

REPORT ON

Status  
of Staff  
Assisted  
Rate  
Cases

December 2022

Florida Public Service Commission

As Required  
By Section 367.0814(10),  
Florida Statutes

## Background

The following changes to Section 367.0814, Florida Statutes (F.S.), became effective July 1, 2008.

### 367.0814 Staff assistance in changing rates and charges

(1) The commission may establish rules by which a water or wastewater utility whose gross annual revenues are ~~\$250,000~~ ~~\$150,000~~ or less may request and obtain staff assistance for the purpose of changing its rates and charges. A utility may request staff assistance by filing an application with the commission. The gross annual level shall be adjusted on July 1, 2013, and every 5 years thereafter, based on the most recent cumulative 5 years of the price index established by the commission pursuant to s. 367.081(4)(a).

(10) The commission shall submit to the President of the Senate and the Speaker of the House of Representatives by January 1, 2013, and every 5 years thereafter, a report of the status of proceedings conducted under this section, including the number of utilities eligible to request staff assistance, the number of proceedings conducted annually for the most recent 5-year period, the associated impact on commission resources, and any other information the commission deems appropriate.

After the Florida Public Service Commission's (Commission) 2012 Report on Status of Staff Assisted Rate Cases was issued, and pursuant to Section 367.0814(1), F.S., Rules 25-30.455, 25-30.456, and 25-30.457, Florida Administrative Code (F.A.C.), were amended to increase the total gross annual operating revenues of water and wastewater utilities eligible for staff assistance in rate cases, alternative rate setting, and limited alternative rate increases. The new thresholds were increased from \$250,000 to \$275,000 for water or wastewater service, and from \$500,000 to \$550,000 for water and wastewater service combined.

After the Commission's 2017 Report on Status of Staff Assisted Rate Cases was issued, and pursuant to Section 367.0814(1), F.S., Rules 25-30.455, 25-30.456, and 25-30.457, F.A.C., were once again amended to increase the total gross annual operating revenues of water and wastewater utilities eligible for staff assistance in rate cases, alternative rate setting, and limited alternative rate increases from \$275,000 to \$300,000 for water or wastewater service, and from \$550,000 to \$600,000 for water and wastewater service combined.

## Number of Eligible Utilities and Proceedings in Most Recent 5-Year Period

Presently, there are 83 water systems and 58 wastewater systems that qualify for a staff-assisted rate case (SARC) at the current \$300,000 gross annual revenue threshold level. The increase in the revenue threshold from \$275,000 to \$300,000 resulted in no additional cases being processed as a SARC since the threshold was last raised. The following table reflects the number of proceedings docketed annually for the most recent 5-year period and through the first six months of 2022.

Year	Number of Docketed Cases	Utilities Eligible Under \$275K Threshold	Additional Utilities Eligible Under \$300K Threshold
2017	5	5	0
2018	5	5	0
2019	5	5	0
2020	3	3	0
2021	2	2	0
2022	6	6	0
Total	26	26	0

### Impact on Commission Resources

As noted above, the increase in the gross annual revenue threshold level from \$275,000 to \$300,000 resulted in no additional cases being processed as a SARC. As such, there was no incremental impact to Commission staff and resources. Any utility not eligible for a SARC could still file for rate relief under the file and suspend process.

### Other Reportable Information

Section 367.0814(1), F.S., requires that the gross annual revenue threshold level be adjusted on July 1, 2013, and every five years thereafter, based on the most recent cumulative five years of the price index established by the Commission pursuant to Section 367.081(4)(a).<sup>1</sup> The following table reflects the estimated impact on the gross annual revenue threshold level.

Calculation of Index Provision of Section 367.0814(1), Florida Statutes					
Line No.	Year	Index	Cumulative 5-Year Index Percentage	Current Annual Revenue Level	Statutory Indexed Annual Revenue Level
1	2018	1.76%			
2	2019	2.36%			
3	2020	1.79%			
4	2021	1.17%			
5	2022	4.53%	12.15%	\$300,000	\$336,377

<sup>1</sup>Section 367.081(4)(a), F.S., provides in part that: “[o]n 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 . . .”

Based on the application of the 5-year index shown above, the estimated gross annual revenue threshold level would move from \$300,000 to \$335,000 (rounded), which represents an increase of \$35,000. At the \$335,000 threshold, the Commission estimates that one additional utility will qualify for staff assistance. As such, the Commission estimates that the proposed threshold would have a negligible effect on Commission staff and resources. Commission staff will initiate rule making on Rules 25-30.455, 25-30.456, and 25-30.457, F.A.C. during the first quarter of 2023.