than the utility, the utility must file a staff assisted rate case application pursuant to Rule 25-30.455, F.A.C., within 21 days from the date the protest is filed or the utility's application for a limited alternative rate increase will be deemed withdrawn.

(10) Upon the utility filing a staff assisted rate case application pursuant to subsection (9) of this rule:

(a) unless the Proposed Agency Action Order proposes a rate reduction, the utility may implement the rates established in the pProposed aAgency aAction oOrder on a temporary basis subject to refund with interest in

accordance with ~~Rule 25-30.360, F.A.C.;~~ upon the utility filing a staff assisted rate case application pursuant to rule ~~25-30.455, F.A.C.,~~ within 21 days of the date the protest is filed.

~~(b)(16) In the event of a protest, the~~ limit on the maximum increase provided in subsection (1) of this rule will shall no longer apply; and

(c) The application will be processed under Rule 25-30.455, F.A.C.

~~(17) If the utility fails to file a staff assisted rate case application within 21 days in the event of a protest, the petition for a limited alternative rate increase will be deemed withdrawn.~~

Rulemaking Authority 350.127(2), 367.0814, 367.121 FS. Law Implemented 367.0814 FS. History—New 3-15-05, Amended 12-16-08, 8-10-14, 7-1-18, _____.

SUMMARY OF THE RULE

The rule is amended to identify in one subsection all the information that must be contained in the application for limited alternative rate increase. Commission staff will conduct an earnings review of the twelve-month period following the implementation of the revenue increase based on information provided by the utility in a limited alternative rate increase earnings review form. Utilities will no longer be required to provide security for money collected subject to refund or file monthly refund reports with the Commission.

WRITTEN STATEMENT OF THE FACTS AND CIRCUMSTANCES JUSTIFYING THE RULE

The purpose of this rule is to allow small utilities to obtain a limited amount of rate relief more quickly, thus resulting in less costly regulation through lower rate case expense and reduction in Commission staff labor. The amendments clarify rule requirements and better organize the rule. The rule is restructured to specifically identify the information required in the application, including an explanation of the reasons why the utility is asking for the rate increase. The Commission staff earnings review timeframe has been amended and utilities will no longer be required to provide security for money collected subject to refund or file monthly refund reports with the Commission. These rule amendments are intended to enable more small utilities to use the limited alternative rate increase process in rate setting.

SUMMARY OF ANY HEARINGS HELD ON THE RULE

No timely request for a hearing was received by the agency, and no hearing was held.

FILED
2020 MAY 13 AM 11:35
REGULATORY DIVISION
FLORIDA

CERTIFICATION OF MATERIALS INCORPORATED

BY REFERENCE IN RULES FILED WITH THE DEPARTMENT OF STATE

I hereby certify pursuant to Rule 1-1.013, Florida Administrative Code:

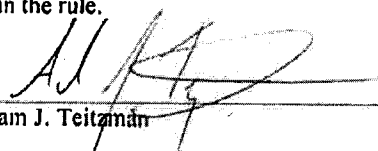
(1) That materials incorporated by reference in Rule 25-30.457, F.A.C., have been electronically filed with the Department of State.

(2) That because there would be a violation of federal copyright laws if the submitting agency filed the incorporated materials described below electronically, a true and complete paper copy of the incorporated materials are attached to this certification for filing. Paper copies of the incorporated materials below may be obtained at the agency by [include address(es)/location(s)].

List form number(s) and form title(s), or title of document(s) below:

Form No. PSC 1025 (03/20), Limited Alternative Rate Increase Earnings Review

Under the provisions of Section 120.54(3)(e)6., F. S., the attached material(s) take effect 20 days from the date filed with the Department of State, or a later date as specified in the rule.



Adam J. Teitzman

Commission Clerk

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2020 MAY 13 AM 11:35
FLEMING COUNTY
FLORIDA

Julie Phillips

From: FL-Rules@dos.state.fl.us
Sent: Tuesday, May 12, 2020 10:36 AM
To: Julie Phillips
Cc: firules@dos.state.fl.us
Subject: 25-30.457 Reference Material for Rule Adoption Approved

Dear JPhillips:

The reference material for rule adoption you submitted has been approved by the Administrative Code and Register Staff.

The approved material is available in the Review/Modify Agency Reference Material list (Agency Main Menu page).

Rule Number: 25-30.457

Reference Number: Ref-11955; Reference Name: PSC Form 1025 (03/20) Limited Alternative Rate Increase Earnings Review

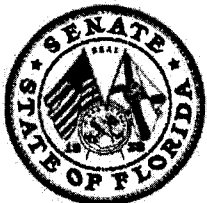
Click [here](#) to log in.

Administrative Code and Register Staff
Florida Department of State

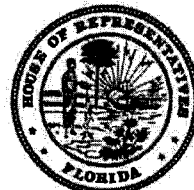
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TALLAHASSEE, FLORIDA

BILL GALVANO
President

JOSE R. OLIVA
Speaker



THE FLORIDA LEGISLATURE
**JOINT ADMINISTRATIVE
PROCEDURES COMMITTEE**



Senator Linda Stewart, Chair
Representative Erlin Grall, Vice Chair
Senator Janet Cruz
Senator Ed Hooper
Senator Keith Perry
Senator Tom A. Wright
Representative Vance Arthur Aloupis, Jr.
Representative Tommy Gregory
Representative Cindy Polo
Representative Holly Raschein
Representative Jason Shoaf
Representative Clovis Watson, Jr.

KENNETH J. PLANTE
COORDINATOR
Room 680, Pepper Building
111 W. Madison Street
Tallahassee, Florida 32399-1400
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Fax (850) 922-6934
www.japc.state.fl.us
japc@leg.state.fl.us

CERTIFICATION

Department: Public Service Commission
Agency:
Rule No(s): 25-30.457
File Control No: 181505

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LEGISLATIVE SERVICE CENTER
TALLAHASSEE, FLORIDA

As required by subparagraph 120.54(3)(e)4 F.S., the Joint Administrative Procedures Committee hereby certify that:

- There were no material and timely written comments or written inquiries made on behalf of the committee regarding the above listed rule; or
- The adopting agency has responded in writing to all material and timely written comments or written inquiries made on behalf of the committee regarding the above listed rules; or
- The adopting agency has not responded in writing to all material and timely written comments or written inquiries made on behalf of the Committee regarding the above listed rules.

Certification Date: 5/13/2020

This certification expires after: 5/20/2020

Certifying Attorney: Jamie Jackson

NOTE:

- The above certified rules include materials incorporated by reference.*
- The above certified rules do not include materials incorporated by reference.*

Julie Phillips

From: Administrative Code <AdministrativeCode@DOS.MyFlorida.com>
Sent: Wednesday, May 13, 2020 12:05 PM
To: Julie Phillips
Cc: Kathryn Cowdery; Samantha Cibula
Subject: RE: Rule Certification Packet, Rule 25-30.457, F.A.C.
Attachments: 25-30.457.pdf

Hello,

Please see the attached filed packet for rule 25-30.457.

Best,

Anya Grosenbaugh

Government Operations Consultant III
Florida Administrative Code and Register
Room 701, The Capitol | Tallahassee, Florida
850.245.6271

From: Julie Phillips [<mailto:JPhillip@PSC.STATE.FL.US>]
Sent: Wednesday, May 13, 2020 8:00 AM
To: Administrative Code <AdministrativeCode@DOS.MyFlorida.com>
Cc: Kathryn Cowdery <kcowdery@psc.state.fl.us>; Samantha Cibula <SCibula@PSC.STATE.FL.US>; Julie Phillips <JPhillip@PSC.STATE.FL.US>
Subject: Rule Certification Packet, Rule 25-30.457, F.A.C.

EMAIL RECEIVED FROM EXTERNAL SOURCE

The attachments/links in this message have been scanned by Proofpoint.

The Rule Certification Packet for Rule 25-30.457, F.A.C., with attachments of the PDF of the entire packet, along with the Word version of the coded text of the rule.

We await your confirmation email.

Thank you

Julie Phillips
Office of the General Counsel
Florida Public Service Commission
850.413.6084