

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed amendment of  
25-30.420, F.A.C.,  
Establishment of Price Index,  
Adjustment of Rates; Requirement  
of Bond; Filings after  
Adjustment; Notice to Customers;  
and 25-30.425, F.A.C., Pass  
Through Rate Adjustment

DOCKET No. 980561-WS

**STAFF'S POSTHEARING COMMENTS**

Staff submits the following language to be added to Rule 25-30.425:

1. (6) The amount authorized for pass through rate adjustments shall not exceed the actual cost incurred and shall not exceed the incremental increase or decrease for the 12-month period.

Staff's concern has been that a utility should not be permitted to pass through a cost increase such that the resulting rate for any item subject to pass through rate increase treatment exceeds the actual cost incurred. Such a result could occur in some instances if a utility failed to pass through a decrease in a prior period. The addition of the above language will make clear that such a result is not permissible. It is not intended that any pass through increase would be offset by a prior period's decrease in cost when such action would reduce the rate to an amount below actual cost.

2. In addition, the terms "on equity" should be added to 25-30.425(5)(e), so that it reads:

DOCUMENT NUMBER-DATE

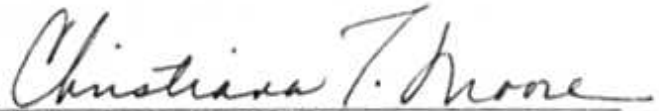
00477 JAN 13 88

FF SC-RECORDS/REPORTING

ACK \_\_\_\_\_  
AFA \_\_\_\_\_  
APP \_\_\_\_\_  
CAF \_\_\_\_\_  
CMU \_\_\_\_\_  
CTR \_\_\_\_\_  
EAG \_\_\_\_\_  
LEG \_\_\_\_\_  
LIN 5 \_\_\_\_\_  
OPC \_\_\_\_\_  
RCH \_\_\_\_\_  
SEC 1 \_\_\_\_\_  
WAS \_\_\_\_\_  
OTH \_\_\_\_\_

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

Respectfully submitted,



CHRISTIANA T. MOORE  
Associate General Counsel

Florida Public Service Commission  
Division of Appeals  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
(850) 413-6098

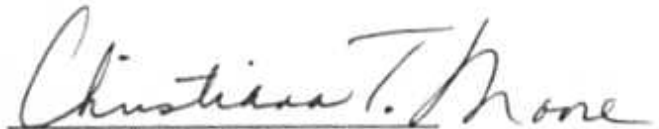
**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true copy of the foregoing has been furnished by U.S. Mail this 13th day of January, 1999, to the following:

Brian P. Armstrong, Esquire  
Matthew J. Feil, Esquire  
Florida Water Services Corp.  
1000 Color Place  
Apopka, FL 32703

Stephen C. Burgess, Esquire  
Office of Public Counsel  
111 W. Madison Street, Rm. 812  
Tallahassee, FL 32399-1400

Kenneth A. Hoffman, Esquire  
John R. Ellis, Esquire  
Rutledge, Ecenia, et al.  
P. O. Box 551  
Tallahassee, FL 32302



CHRISTIANA T. MOORE