

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Proposed Revisions to ) DOCKET NO. 911082-WS  
Rules 25-30.020, 25-30.025, 25- ) ORDER NO. PSC-93-0455-NOR-WS  
30.030, 25-30.032, 25-30.033, ) ISSUED: 03/24/93  
25-30.034, 25-30.035, 25-30.036, )  
25-30.037, 25-30.060, 25- )  
30.111, 25-30.135, 25-30.320, )  
25-30.335, 25-30.360, 25-30.430, )  
25-30.436, 25-30.437, 25-30.443, )  
25-30.455, 25-30.515, 25-30.565; )  
NEW RULES 25-30.0371, 25-30.038, )  
25-30.039, 25-30.090, 25-30.117, )  
25-30.432 to 25-30.435, 25- )  
30.4385, 25-30.4415, 25-30.456, )  
25-30.460, 25-30.465, 25-30.470, )  
and 25-30.475; AND REPEAL OF )  
RULE 25-30.441, F.A.C., )  
Pertaining to Water and )  
Wastewater Regulation )

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The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman  
THOMAS M. BEARD  
SUSAN F. CLARK  
JULIA L. JOHNSON

NOTICE OF RULEMAKING

NOTICE is hereby given that the Commission, pursuant to section 120.54, Florida Statutes, has initiated rulemaking to amend proposed revision to Rules 25-30.020, 25-30.025, 25-30.030, 25-30.032, 25-30.033, 25-30.034, 25-30.035, 25-30.036, 25-30.037, 25-30.060, 25-30.111, 25-30.135, 25-30.320, 25-30.335, 25-30.360, 25-30.430, 25-30.436, 25-30.437, 25-30.443, 25-30.455, 25-30.515, 25-30.565; New Rules 25-30.0371, 25-30.038, 25-30.039, 25-30.090, 25-30.117, 25-30.432 to 25-30.435, 25-30.4385, 25-30.4415, 25-30.456, 25-30.460, 25-30.465, 25-30.470, and 25-30.475; and Repeal of Rule 25-30.441, Pertaining to Water and Wastewater Regulation.

The attached Notice of Rulemaking will appear in the April 2, 1993 edition of the Florida Administrative Weekly. A hearing will be held at the following time and place:

DOCUMENT NUMBER-DATE

03239 MAR 24 8

FPSC-RECORDS/REPORTING

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9:30 a.m. - May 24, 1993  
and, if needed, May 25 and 26, 1993  
Room 106, Fletcher Building  
101 East Gaines Street  
Tallahassee, Florida 32399

Written comments or suggestions on the rules must be received by the Director, Division of Records and Reporting, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, FL 32399, no later than April 23, 1993.

By Direction of the Florida Public Service Commission, this 24th day of March, 1993.

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STEVE TRIBBLE, Director  
Division Records & Reporting

( S E A L )

adm25-30.mrd

by: Kay Flynn  
Chief, Bureau of Records

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FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 911082-WS

RULE TITLE:

RULE NO.:

Fees Required to be Paid by Water and Wastewater Utilities	25-30.020
Official Date of Filing	25-30.025
Notice of Application	25-30.030
Applications	25-30.032
Application for Original Certificate of Authorization and Initial Rates and Charges	25-30.033
Application for Certificate of Authorization for Existing Utility Currently Charging for Service	25-30.034
Application for Grandfather Certificate	25-30.035
Application for Amendment to Certificate of Authorization to Extend or Delete Service	25-30.036
Application for Authority to Transfer	25-30.037
Rate Base Established at Time of Transfer	25-30.0371
Expedited Application for Acquisition of Existing Small System	25-30.038
Application for Name Change	25-30.039
Application for Exemption from Regulation or Nonjurisdictional Finding	25-30.060

Abandonments	25-30.090
Exemption for Resale of Utility Service,	
Annual Report	25-30.111
Accounting for Pension Costs	25-30.117
Tariffs, Rules and Miscellaneous Requirements	25-30.135
Refusal or Discontinuance of Service	25-30.320
Customer Billing	25-30.335
Refunds	25-30.360
Test Year Approval	25-30.430
Used and Useful in Rate Case Proceedings	25-30.432
Rate Case Proceedings	25-30.433
Application for Allowance for Funds Prudently	
Invested (AFPI) Charges	25-30.434
Application for a Rate Increase by an Applicant	
that Owns Multiple Systems	25-30.435
General Information and Instructions Required	
of Class A and B Water and Wastewater	
Utilities in an Application for Rate Increase	25-30.436
Financial, Rate and Engineering Information	
Required of Class A and B Water and Wastewater	
Utilities in an Application for Rate	
Increase	25-30.437
Additional Rate Information Required in	



Application for Rate Increase	25-30.4385
Engineering Information Required in Application for Rate Increase by Utilities Seeking to Recover the Cost of Investment for Plant Construction Required by Governmental Authority	25-30.441
Additional Information Required in Application for Rate Increase by Utilities Seeking to Recover the Cost of Investment in the Public Interest	25-30.4415
Minimum Filing Requirements for Class C Water and Wastewater Utilities	25-30.443
Staff Assistance in Rate Cases	25-40.455
Staff Assistance in Alternative Rate Setting	25-30.456
Application for Miscellaneous Service Charges	25-30.460
Private Fire Protection Rates	25-30.465
Calculation of Rate Reduction After Rate Case Expense is Amortized	25-30.470
Effective Date of Approved Tariffs	25-30.475
Definitions	25-30.515
Application for Approval of New or Revised Service Availability Policy or Charges	25-30.565
PURPOSE AND EFFECT: The purpose in revising Rule 25-30.020 is to clarify the amount of the fee to be paid by a utility depending on the type of application and to increase the maximum fee to the	

statutory limit. This will improve the ability of utilities and Public Service Commission (PSC) staff to calculate and determine the correct filing fee.

The purpose in revising Rule 25-30.025 is to codify current PSC practice of finding a utility has met the minimum filing requirements (MFRs) of any filing when the MFRs are accepted as complete by the Director of the Division of Water and Wastewater. The effect is to eliminate ambiguity in the official filing date.

Rule 25-30.030 is amended to revise noticing requirements for original certificates, amendments and transfers in order to provide significant cost savings to both the PSC and industry.

Rule 25-30.032 is amended to insure that the PSC is notified when a utility changes its name and to reduce the number of copies of applications required to be filed, resulting in cost savings to the applicant.

Rule 25-30.033 is amended to set additional criteria and require additional information with applications for original certificates so as to establish as close to compensatory rates as is practicably possible and assure a financially viable utility from the outset.

- Rule 25-30.034 is revised to codify the current PSC practice of requiring a showing of need for service in any territory not already being served and to require a statement of whether the

providing service is consistent with the local comprehensive plan. The effect is consistent with the PSC goal of coordinating efforts with other entities having jurisdiction over this industry.

Rule 25-30.035 is revised to require additional information about current customers to allow the PSC to better analyze the utility and its future operations.

The purpose of amending Rule 25-30.036 is to automatically extend territory provided certain criteria are met as well as to clarify certain aspects of the existing rule. The rule change will allow utilities to annex certain very small areas of territory and provide immediate service to customers without the time delay resulting from the application process. This will result in more efficient service to customers and cost savings to the utility due to the lesser filing requirements.

Rule 25-30.037 is amended to codify current PSC practice and obtain more information about a water or wastewater system and purchaser to enable staff to better evaluate the merits of the application for authority to transfer a system. The changes will further the PSC's goal of creating viable business entities that will provide safe, sufficient service at reasonable prices.

- The purpose of Rule 25-30.0371 is to codify current PSC practice on the definition of net book value and calculation of acquisition adjustment at the time of transfer. This will help

buyers and sellers of utilities negotiate a fair price for the utility since they will be on notice of the PSC's policy.

Rule 25-30.038 is adopted to provide a new mechanism to encourage the acquisition of small systems by larger utilities by simplifying the application process.

Rule 25-30.039 is a new rule that codifies PSC practice for utility name changes. It clarifies the distinction between a name change and a transfer of ownership.

The revision to Rule 25-30.060 is to insure that reseller applicants are aware of their responsibilities as an exempt entity. The rule also amends the filing requirement for a landlord/tenant exemption to eliminate an impractical requirement.

Rule 25-30.090 is a new rule adding requirements for notice of an abandonment to help prevent service interruptions to utility customers. The new rule also will encourage governmental authorities to become receivers by clearly stating that, upon request, they will be found exempt from PSC regulation.

Rule 25-30.111 is changed to delete confusing language and clarify that it applies to both water and wastewater service resellers.

- New Rule 25-30.117 will require water and wastewater utilities to account for pension plans consistently throughout the industry.

The effect will be to eliminate an issue at hearings and to reduce regulatory cost.

Rule 25-30.135 is revised to clarify what information must be made available for customer inspection and to specify the location where this information is to be available.

Rule 25-30.320 is revised to tighten the restrictions on disconnection of service for fraudulent use.

Rule 25-30.335 is revised to remove obsolete language, clarify the standard information that is required on customer bills and to require utilities to bill the base facility charge to customers regardless of usage. The effect is to standardize the rules applicable to the different industries.

Rule 25-30.360 is revised to codify the PSC's policy of granting a stay of a refund pending reconsideration, and the policy on unclaimed refunds, to reduce rate case expense and staff's workload.

Rule 25-30.430 is revised to transfer the provision on prepared testimony to another more appropriate rule, and to codify current PSC practice.

Rule 25-30.432 is created to codify the procedure for determining certain engineering issues in rate cases. This will result in fewer issues to be addressed at hearing and reduced rate case expense.

New Rule 25-30.433 codifies the way the PSC will handle certain issues in a rate case. The effect of the rule is to simplify rate cases and lower rate case expense.

Rule 25-30.434 is created to codify the requirements for filing applications for Allowance for Funds Prudently Invested (AFPI) Charges.

The purpose of new Rule 25-30.435 is to require water or wastewater utilities owning multiple systems that file an application for a rate increase to include the required information on all the systems at once, rather than filing the information separately and at different times for each individual system. The effect will be to substantially reduce the number, frequency, and expense of cases filed.

Rule 25-30.436 is revised to codify requirements for information, currently required by order, when filing applications for rate increases. The effect of the proposed rule changes will be to reduce rate case expense.

Rule 25-30.437 is revised to clarify and codify the use of the base facility and usage charge rate structure when filing for rate relief. The effect of the rule revision will be cost savings to the industry.

Rule 25-30.4385 is promulgated to codify in rule the requirement that utilities to file tariff sheets in rate cases.

Rule 25-30.441 is repealed because it is confusing and requires information the PSC no longer needs.

New Rule 25-30.4415 is created to replace Rule 25-30.441 and to require the information that is needed to support a utility's request to recover the cost for certain required investments.

The purpose of the proposed changes to Rule 25-30.443 is to codify the requirement that Class C utilities, in rate increase applications, provide the PSC with information needed to determine rate case expense, to justify interim rates, and to separate the information for separate systems in certain rate case filings. The effect of the changes will be to reduce rate case expense.

Rule 25-30.455 is revised to exclude large multi-system companies from requesting a staff-assisted rate cases (SARCs); to implement s. 367.0814(4), F.S., which conditions a SARC on the company not protesting the proposed order when a revenue increase is approved; and to codify current PSC practice regarding allowance of prudent rate case expense for SARCs and delineation of responsibilities of both the utility and PSC staff in the event of a protested SARC. The intended effect is increased understanding of eligibility for SARCs, the conditions, procedures, and responsibilities of staff and the utility; and lower agency costs by keeping protested SARCs on schedule.

The purpose of new Rule 25-30.456 is to implement the alternative rate setting regulation for Class C utilities authorized by s. 367.0814(7), F.S. In an attempt to make this method faster and less costly to the PSC and utility, and less likely to be protested, certain conditions have been established. The effect will be rate relief for Class C utilities in a shorter time period, more extensive utility filings, resulting in a smaller revenue increase than the average SARC. The anticipated effects include decreased costs to the PSC through streamlined processing and fewer protested cases.

The purpose of Rule 25-30.460 is to codify the PSC's existing practice to authorize certain service charges.

Rule 25-30.465 is promulgated to codify the PSC's policy on private fire protection rates. The effect will be to eliminate an issue in hearings and reduce regulatory cost.

The purpose of Rule 25-30.470 is to implement the requirement in s. 367.0816, F.S., to reduce rates after a four year period to reflect the completed amortization of rate case expense. The effect is a documented, consistent method of calculating the rate reduction.

- The purpose of new Rule 25-30.475 is to codify the PSC's policy and eliminate any question about the effective dates of new



rates. This will result in reduced rate case expense and regulatory cost.

Rule 25-30.515 is revised to clarify the definition of a guaranteed revenue charge and add a definition for a plant capacity charge. The effect will be to eliminate confusion about the purpose of these charges and what they cover.

Rule 25-30.565 is revised to reduce cost, make notice provisions consistent and easily located, and remove unnecessary language.

SUMMARY: Rule 25-30.020 is revised to increase the maximum filing fee to \$4,500 for any application and to base the fees on the capacity of the system as well as the complexity of the type of application. The rule also codifies agency practice by providing that separate fees are to be paid for water and wastewater service.

Rule 25-30.025 codifies the existing PSC practice that a utility has met the minimum filing requirements (MFRs) when they are accepted as complete by the Director of the Division of Water and Wastewater.

Rule 25-30.030 replaces the requirement of providing notice to utilities within a 4-mile radius with notice to privately-owned water and wastewater utilities located within the same county and of certain other governmental bodies and agencies. Notice also

must be sent by regular mail instead of certified, and the required number of newspaper notices is reduced from three to one.

Amendments to Rule 25-30.032 reduce the number of copies of applications to be filed from 15 to 12 and add a requirement for an application to be submitted for a name change.

Revisions to Rule 25-30.033 require a utility to provide additional explanation of its funding, require the use of the uniform system of accounts (USOA) when providing cost projections, and establish three new criteria for certificate applications. These are the use of the base facility charge rate structure for metered service, a return on common equity established using the current leverage formula unless another method is adequately supported by the applicant, and requiring an allowance for funds used during construction (AFUDC) rate to be established at the time of initial certification.

Rule 25-30.034 adds two new criteria regarding information on existing customers and, in cases where the applicant is requesting territory not yet being served, statements showing the need for service and whether this service is consistent with the local comprehensive plan.

- Rule 25-30.035 requires the applicant to provide the number of customers by class and the projected number when full capacity is reached.

Rule 25-30.036 is revised to provide for the automatic extension of territory so long as no protests are timely filed, the additional territory includes a maximum of 25 equivalent residential connections (ERCs), the utility provides a statement that no other utility in the area could provide service and that service is necessary because either a private well has been contaminated, a septic tank has failed, or service is otherwise not available. Other changes include clarifying when an amendment application is required, removal of the requirement that the applicant attempt to identify potential servers in the area, and the addition of certain statutory requirements.

The revisions to Rule 25-30.037 clarify the applicability of the rule and require the buyer to detail the steps taken to obtain the selling utility's books and records; report the physical condition of the system and its status with the Department of Environmental Regulation; and verify that it has obtained the federal income tax records of the seller or provide an explanation if they are not available.

Rule 25-30.0371 is a new rule that defines net book value and clarifies that there will be no positive or negative acquisition adjustment unless extraordinary circumstances exist. In the absence of original cost documentation, the PSC is authorized to establish rate base based on an original cost study. The rule also

provides that if the purchaser requests it, the PSC will establish rate base.

Rule 25-30.038 is a new rule that provides an alternative to Class A or B utilities requesting approval to acquire an existing small system and implement compensatory rates. The purchaser may apply for a transfer and limited proceeding to change rates. A mechanism for establishing the appropriate rate is included. The rule provides that the PSC will act on the application within 90 days.

Rule 25-30.039 defines a name change and sets forth filing requirements.

Rule 25-30.060 requires an applicant for a reseller exemption to state it is aware of the rules and statutes governing examination and testing of meters and removes the requirement that to obtain a landlord/tenant exemption the lease must state that there is no separate charge for water or wastewater service.

Rule 25-30.090 specifies information that must be included in a notice of abandonment. The rule also contains requirements for the appointed receiver and provides for an exemption, upon request, for a governmental authority acting as a receiver.

- Rule 25-30.111 requires exempt resellers to file annual reports. The amendment clarifies that it applies to resellers of

either water or wastewater service and that the exemption must be approved by the PSC.

New Rule 25-30.117 requires utilities that have defined benefit pension plans to account for those costs pursuant to Statement of Financial Accounting Standards No. 87.

Rule 25-30.135 requires utilities to maintain, at their main in-state business office, current copies of pertinent rule chapters; Chapter 367, F.S., and current copies of the utility's tariffs and developer agreements.

Revised Rule 25-30.320 prevents discontinuance of service if a customer has completely remedied the unauthorized or fraudulent service prior to the utility's arrival to disconnect service.

Rule 25-30.335 removes language that is obsolete and clarifies the standard language that is required on customer bills to make it consistent with the other regulated industries. The rule codifies the requirement that customers be billed the base facility charge, regardless of usage, unless the utility has an approved vacation rate.

Rule 25-30.360 specifies that a motion for reconsideration temporarily stays a refund and that any unclaimed refunds are to be treated as contributions-in-aid-of-construction to the utility.

The revisions to Rule 25-30.430 move the requirement for direct testimony to another rule and authorize the Director of

Water and Wastewater to grant extensions to file the MFRs if the extension does not cause the approved test year to be non-representative.

New Rule 25-30.432 states the PSC's policy on engineering issues and states how the margin reserve, unaccounted-for-water, infiltration and used and useful allowances and adjustments will be calculated. It also provides definitions and specific formulas to be used.

New Rule 25-30.433 codifies how the PSC will address a number of issues involved in most water and wastewater rate cases. The rule specifies how quality of service will be determined, provides a formula for determining working capital, and addresses deferred debits created due to income taxes associated with used and useful contributions-in-aid-of-construction (CIAC). The rule codifies the PSC's current policy on the averaging method used in rate cases, requires use of the simple beginning and end-of-year average, and requires used and useful percentages to be applied to the appropriate depreciation expense accounts. The rule specifies that CIAC will not be imputed on the margin reserve calculation. Rule 25-30.433 also provides that income taxes are not allowed for companies that do not pay them, establishes an amortization period for non-recurring expenses of five years and an amortization period for forced abandonments, requires a utility to own the land upon

which the treatment plant is located or possess the right of continued use, and adopts use of the leverage formula for determining a utility's return on equity.

New Rule 25-30.434 defines Allowance for Funds Prudently Invested charge and requires the minimum information needed for staff to analyze the utility's requested rates.

New Rule 25-30.435 requires utilities owning multiple systems to file an application for a rate increase on all its systems at once. It provides for determination of need for rate changes based upon the earnings of the total company, requires the filing of allocation data for non-jurisdictional systems and requires the use of one capital structure.

The changes to Rule 25-30.436 will require prefiling of direct testimony with the MFRs in some cases; setting of a return on equity even if there is no equity in the capital structure; information on all allocations of costs; information on land ownership; and information on final rate case costs.

Rule 25-30.437 requires the use of the base facility and usage rate structure when preparing MFRs and requires that separate information be filed for each individual system that has not been combined by order of the PSC.

New Rule 25-30.437 requires utilities to file revised

tariff sheets for all proposed changes with applications for rate increases.

Rule 25-30.441 is repealed and new Rule 25-30.4415 is adopted in its place. Rule 25-30.4415 lists the information and documents that must be provided to support the cost of a utility's projected investment in plant-in-service.

The changes to Rule 25-30.443 require utilities to use the base facility and usage rate structure in designing rates; provide information on final rate case costs; separate calculations for interim rates; and supply information needed to analyze requests for uniform rates.

Rule 25-30.455 excludes large multi-system companies from eligibility for staff-assisted rate cases (SARCs), implements s. 367.0814(4), F.S., which conditions a SARC on the company not protesting the proposed order when a revenue increase is approved, and codifies current PSC practice regarding allowance of prudent rate case expense for SARCs and delineation of responsibilities of both the utility and the PSC staff in the event of a protested SARC.

Rule 25-30.456 provides a rate setting alternative for Class C utilities that is something between an index application and a full SARC. The rule tracks the existing and proposed rules for SARCs regarding qualifications and eligibility to use this



alternative, and the procedures in the event of a protest of the initial proposed agency action (PAA) in the case. It differs in that operating revenues will be compared to expenses for the purposes of establishing rates rather than using the current rate base method. A maximum level of increase of 50 percent of the test year operating revenue is imposed. In the event of a protest, the cap is removed and the utility is given the option of having rates set on rate base. The rule requires the PSC to vote on a PAA recommendation within 90 days of the official filing date.

Rule 25-30.460 prescribes the use and availability of charges for miscellaneous services.

New Rule 25-30.465 codifies the existing PSC practice of requiring utilities to charge one-third the base facility charge for private fire protection.

Rule 25-30.470 prescribes the method of calculating the rate reduction to be made after rate case expense is amortized.

Rule 25-30.475 prescribes the effective dates of tariffs filed for recurring and nonrecurring rates and charges.

The changes to Rule 25-30.515 supplement the existing definition of Guaranteed Revenue Charge and add a definition of Plant Capacity Charge.

Rule 25-30.565 has been revised to reduce the number of application copies required to be filed from 15 to 12; to

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substitute, by reference, the notice provisions of proposed new Rule 25-22.0408 for the existing section prescribing notice requirements; and to delete unnecessary language about the legal burden required to justify the request.

RULEMAKING AUTHORITY: 120.54, 350.127(2), 367.101, 367.121, F.S.; 367.121(1), F.S.; and 367.0814(7), F.S.

LAW IMPLEMENTED: 367.045.(1)(d) and (2)(e), 367.071(3), 367.081(5), 367.0822(2), 367.101(2), 357.145 and 367.171(2)(b), F.S.; 367.083, F.S.; 367.01, 367.045, 367.071, F.S.; 367.031, 367.045, 367.071, F.S.; 367.031, 367.045(1), F.S.; 367.171, F.S.; 367.071, F.S.; 367.071(5), F.S.; 367.045, 367.071, 367.0814, 367.082, 367.0822, F.S.; 367.121, F.S.; 367.021(12), 367.022, 367.031, F.S.; 367.165, F.S.; 367.121(1)(c), 367.121(1)(g), 367.161, F.S.; 367.022(8), F.S.; 367.081, F.S.; 367.081(6), 367.082(2), F.S.; 367.081, 350.01(5), F.S.; 367.0814, 120.53, F.S.; 367.101, F.S.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

HEARING: A HEARING WILL BE HELD AT THE DATE AND PLACE SHOWN BELOW:

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TIME AND DATE: 9:30 A.M., May 24, 1993 and, if needed, May 25 and 26. 1993.

PLACE: Room 106, 101 East Gaines Street, Tallahassee, Florida.

THE PERSON TO BE CONTACTED REGARDING THESE RULES AND THE ECONOMIC IMPACT STATEMENT IS: Director of Appeals, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida 32399.

THE FULL TEXT OF THESE RULES ARE:

25-30.020 Fees Required to be Paid by Water and Wastewater Sewer Utilities.

(1) When a utility files any application for a certificate of authorization certification, extension, transfer pursuant to sections 367.045, 367.071 and 367.171, Florida Statutes, or files any request for a rate change pursuant to sections 367.081, 367.0814 and 367.0822, Florida Statutes, rate change, (except an index or pass-through), or files for authorization to collect or change service availability charges pursuant to section 367.101, Florida Statutes, the utility shall remit a fee. A separate fee shall apply for water service and wastewater service. A separate fee shall also apply for each section listed above. For purposes of this rule, an equivalent residential connection (ERC) is 350 gallons per day (gpd) for water service and 280 gallons per day (gpd) for wastewater service.

(2) The amount of the fee to be filed pursuant to subsection (1) of this rule, shall be ~~based upon the existing or proposed capacity of the system or extension~~ as follows:

(a) For an original certificate application filed pursuant to Section 367.045, Florida statutes, the amount of the fee shall be as follows:

1. For utilities with the existing or proposed capacity to serve up to 500 ERCs, \$750;

2. For utilities with the existing or proposed capacity to serve from 501 to 2,000 ERCs, \$1,500;

3. For utilities with the existing or proposed capacity to serve from 2,001 to 4,000 ERCs, \$2,250;

4. For utilities with the existing or proposed capacity to serve more than 4,000 ERCs, \$3,000.

~~(a) For systems or extensions serving from 1 to 999 persons, \$150;~~

~~(b) For systems or extensions serving from 1,000 to 4,999 persons, \$900;~~

~~(c) For systems or extensions serving from 5,000 to 9,999 persons, \$1,500;~~

~~(d) For systems or extensions serving 10,000 or more persons, \$2,250.~~

(b) For an application for extension or deletion of territory filed pursuant to Section 367.045, Florida Statutes, the amount of the fee shall be as follows:

1. For applications in which the area to be extended or deleted has the proposed capacity to serve up to 100 ERCs, \$100;

2. For applications in which the area to be extended or deleted has the proposed capacity to serve from 101 to 200 ERCs, \$200;

3. For applications in which the area to be extended or deleted has the proposed capacity to serve from 201 to 500 ERCs, \$500;

4. For applications in which the area to be extended or deleted has the proposed capacity to serve from 501 to 2,000 ERCs, \$1,000;

5. For applications in which the area to be extended or deleted has the proposed capacity to serve from 2,001 to 4,000 ERCs, \$1,750;

6. For applications in which the area to be extended or deleted has the proposed capacity to serve more than 4,000 ERCs, \$2,250.

(c) For an application for transfer or change in majority organizational control filed pursuant to Section 367.071, Florida Statutes, the amount of the fee shall be as follows:

1. For applications in which the utility to be transferred has the capacity to serve up to 500 ERCs, \$750;

2. For applications in which the utility to be transferred has the capacity to serve from 501 to 2,000 ERCs, \$1500;

3. For applications in which the utility to be transferred has the capacity to serve from 2,001 to 4,000 ERCs, \$2,250;

4. For applications in which the utility to be transferred has the capacity to serve more than 4,000 ERCs, \$3,000.

(d) For an application for a grandfather certificate filed pursuant to Section 367.171, Florida Statutes, the amount of the fee shall be as follows:

1. For applications in which the utility has the capacity to serve up to 100 ERCs, \$100;

2. For applications in which the utility has the capacity to serve from 101 to 200 ERCs, \$200;

3. For applications in which the utility has the capacity to serve from 201 to 500 ERCs, \$500;

4. For applications in which the utility has the capacity to serve from 501 to 2,000 ERCs, \$1,000;

5. For applications in which the utility has the capacity to serve from 2,001 to 4,000 ERCs, \$1,750;

6. For applications in which the utility has the capacity to serve more than 4,000 ERCs, \$2,250.

(e) For file and suspend rate cases filed pursuant to Section 367.081, Florida Statutes, the amount of the fee shall be as follows:

1. For utilities with the existing capacity to serve up to 500 ERCs, \$1,000;
2. For utilities with the existing capacity to serve from 501 to 2,000 ERCs, \$2,000;
3. For utilities with the existing capacity to serve from 2,001 to 4,000 ERCs, \$3,500;
4. For utilities with the existing capacity to serve more than 4,000 ERCs, \$4,500.

(f) For staff-assisted rate cases filed pursuant to Section 367.0814, Florida Statutes, the amount of the fee shall be as follows:

1. For utilities with the existing capacity to serve up to 100 ERCs, \$200;
2. For utilities with the existing capacity to serve from 101 to 200 ERCs, \$500;
3. For utilities with the existing capacity to serve more than 200 ERCs, \$1,000.

(g) For an application for a limited proceeding pursuant to Section 367.0822, Florida Statutes, the amount of the fee shall be as follows:

1. For utilities with the existing capacity to serve up to 100 ERCs, \$100;
2. For utilities with the existing capacity to serve from 101 to 200 ERCs, \$200;
3. For utilities with the existing capacity to serve from 201 to 500 ERCs, \$500;
4. For utilities with the existing capacity to serve from 501 to 2,000 ERCs, \$1,000;
5. For utilities with the existing capacity to serve from 2,001 to 4,000 ERCs, \$1,750;
6. For utilities with the existing capacity to serve more than 4,000 ERCs, \$2,250.

(h) For an application for approval of charges or conditions for service availability filed pursuant to section 367.101, Florida Statutes, the amount of the fee shall be as follows:

1. For utilities with the existing capacity to serve up to 100 ERCs, \$100;
2. For utilities with the existing capacity to serve from 101 to 200 ERCs, \$200;



3. For utilities with the existing capacity to serve from 201 to 500 ERCs, \$500;

4. For utilities with the existing capacity to serve from 501 to 2,000 ERCs, \$1,000;

5. For utilities with the existing capacity to serve from 2,001 to 4,000 ERCs, \$1,750;

6. For utilities with the existing capacity to serve more than 4,000 ERCs, \$2,250.

(i) For utilities filing pursuant to Rule 25-30.435, F.A.C., "Application for a Rate Increase by an Applicant that Owns Multiple Systems", or 25-30.565, "Application for Approval of New or Revised Service Availability Policy or Charges", the fees in paragraphs (2)(e), (g), and (h) above, shall be determined by combining the capacity of all systems included in the application.

Specific Authority: 350.127(2) and 367.121(1), F.S. ~~367.141, F.S. as amended by Chapter 80-99, Laws of Florida.~~

Law Implemented: 367.045(1)(d) and (2)(e), 367.071(3), 367.081(5), 367.0822(2), 367.101(2), 367.145 and 367.171(2)(b), F.S. ~~367.141, F.S. as amended by Chapter 80-99, Laws of Florida.~~

History: New 10/29/80, formerly 25-10.11, Transferred from 25-10.011 and Amended 11/9/86, Amended \_\_\_\_.

25-30.025 Official Date of Filing.

(1) The "official date of filing" is the date on which a utility has filed completed sets of the minimum filing requirements (MFRs) for any application that has been accepted by the Director of the Division of Water and Wastewater as being complete and paid the appropriate filing fee to the Director of Records and Reporting.

(2) The Director of the Division of Water and Wastewater Sewer shall determine the official date of filing for any utility's application and, ~~advise the Commission who will~~ advise the applicant. The Commission shall resolve any and dispute regarding the official date of filing.

Specific Authority: 367.121(1), F.S.

Law Implemented: 367.083, F.S.

History: New 3/26/81, formerly 25-10.12, Transferred from 25-10.012 and Amended 11/9/86, Amended \_\_\_\_.

25-30.030 Notice of Application.

(1) When a utility applies for a certificate of authorization, an extension or deletion of its service area, or a sale, assignment or transfer of its certificate of authorization, facilities or any portion thereof or majority organizational control, it shall provide notice of its application in the manner and to the entities described in this section.

(2) Before providing notice in accordance with this section, a utility shall obtain from the Commission a list of the names and addresses of the municipalities and privately-owned, water utilities, and wastewater utilities that hold a certificate granted by the Public Service Commission and that are located within the county in which the utility or the territory proposed to be served is located within a four-mile radius. In addition, if any portion of the proposed territory is within one mile of a county boundary, the utility shall obtain from the Commission a list of the names and addresses of the privately-owned utilities located in the bordering counties and holding a certificate granted by the Commission. ~~The utility's request for the list shall include a description, in township, range and land sections, of the territory in the application.~~

(3) The notice shall be appropriately styled:

(a) Notice of Application for an Initial Certificate of Authorization for Water, Wastewater, or Water and Wastewater Certificate;

(b) Notice of Application for an Extension of Service Area;

(c) Notice of Application for Deletion of Service Area;

(d) Notice of Application for a Transfer of Water, Wastewater, or Water and Wastewater Certificate(s); or

(e) Notice of Application for a Transfer of Majority Organizational Control.

(4) The nNotice shall include the following:

(a) the date the notice is given;

(b)~~(a)~~ the name and address of the applicant;

(c)~~(b)~~ a description, using township, range and section references, of the territory proposed to be either served, added, deleted, or transferred; and

(d)~~(e)~~ a statement that any objections to the aApplication must be filed with the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, no later than 30 days after the last date that the nNotice was mailed or published, whichever is later.

(5) Within 7 ~~seven~~ days of filing its application, the utility shall provide a copy of the nNotice, by regular certified mail ~~or personal service~~, to:

(a) the governing body of the county in which the utility system or the territory proposed to be served is located;

(b) the governing body of any municipality contained on the list obtained pursuant to (2) above ~~within a four-mile radius of the utility system or the territory proposed to be served~~;

(c) the regional planning council agency designated by the Clean Water Act, 33 U.S.C. 1288(2);

(d) all any water or wastewater utilities contained on the list(s) obtained pursuant to (2) above ~~utility within a four-mile radius of the territory proposed to be served, added, deleted, or transferred;~~

(e) the office of Public Counsel; and

(f) the Commission's Director of Records and Reporting;

(g) the appropriate regional office of the Department of Environmental Regulation; and

(h) the appropriate Water Management District.

(6) No sooner than 21 ~~twenty-one~~ days before the application is filed and no later than 7 ~~seven~~ days after the application is filed, the utility shall also provide a copy of the Notice, by regular mail or personal service, to each customer, ~~if any,~~ of the system to be certificated, transferred, acquired, or deleted.

(7) The Notice shall be published once ~~each week, for three consecutive weeks,~~ in a newspaper of general circulation in the territory proposed to be served, added, deleted, or transferred. The ~~first~~ publication shall be within 7 days of filing the application ~~no sooner than 21 days before the date the application is filed, and no later than seven days after the date the application is filed.~~

(8) A copy of the notice(s) and list of the entities receiving notice pursuant to this rule shall accompany the affidavit required by sections 367.045(1) (e) and (2) (f), Florida Statutes. The affidavit shall be filed no later than 15 days after filing the application.

(9)-(8) This rule does not apply to applications for grandfather certificates filed under section 367.171, Florida Statutes, or to applications for transfers to governmental authorities filed under Section 367.071, Florida Statutes, or to name changes.

Specific Authority: 367.121(1), F.S.

Law Implemented: 367.031, 367.045, 367.071, F.S.

History: New 4/5/81, formerly 25-10.061, Transferred from 25-10.0061 and Amended 11/9/86, Amended 1/27/91, Amended \_\_\_\_\_.  
25-30.032 Applications.

(1) Each utility subject to regulation by the Commission shall apply for an initial certificate of authorization, amendment to an existing certificate of authorization, ~~or~~ transfer, or name change by filing a completed application and 12 ~~fifteen~~ copies, in accordance with either 25-30.033, 25-30.034, 25-30.035, 25-30.036, ~~or~~ 25-30.037(1) or (2), 25-30.038, or 25-30.039, F.A.C. However, a utility shall apply for a transfer to a governmental authority by filing a completed application and

two copies, in accordance with Rule 25-30.037 (3) and (4), F.A.C. The application shall be filed with the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870. Sample application forms may be obtained from the Division of Water and Wastewater, Bureau of Certification, 101 East Gaines Street, Tallahassee, Florida 32399-08500873.

(2) A utility may file combined applications if it is applying for certificates of authorization or any amendments thereto for both water and wastewater systems; however, the utility shall remit a separate application fee for each service system. The Commission will treat a combined application as if a separate application had been filed for each service system.

(3) The official filing date of an application for an original certificate, any amendment to an existing certificate, or any transfer shall be the date a completed application is filed with the Division of Records and Reporting, except that the noticing requirements set forth in Rule 25-30.030, F.A.C., do not need to be completed at that time. If, however, the utility has not completed the noticing within the time limits prescribed by Rule 25-30.030, F.A.C., 22 days of filing the application, the official filing date shall be the date the noticing is complete. ~~The affidavit that the applicant has provided notice of its~~

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~~actual application required by Section 367.045, Florida Statutes,  
shall be filed within 35 days after filing the application.~~

Specific Authority: 367.121, F.S.

Law Implemented: 367.031, 367.045, 367.071, F.S.

History: New 1/27/91, Amended \_\_\_\_\_.

25-30.033 Application for Original Certificate of  
Authorization and Initial Rates and Charges.

(1) Each application for an original certificate of  
authorization and initial rates and charges shall provide the  
following information:

- (a) the applicant's name and address;
- (b) the nature of the applicant's business organization,  
i.e., corporation, partnership, limited partnership, sole  
proprietorship, association, etc.;
- (c) the name(s) and address(es) of all corporate officers,  
directors, partners, or any other person(s) owning an interest in  
the applicant's business organization;
- (d) whether the applicant has made an election under  
Internal Revenue Code § 1362 to be an S corporation;
- (e) a statement showing the financial and technical ability  
of the applicant to provide service, and the need for service in  
the proposed area. The statement shall identify any other  
utilities within a 4-mile radius that could potentially provide



service, and the steps the applicant took to ascertain whether such other service is available;

(f) A statement that to the best of the applicant's knowledge, the provision of service will be consistent with the water and wastewater sections of the local comprehensive plan, as approved by the Department of Community Affairs at the time the application is filed, or, if not consistent, a statement demonstrating why granting the certificate of authorization would be in the public interest.

(g) the date applicant plans to begin serving customers;

(h) the number of equivalent residential connections (ERCs) proposed to be served, by meter size and customer class. If development will be in phases, separate this information by phase;

(i) a description of the types of customers anticipated, i.e., single family homes, mobile homes, duplexes, golf course clubhouse, commercial, etc.;

(j) evidence, in the form of a warranty deed, that the utility owns the land upon which the utility treatment facilities are or will be located, or a copy of an agreement which provides for the continued use of the land, such as a 99-year lease. The applicant may submit a contract for the purchase and sale of land with an unexecuted copy of the warranty deed, provided the

applicant files an executed and recorded copy of the deed, or executed copy of the lease, within 30 ~~thirty~~ days after the order granting the certificate;

(k) one original and two copies of a sample tariff, containing all rates, classifications, charges, rules, and regulations, which shall be consistent with Chapter 25-9, Florida Administrative Code. Model tariffs are available from the Division of Water and Wastewater, 101 East Gaines Street, Tallahassee, Florida 32399-0850~~0870~~;

(l) a description of the territory to be served, using township, range and section references;

(m) one copy of a detailed system map showing the proposed lines, treatment facilities and the territory proposed to be served. The map shall be of sufficient scale and detail to enable correlation with the description of the territory proposed to be served;

(n) one copy of the official county tax assessment map, or other map showing township, range, and section with a scale such as 1"=200' or 1"=400', with the proposed territory plotted thereon by use of metes and bounds or quarter sections, and with a defined reference point of beginning.

(o) a statement regarding the separate capacities of the proposed lines and treatment facilities in terms of ERCs and

gallons per day. If development will be in phases, separate this information by phase;

(p) a written description of the type of water treatment, wastewater treatment, and method of effluent disposal;

(q) if (p) above does not include effluent disposal by means of reuse ~~spray-irrigation~~, a statement that describes with particularity the reasons for not using reuse ~~spray-irrigation~~;

(r) a detailed statement (balance sheet), certified if available, of the financial condition of the applicant, that shows all assets and liabilities of every kind and character. The statement shall be prepared in accordance with Rule 25-30.115, Florida Administrative Code;

(s) a statement of profit and loss (operating statement), certified if available, of the applicant for the preceding calendar or fiscal year. If an applicant has not operated for a full year, then for the lesser period;

(t) a list of all entities which have provided, or will provide funding to the utility, and an explanation of the manner and amount of such funding, which shall include their financial statements and ~~or~~ copies of any financial agreements with the utility. This requirement shall not apply to any person or entity holding less than 10 percent ownership interest in the utility, unless that person or entity is also providing other

funding (other than funding to secure an ownership interest) to the utility;

(u) a cost study including customer growth projections supporting the proposed rates, charges and service availability charges. A sample cost study, and assistance in preparing initial rates and charges, are available from the Division of Water and Wastewater;

(v) a schedule showing the projected cost of the proposed system(s) by uniform system of accounts (USOA) NARUC account numbers pursuant to Rule 25-30.115, F.A.C. and the related capacity of each system in ERCs and gallons per day. If the utility will be built in phases, this shall apply to the first phase;

(w) a schedule showing the projected operating expenses of the proposed system by USOA NARUC account numbers, when 80 percent of the designed capacity of the system is being utilized. If the utility will be built in phases, this shall apply to the first phase; and

(x) a schedule showing the projected capital structure including the methods of financing the construction and operation of the utility until the utility reaches 80 percent % of the design capacity of the system.

(2) The base facility and usage rate structure (as defined in Rule 25-30.437(7), F.A.C.) shall be utilized for metered service, unless an alternative rate structure is supported by the record of the proceeding and authorized by the Commission.

(3) A return on common equity shall be established using the current equity leverage formula established by order of this Commission pursuant to section 367.081(4), F.S., unless there is competent substantial evidence supporting the use of a different return on common equity.

(4) Utilities obtaining initial certificates pursuant to this rule are authorized to accrue allowance for funds used during construction (AFUDC) for projects found eligible pursuant to Rule 25-30.116(1), F.A.C.

(a) The applicable AFUDC rate shall be determined as the utility's projected weighted cost of capital as demonstrated in its application for original certificate and initial rates and charges.

(b) A discounted monthly AFUDC rate calculated in accordance with Rule 25-30.116(3), F.A.C., shall be used to insure that the annual AFUDC charged does not exceed authorized levels.

(c) The date the utility shall begin to charge the AFUDC rate shall be the date the certificate of authorization is issued

to the utility so that such rate can apply to the initial construction of the utility facilities.

Specific Authority: 367.121, F.S.

Law Implemented: 367.031, 367.045(1), F.S.

History: New 1/27/91, Amended \_\_\_\_\_.

25-30.034 Application for Certificate of Authorization for Existing Utility Currently Charging for Service.

(1) Each existing utility currently charging for service, which is applying for an initial certificate of authorization, other than under section 367.171, Florida Statutes, shall provide the following information:

- (a) the utility's complete name and address;
- (b) the nature of the utility's business organization, i.e., corporation, partnership, limited partnership, sole proprietorship, association, etc.;
- (c) the name(s) and address(es) of all corporate officers, directors, partners, or any other person(s) owning an interest in the utility;
- (d) a statement regarding the financial and technical ability of the applicant to continue to provide service;
- (e) evidence that the utility owns the land upon which the utility treatment facilities are located, or a copy of an

agreement which provides for the continued use of the land, such as a 99-year lease;

(f) one original and two copies of a model sample tariff, containing all rates, classifications, charges, rules, and regulations, which shall be consistent with Chapter 25-9, Florida Administrative Code. Model Sample tariffs are available from the Division of Water and Wastewater, 101 East Gaines Street, Tallahassee, Florida 32399-08500870;

(g) a statement specifying on what date and under what authority the current rates and charges were established;

(h) a description of the territory to be served, using township, range and section references;

(i) one copy of a detailed system map showing the lines, treatment facilities and the territory to be served. Any territory not served at the time of the application shall be specifically identified on the system map. The map shall be of sufficient scale and detail to enable correlation with the description of the territory to be served;

(j) one copy of the official county tax assessment map, or other map showing township, range, and section with a scale such as 1"=200' or 1"=400', with the proposed territory plotted thereon by use of metes and bounds or quarter sections, and with a defined reference point of beginning.

(k) the numbers and dates of any permits issued for the systems by the Department of Environmental Regulation;

(l) the date the utility was established; and

(m) a statement explaining how and why applicant began providing service prior to obtaining a certificate of authorization; and

(n) a schedule showing the number of customers currently served, by class and meter size, as well as the number of customers projected to be served when the requested service territory is fully occupied.

(2) If the applicant is requesting any territory not served at the time of application, provide the following:

(a) a statement showing the need for service in the proposed area; and

(b) a statement that to the best of the applicant's knowledge, the provision of service in this territory will be consistent with the water and wastewater sections of the local comprehensive plan as approved by the Department of Community Affairs at the time the application is filed, or, if not consistent, a statement demonstrating why granting the territory would be in the public interest.-

Specific Authority: 367.121, F.S.

Law Implemented: 367.045, F.S.



History: New 1/27/91, Amended \_\_\_\_.

25-30.035 Application for Grandfather Certificate.

Each applicant for a certificate of authorization under the provisions of section 367.171, Florida Statutes, shall provide the following information.

- (1) the utility's complete name and address;
- (2) the nature of the utility's business organization, i.e., corporation, partnership, limited partnership, sole proprietorship, association, etc.;
- (3) the name(s) and address(es) of all corporate officers, directors, partners, or any other person(s) owning an interest in the utility;
- (4) the date the utility was established;
- (5) a description of the types of customers served, i.e., single family homes, mobile homes, duplexes, golf course clubhouse, commercial, etc.;
- (6) evidence that the utility owns the land upon which the utility treatment facilities are located, or a copy of an agreement which provides for the continued use of the land, such as a 99-year lease;
- (7) one original and two copies of a sample tariff, containing all rates, classifications, charges, rules, and regulations, which shall be consistent with Chapter 25-9, Florida

Administrative Code. Sample tariffs are available from the Division of Water and Wastewater, 101 East Gaines Street, Tallahassee, Florida 32399-0850~~0870~~.

(8) a statement specifying on what date and under what authority the current rates and charges were established;

(9) a description, using township, range, and section references, of the territory the utility was serving, or was authorized to serve by the county which had jurisdiction over the utility on the day Chapter 367, Florida Statutes, became applicable to the utility;

(10) one copy of a detailed system map showing the lines, treatment facilities and the territory to be served. Any territory not served at the time of the application shall be specifically identified, and the map shall be of sufficient scale and detail to enable correlation with the description of the territory to be served;

(11) one copy of the official county tax assessment map, or other map showing township, range, and section, with a scale such as 1"=200' or 1"=400', with the proposed territory plotted thereon by use of metes and bounds or quarter sections, and with a defined reference point of beginning; and

(12) the numbers and dates of any permits issued for the systems by the Department of Environmental Regulation; and

(13) a schedule showing the number of customers currently served, by class and meter size, as well as the number of customers projected to be served when the requested service territory is fully occupied.-

Specific Authority: 367.121, F.S.

Law Implemented: 367.171, F.S.

History: Amended 7/21/65, 1/7/69, 2/3/70, 3/6/71, 9/12/74, 3/26/81, formerly 25-10.02, Transferred from 25-10.002 and Amended 11/9/86, Amended 1/27/91, Amended \_\_\_\_.

25-30.036 Application for Amendment to Certificate of Authorization to Extend or Delete Service.

(1) This section applies to any certificated water or wastewater utility that proposes to extend its service territory into an area in which there is no existing water or wastewater system. A request for service territory expansion and amendment of an existing certificate or issuance of a new certificate shall be considered approved under the following conditions if no protest is timely filed to the notice of application:

(a) the proposed new territory includes a maximum of 25 equivalent residential connections within such territory; and

(b) the utility has provided the written statement of an officer of the utility that, upon investigation, to the best of his or her knowledge:

1. there is no other utility within a 4-mile radius of the proposed territory that is willing and capable of providing reasonably adequate service to the new territory; and

2. the person(s) or business(es) requesting water or wastewater service have demonstrated to the utility that service is necessary because (1) a private well has been contaminated or gone dry, (2) a septic tank has failed; or (3) service is otherwise not available.

(2) Each utility proposing to extend its service area (except applications filed pursuant to section (1) above, which shall file only (a), (d), (e), (i), (o), (p), (q), and (r) listed below) shall provide the following:

(a) the utility's complete name and address;

(b) a statement showing the financial and technical ability of the utility to provide service and the need for service in the area requested. ~~The statement shall identify any other utilities within a 4-mile radius that could potentially provide such service;~~

(c) a statement that to the best of the applicant's knowledge the provision of service will be consistent with the water and wastewater sections of the local comprehensive plan at the time the application is filed, as approved by the Department

of Community Affairs, or, if not, a statement demonstrating why granting the amendment would be in the public interest.

(d) evidence that the utility owns the land upon which the utility treatment facilities that will serve the proposed territory are located or a copy of an agreement, such as a 99-year lease, which provides for the continued use of the land;

(e) a description of the territory proposed to be served, using township, range and section references;

(f) one copy of a detailed system map showing the proposed lines, treatment facilities, and the territory proposed to be served. The map shall be of sufficient scale and detail to enable correlation with the description of the territory;

(g) if the utility is planning to build a new wastewater treatment plant, or upgrade an existing plant to serve the proposed territory, provide a written description of the proposed method(s) of effluent disposal;

(h) if (g) above does not include effluent disposal by means of reuse ~~spray-irrigation~~, a statement that describes with particularity the reasons for not using reuse ~~spray-irrigation~~.

(i) one copy of the official county tax assessment map or other map showing township, range, and section, with a scale such as 1"=200' or 1"=400', with the proposed territory plotted

thereon by use of metes and bounds or quarter sections, and with a defined reference point of beginning.

(j) a statement describing the capacity of the existing lines, the capacity of the treatment facilities, and the design capacity of the proposed extension;

(k) the numbers and dates of any permits issued for the proposed systems by the Department of Environmental Regulation;

(l) a detailed statement regarding the proposed method of financing the construction, and the projected impact on the utility's capital structure;

(m) a description of the types of customers anticipated to be served by the extension, i.e., single family homes, mobile homes, duplexes, golf course clubhouse, commercial, etc.;

(n) a statement regarding the projected impact of the extension on the utility's monthly rates and service availability charges;

(o) the original and two copies of sample tariff sheets reflecting the additional service area; and

(p) the applicant's current certificate for possible amendment.

(q) the number of the most recent order of the Commission establishing or changing the applicant's rates and charges.

(r) an affidavit that the utility has tariffs and annual reports on file with the Commission.

~~(3)-(2)~~ Each utility proposing to delete a portion of its service area shall submit the following:

- (a) the utility's complete name and address;
- (b) a description of the territory proposed to be deleted, using township, range and section references;
- (c) one copy of a detailed system map showing the existing lines, treatment facilities, and territory served. The map shall be of sufficient scale and detail to enable correlation with the legal description of the territory;
- (d) the number of current active connections within the territory to be deleted;
- (e) one copy of the official county tax assessment map, or other map, showing township, range, and section with a scale such as 1"=200' or 1"=400', with the territory proposed to be deleted plotted thereon by use of metes and bounds or quarter sections, and with a defined reference point of beginning.
- (f) a statement specifying the reasons for the proposed deletion of territory;
- (g) a statement indicating why the proposed deletion of territory is in the public interest;

(h) a statement as to the effect of the proposed deletion on the ability of any customer or potential customer to receive water and wastewater service, including alternative source(s) of service;

(i) the original and two copies of sample tariff sheets reflecting the revised service area; and

(j) the applicant's current certificate for possible amendment.

(k) the number of the most recent order of the Commission establishing or changing the applicant's rates and charges.

(l) an affidavit that the utility has tariffs and annual reports on file with the Commission.

Specific Authority: 367.121, F.S.

Law Implemented: 367.045, F.S.

History: New 1/27/91, Amended \_\_\_\_.

25-30.037 Application for Authority to Transfer.

(1) This rule applies to any application for the transfer of an existing water or wastewater system, regardless of whether service is currently being provided. This rule does not apply where the transfer is of an exempt or non-jurisdictional system and will result in the system continuing to be exempt from or not subject to Commission jurisdiction. The application for transfer may result in the transfer of the seller's existing certificate,



amendment of the buyer's certificate or granting an initial certificate to the buyer.

(2)(1) Each application for transfer of certificate of authorization, facilities or any portion thereof, to a non-governmental entity shall include the following information:

- (a) the complete name and address of the seller transferor;
- (b) the complete name and address of the buyer transferee;
- (c) the nature of the buyer's transferee's business organization, i.e., corporation, partnership, limited partnership, sole proprietorship, or association;
- (d) the name(s) and address(es) of all of the buyer's transferee's corporate officers, directors, partners or any other person(s) who will own an interest in the utility;
- (e) the date and state of incorporation or organization of the buyer-transferee;
- (f) the names and locations of any other water or wastewater ~~or water and wastewater~~ utilities owned by the buyer transferee;
- (g) a copy of the contract for sale, which shall include:
  - 1. purchase price and terms of payment, and
  - 2. a list of the assets purchased and liabilities assumed or not assumed;

(h) the contract for sale shall also provide for the disposition, where applicable, of the following:

1. customer deposits and interest thereon;
2. any guaranteed revenue contracts;
3. developer agreements;
4. customer advances;
5. debt of the utility;
6. leases;

(i) a statement describing the financing of the purchase;

(j) a statement indicating how the transfer is in the public interest, including a summary of the buyer's transferee's experience in water or wastewater utility operations, a showing of the buyer's transferee's financial ability to provide service, and a statement that the buyer transferee will fulfill the commitments, obligations and representations of the seller transferor with regard to utility matters;

(k) a list of all entities which have provided, or will provide, funding to the buyer transferee, and an explanation of the manner and amount of such funding, which shall include their financial statements and copies of any financial agreements with the utility. This requirement shall not apply to any person or entity holding less than 10 percent ownership interest in the utility, unless that person or entity is also providing other

funding (other than funding to secure an ownership interest) to the utility;

(l) the proposed net book value of the system as of the date of the proposed transfer. The net book value shall be calculated in accordance with Rule 25-30.0371, F.A.C. If rate base has been established by this Commission, state indicate the order number and date issued and identify all adjustments made to update this rate base to the date of transfer;

(m) a statement setting out the reasons for the inclusion of an acquisition adjustment, if one is requested;

(n) if the books and records of the seller transferor are not available for inspection by the Commission or are not adequate for purposes of establishing the net book value of the system, a statement by the buyer transferee that a good faith, extensive effort has been made to obtain such books and records for inspection by the Commission and detailing the steps taken to obtain the books and records;

(o) a statement from the buyer that it has obtained or will obtain copies of all of the federal income tax returns of the seller from the date the utility was first established, or rate base was last established by the Commission or, if the tax returns have not been obtained, a statement from the buyer detailing the steps taken to obtain the returns;

(p) a statement from the buyer that after reasonable investigation, the system being acquired appears to be in satisfactory condition and in compliance with all applicable standards set by the Department of Environmental Regulation (DER) or, if the system is in need of repair or improvement, has any outstanding Notice of Violation of any standard set by the DER or any outstanding consent orders with the DER, the buyer shall provide a list of the improvements and repairs needed and the approximate cost to make them, a list of the action taken by the utility with regard to the violation, a copy of the Notice of Violation(s), a copy of the consent order and a list of the improvements and repairs consented to and the approximate cost to make them;

(q)(e) evidence that the utility owns the land upon which the utility treatment facilities are located, or a copy of an agreement which provides for the continued use of the land, such as a 99-year lease;

(r)(p) a statement regarding the disposition of any outstanding regulatory assessment fees, fines, or refunds owed;

(s)(q) the original and two copies of sample tariff sheets reflecting the change in ownership; and

~~(t)(r)~~ the utility's current certificate(s), or if not available, provide an explanation of the steps the applicant took to obtain the certificate(s).

~~(3)(2)~~ In case of a change in majority organizational control, the application shall include the following information:

(a) the complete name and address of the seller ~~the information required under paragraphs (a), (b), (d), (f), (i), (j), (k), (e), and (g) of subsection (1);~~

(b) the complete name and address of the buyer ~~a copy of the purchase agreement;~~

(c) the name(s) and address(es) of all of the buyer's corporate officers, directors, partners and any other person(s) who will own an interest in the utility; ~~a statement from the transferee that it has obtained or will obtain all the books and records of the utility; and~~

(d) the names and locations of any other water or wastewater utilities owned by the buyer ~~if the books and records of the transferor are not available, a statement by the transferee that a good faith, extensive effort has been made to obtain such books and records;~~

- (e) a statement describing the financing of the purchase;

(f) a statement describing how the transfer is in the public interest, including a summary of the buyer's experience in

water or wastewater utility operations, a showing of the buyer's financial ability to provide service, and a statement that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters;

(g) a list of all entities that have provided, or will provide, funding to the buyer, and an explanation of the manner and amount of such funding, which shall include their financial statements and copies of any financial agreements with the utility. This requirement shall not apply to any person or entity holding less than 10 percent ownership interest in the utility, unless that person or entity is also providing other funding (other than funding to secure an ownership interest) to the utility;

(h) a statement from the buyer that after reasonable investigation, the system being acquired appears to be in satisfactory condition and in compliance with all applicable standards set by the DER or, if the system is in need of repair or improvement, has any outstanding Notice of Violation(s) of any standard(s) set by the DER or any outstanding consent orders with the DER, the buyer shall provide a list of the improvements and repairs needed and the approximate cost to make them, a list of the action taken by the utility with regard to the violations, a copy of the Notice of Violation(s), a copy of the consent order

and a list of the improvements and repairs consented to and the approximate cost;

(i) evidence that the utility owns the land upon which the utility treatment facilities are located, or a copy of an agreement which provides for the continued use of the land, such as a 99-year lease;

(j) the original and two copies of sample tariff sheets reflecting the change in ownership; and

(k) the utility's current certificate(s), or if not available, the applicant shall provide an explanation of the steps the applicant took to obtain the certificate(s).

~~(a) the information required under paragraphs (a), (b), (d), (f), (i), (j), (k), (e), and (g) of subsection (1);~~

(4)(3) Each application for transfer of certificate of authorization, facilities, or any portion thereof, or majority organizational control to a governmental authority shall contain the following information:

(a) the name and address of the utility and its authorized representative;

(b) the name of the governmental authority and the name and address of its authorized representative;

(c) a copy of the contract or other document transferring the utility system to the governmental authority;

(d) a list of any utility assets not transferred to the governmental authority if such remaining assets constitute a system providing or proposing to provide water or wastewater service to the public for compensation;

(e)(e) a statement that the governmental authority obtained, from the utility or Commission, the most recent available income and expense statement, balance sheet, statement of rate base for regulatory purposes, and contributions-in-aid-of-construction;

(f)(d) the date on which the governmental authority proposes to take official action to acquire the utility;

(g)(e) a statement describing the disposition of customer deposits and interest thereon; and

(h)(f) a statement regarding the disposition of any outstanding regulatory assessment fees, fines or refunds owed.

(5)(4) If a utility is transferring a portion of its facilities to a governmental agency, it must provide the following additional information:

(a) a description of the remaining territory using township, range, and section references;

- (b) one copy of the official county tax assessment map, or other map, showing township, range, and section with a scale such as 1"=200' or 1"=400', with the remaining territory plotted



thereon by use of metes and bounds or quarter sections, and with a defined reference point of beginning.

(c) the original and two copies of sample tariff sheets reflecting the remaining territory.

~~(6)(5)~~ Upon its receipt of items required in ~~(4)(3)(a)~~, (b), (c), and (d), ~~(e)~~ and ~~(f)~~, the Commission will issue an order acknowledging that the facilities or any portion thereof have been acquired by the governmental authority.

~~(7)(6)~~ Upon receipt of the items required in ~~(4)(3)(g)(e)~~ and ~~(h)(f)~~ and, if applicable, ~~(5)(4)(a)~~, (b), and (c), ~~upon payment of all regulatory assessment fees due and owing,~~ and upon the completion of all pending proceedings before the Commission, ~~the Commission will issue an order amending or cancelling the utility's certificate will be amended or cancelled.~~ Amendment or cancellation of the certificate shall not affect the utility's obligation pursuant to Rule 25-30.120, F.A.C., Regulatory Assessment Fees.

Specific Authority: 367.121, F.S.

Law Implemented: 367.071 F.S.

History: New 1/27/91, Amended \_\_\_\_\_.

- 25-30.0371 Rate Base Established at Time of Transfer.

This rule applies to any utility purchased by a utility regulated by this Commission, except where the purchased utility

is located in a nonjurisdictional county and is not otherwise subject to the Commission's jurisdiction under section 367.171(7), F.S..

(1) For the purposes of this rule and Rule 25-30.037 and 25-30.038, rate base is defined as the net book value of the utility assets involved. Net book value is calculated as Utility Plant In Service less Accumulated Depreciation plus Construction Work in Progress less Contributions In Aid of Construction less Advances for Construction plus Accumulated Amortization of Contributions In Aid of Construction. The Commission shall also consider the condition of the utility assets purchased in deciding if a purchased asset should be removed from the rate base calculation.

(2) In the absence of extraordinary circumstances, the purchase of a utility system at a premium or at a discount shall not affect the rate base calculation.

(3) If requested by the acquiring utility, rate base including any acquisition adjustment, will be determined in the order approving the transfer.

(4) Where the buyer demonstrates that it has engaged in a good faith effort to obtain original cost documentation, and has been unable to obtain such documents, the Commission may establish rate base based upon competent substantial evidence

reconstructing and estimating the original cost of plant in service and the amount of contributions-in-aid-of-construction.

Specific Authority: 367.121, F.S.

Law Implemented: 367.071(5), F.S.

History: New.

25-30.038 Expedited Application for Acquisition of Existing Small System.

(1) This rule is an alternative to Rule 25-30.037, Florida Administrative Code, and applies to any existing Class A or B water or wastewater utility which has a current annual report on file with the Commission and is requesting approval to acquire an existing small system and either institute initial rates and charges or change the existing rates and charges of the small system. For purposes of this rule, an existing small system is one whose total gross annual operating revenues are \$150,000 or less for water service or \$150,000 or less for wastewater service, or \$300,000 or less on a combined basis.

(2) When a utility makes application pursuant to this rule, it shall file an application consistent with Rule 25-30.032, F.A.C., and a limited proceeding to institute or change rates and charges. A separate filing fee calculated in accordance with Rule 25-30.020, F.A.C., is required for the application for

acquisition of existing small system and for the limited proceeding.

(3) When a utility makes application pursuant to this rule, it shall provide notice of its application in the manner and to the entities described in Rule 25-30.030, F.A.C., except that:

(a) The notice shall be appropriately styled: Notice of Application for Acquisition of Existing Small System and a Limited Proceeding to Institute (or Change) Rates and Charges; and

(b) The notice shall include the following:

1. the name and address of the applicant;
2. a description, using township, range and section references, of the territory proposed to be acquired;
3. a listing of the proposed rates and charges;
4. a statement consistent with subsection (10) of this rule that any rate change that is approved by the Commission shall be on a temporary basis, subject to refund, if applicable, and including interest; and
5. a statement that any objections to the application must be filed with the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, no later than 30 days after the last date that the notice was mailed or published, whichever is later.

(4) An application pursuant to this rule shall contain the following:

- (a) The complete name and address of the buyer;
- (b) The complete name and address of the seller;
- (c) a copy of the contract for sale, which shall include:
  - 1. the purchase price and terms of payment, and
  - 2. a list of the assets purchased and liabilities assumed

and not assumed.

(d) the contract for sale shall also provide for the disposition, where applicable, of the following:

- 1. customer deposits and interest thereon;
- 2. any guaranteed revenue contracts;
- 3. developer agreements;
- 4. customer advances;
- 5. debt of the utility; and
- 6. leases.

(e) a statement describing the financing of the purchase;

(f) a statement indicating how the purchase is in the public interest, including a summary of the buyer's experience in water or wastewater utility operations, a showing of the buyer's financial ability to provide service, and a statement that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters;

(g) one copy of the official county tax assessment map, or other map showing township, range, and section with a scale such as 1"=200' or 1"=400', with the proposed territory plotted thereon by use of metes and bounds or quarter sections, and with a defined reference point of beginning;

(h) one copy of a detailed system map, if reasonably available, showing the lines, treatment facilities and the territory served. Any territory not served at the time of application shall be specifically identified and the map shall be of sufficient scale and detail to enable correlation with the description of the territory served;

(i) the permit numbers and dates of any permits issued for the water and wastewater systems by the Department of Environmental Regulation;

(j) a statement from a professional engineer providing the capacity of the water system, wastewater system, or both, and the basis for determination, if different from the rated capacity determined by the Department of Environmental Regulation (DER);

(k) a statement from the buyer that after reasonable investigation, the system being acquired appears to be in satisfactory condition and in compliance with all applicable standards set by the DER or, if the system is in need of repair or improvement, has any outstanding Notice of Violation(s) of any

standard(s) set by the DER or any outstanding consent orders with the DER, the buyer shall provide a list of the improvements and repairs needed and the approximate cost to make them, a list of the action taken by the utility with regard to the violations, a copy of the Notice of Violation(s), a copy of the consent order and a list of the improvements and repairs consented to and the approximate cost to make them;

(l) a statement from the buyer that it has obtained or will obtain the original or a copy of the books and records of the seller and that such books and records are adequate for purposes of establishing the net book value of the system or, if the books and records of the seller are not available or adequate for purposes of establishing the net book value of the system, a statement from the buyer detailing the steps taken to obtain the books and records;

(m) a statement from the buyer that it has obtained or will obtain copies of all of the federal income tax returns of the seller from the date the utility was first established, or rate base was last established by the Commission or, if the tax returns have not been obtained, a statement from the buyer detailing the steps taken to obtain the returns;

(n) evidence that the small system to be acquired owns the land upon which the utility treatment facilities are located, or

a copy of an agreement that provides for the continued use of the land, such as a 99-year lease;

(o) a statement regarding the disposition of any outstanding regulatory assessment fees, fines, or refunds owed;

(p) the original and two copies of sample tariff sheets reflecting the inclusion of the system into the buyer's existing tariff;

(q) the buyer's and seller's current certificate(s), if applicable or, if the certificate(s) are not available, an explanation of the steps the applicant took to obtain the certificate(s);

(r) if the buyer has existing Commission-approved rates and charges in the county in which the system being acquired is located, a complete schedule of the rates and charges and a reference to the number of the most recent order of the Commission establishing or amending the buyer's rates and charges; and

(s) a schedule of calculation of proposed service availability charges if the buyer does not have Commission-approved service availability charges applicable in the county in which the system being acquired is located.

(5) If the small system being purchased is not currently certificated by the Commission, the application shall contain the



following in addition to the requirements of subsection (4) of this rule:

(a) a description of the territory served, using township, range and section references;

(b) a description of the type of water treatment facilities, wastewater treatment facilities and method of effluent disposal;

(c) a description of the types of customers and the number of equivalent residential connections (ERCs) currently served and proposed to be served at build out of the utility system, by meter size and customer class; and

(d) a schedule showing all current rates and charges applicable in the territory served and a statement specifying on what date and under what authority the current rates and charges were established.

(6) If an objection to the notice is timely filed, a public hearing on the objection will be held in accordance with sections 367.045(4) and 120.57, F.S.

(7) If no objection to the notice is timely filed, the Commission shall either grant or deny the application and the limited proceeding, within 90 days of the official filing date of the application. The official filing date shall be determined in accordance with Rule 25-30.032(3), F.A.C.

(8) The rates and charges approved pursuant to the request for limited proceeding shall be those approved for the purchasing utility in the county in which the system being acquired is located, as long as such rates and charges have been set by the Commission in a rate proceeding pursuant to sections 367.081(2) or 367.0814, F.S. If the purchasing utility does not have a uniform rate for that county, the rates approved pursuant to the request for limited proceeding shall be the approximate statewide average of the rates approved by this Commission for utilities in all counties in which it has jurisdiction.

(9) The applicable statewide average water and wastewater rates will be determined by this Commission regularly, but not less often than once each year.

(10) The rates approved pursuant to the request for limited proceeding shall be approved as temporary rates, subject to refund where applicable, including interest calculated in accordance with Rule 25-30.360, F.A.C., and secured by an irrevocable letter of credit, escrow account, surety bond or corporate undertaking.

(11) The purchasing utility shall maintain separate records for the acquired system for 1-year following the effective date of the temporary rates. At the end of one year, the Commission shall set permanent rates and may establish rate base of the

acquired system, as defined in Rule 25-30.0371, F.A.C. The following information shall be filed for the acquired system within 60 days after the purchasing utility experiences 12 months of actual operating data:

(a) For a water system: Schedules W-1, W-2, W-3, W-4, W-5, W-6, W-7, W-8, W-9, W-10, and W-12 from Commission Form PSC/WAS 3 (3/91), Consolidated Annual Report;

(b) For a wastewater system: Schedules S-1, S-2, S-3, S-4, S-5, S-6, S-7, S-8, S-9, S-10, and S-12 from Commission Form PSC/WAS 3 (3/91), Consolidated Annual Report.

(c) A statement setting out the reasons for the inclusion of an acquisition adjustment, if one is requested.

Specific Authority: 367.121, 367.0814(7), F.S.

Law Implemented: 367.045, 367.071, 367.0814, 367.082, 367.0822, F.S.

History: New.

25-30.039 Application for Name Change.

(1) This rule shall apply to a certificated utility that changes its name only, with no change in the ownership or control of the utility or its assets.

- (2) Each application for approval of a change in name of a certificated utility shall include the following information:

(a) The complete name, address, and type of business entity of the certificated utility;

(b) The proposed change in name and the type of business entity under the new name;

(c) A statement setting out the reasons for the name change;

(d) The effective date of the name change;

(e) In the case of a corporation, limited partnership, or any other type of entity that is chartered by the State of Florida or any other state, a copy of the certificate or other document issued by the state showing its acceptance of the entity's new name. In addition, an officer of the entity shall provide a statement that the ownership and control of the utility and its assets will not change under the proposed name. In the case of a sole proprietorship, general partnership, or any other type of entity not chartered by the State of Florida or any other state, a statement, signed by a duly authorized representative, that the ownership and control of the utility and its assets will not change under the proposed name;

(f) A proposed notice to be sent to the customers of the utility informing them of the change in utility name;

(g) An original and two copies of a proposed tariff reflecting the name change, including all standard forms; and,

(h) The applicant's current certificate.

(3) After the Commission staff approves the customer notice, the utility shall send the approved customer notice to all existing customers with the next regular billing, advising them of the name change.

Specific Authority: 367.121, F.S.

Law Implemented: 367.121, F.S.

History: New.

25-30.060 Application for Exemption from Regulation or Nonjurisdictional Finding.

(1) Each application for an exemption shall be filed in original and two copies, ~~except that applications filed under Section 367.022(7), Florida Statutes, shall be filed in original and 15 copies,~~ with the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870. Sample application forms may be obtained from the Division of Water and Wastewater Sewer, Bureau of Certification, 101 East Gaines Street, Tallahassee, Florida 32399-~~08500873~~.

(2) Each application for an exemption from regulation shall contain the following information:

- (a) The name of the system owner;
- (b) The physical address of the system;

(c) The mailing address of the applicant, if different from the system address;

(d) The name, address, and phone number of the primary contact person for the exemption request;

(e) The nature of the applicant's business organization, e.g., corporation, partnership, limited partnership, sole proprietorship, association; and

(f) A statement that the applicant is aware that pursuant to Section 837.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

(3) Each application must specifically state which type of exemption is being applied for and contain one of the following:

(a) For an exemption pursuant to Section 367.022(1), Florida Statutes, a statement from the owner of the system that the system is used solely to provide bottled water and that water is not provided to customers through a water main or service pipe;

- (b) For an exemption pursuant to Section 367.022(2), Florida Statutes, a statement from the governmental authority specifying the statutory authority for the governmental

authority; that the system is owned, operated, managed, or controlled by the governmental authority; stating whether it provides water service, wastewater service or both; and specifying the service area. The applicant shall describe with particularity the nature of the ownership, operation, management, and control of the system;

(c) For an exemption pursuant to Section 367.022(3), Florida Statutes, a statement from the manufacturer that service is provided solely in connection with its operations; stating whether it provides water service, wastewater service or both; and specifying the service area;

(d) For an exemption pursuant to Section 367.022(4), Florida Statutes, a statement from the public lodging establishment that service is provided solely in connection with service to its guests; stating whether it provides water service, wastewater service or both; and specifying the service area;

(e) For an exemption pursuant to Section 367.022(5), Florida Statutes, a statement from the landlord that it provides service solely to tenants; that charges for service are non-specifically contained in rental charges; stating whether it provides water service, wastewater service or both; and specifying the service area. A copy of the landlord's most recent version of a standard lease or rental agreement, stating

~~that there is no separate charge for water service, wastewater service, or both,~~ shall be submitted with the application;

(f) For an exemption pursuant to Section 367.022(6), Florida Statutes, a statement from the owner of the system that the system has or will have the capacity to serve 100 or fewer persons; stating whether it provides water service, wastewater service or both; and specifying the service area. The applicant shall submit documentation verifying the capacity of the system(s). For a wastewater system, the capacity of both the treatment and disposal facilities shall be documented;

(g) For an exemption pursuant to Section 367.022(7), Florida Statutes, a statement from the corporation, association, or cooperative that it is nonprofit; that it provides service solely to members who own and control it; stating whether it provides water service, wastewater service or both; specifying who will do the billing for such service; and specifying the service area. The applicant must submit its articles of incorporation as filed with the Secretary of State and its bylaws, which documents must clearly show the requirements for membership, that the members' voting rights are one vote per unit of ownership, and the circumstances under which control of the corporation passes to the non-developer members. Control of the corporation must pass: 1) at 51 percent ownership by the non-



developer members or, 2) at some greater percentage delimited by a time period not to exceed 5 years from the date of incorporation. The applicant must provide proof of its ownership of the utility facilities and the land upon which the facilities will be located or other proof of its right to continued use of the land, such as a 99-year lease;

(h) For an exemption pursuant to Section 367.022(8), Florida Statutes, a statement from the reseller that service is provided at a rate or charge that does not exceed the actual purchase price; stating that the reseller is aware of the requirements of Rule 25-30.111, Florida Administrative Code; stating that the reseller is aware of the requirements of Section 367.122, Florida Statutes, and Rules 25-30.262, .263, .264, .265, .266 and .267, Florida Administrative Code, relating to examination and testing of meters; stating whether it provides water service, wastewater service or both; and specifying the service area. The reseller must also provide the name of the utility providing service to it and that utility's current rates and charges. The reseller must submit a schedule of all of its proposed rates and charges, an explanation of the proposed method of billing customers, separately, for both water and wastewater, and a schedule showing that the amount billed will not exceed the amount paid for water, wastewater, or both;

(i) For an exemption pursuant to Section 367.022(9), Florida Statutes, a statement from the owner of the wastewater system that the system is primarily for the treatment of wastewater other than domestic wastewater, such as runoff and leachate from areas that receive pollutants associated with industrial or commercial storage, handling or processing; identifying the principal source or nature of such wastewater; and specifying the service area;

(j) For a nonjurisdictional finding pursuant to Section 367.021(12), Florida Statutes, a statement from the system owner stating that it does not charge for providing utility service; specifying how operational costs of providing service are treated or recovered; stating whether it provides water service, wastewater service, or both; and specifying the service area.

Specific Authority: 367.121(1), F.S.

Law Implemented: 367.021(12), 367.022, 367.031, F.S.

History: New 1/5/92, Amended \_\_\_\_\_.

25-30.090 Abandonments.

(1) This rule applies to any person, lessee, trustee, or receiver owning, operating, managing, or controlling a utility which intends to abandon the utility. The provisions of this rule are intended to prevent service interruptions to the utility customers.

(2) The notice required by section 367.165, F.S., shall include the following:

- (a) The utility's name and address;
- (b) The person to contact regarding this notice, their address and telephone number;
- (c) The location of the utility's books and records;
- (d) The date of the notice;
- (e) The date the utility will be abandoned;
- (f) Whether the water system, wastewater system, or both are to be abandoned;
- (g) A statement of the reason the utility is to be abandoned;
- (h) A statement of the status of the utility with the Department of Environmental Regulation regarding outstanding citations or violations.

(3) Within 10 days of the appointment of a receiver by the circuit court, the receiver shall request from the Commission a copy of the utility's tariff and most recent annual report.

(4) Within 90 days of the appointment of the receiver, the receiver shall file a proposed tariff revision amending the title page to reflect the name, address and telephone number of the receiver. This shall not affect the certificated name of the utility.

(5) During the pendency of the receivership, the receiver shall be responsible for fulfilling the utility's obligations pursuant to Chapter 367, F.S., and Chapter 25-30, F.A.C. In no event shall a receiver be held responsible for failure to provide safe, efficient and sufficient service where such failure is substantially caused by actions or omissions pre-dating appointment of the receiver, unless the receiver is given reasonable opportunity to rectify such failure.

(6) If the receiver appointed by the circuit court is a governmental authority as defined by section 367.021(7), F.S., the governmental authority, upon request, shall be found exempt pursuant to section 367.022(2), F.S.

Specific Authority: 367.121, F.S.

Law Implemented: 367.165, F.S.

History: New.

25-30.111 Exemption for Resale of Utility Service, Annual Report.

Any person who has been granted an exemption from regulation as a reseller of resells water or wastewater sewer service and ~~claims the exemption~~ provided for in subsection 367.022(8), F.S., shall file a report by March 31 of each year following the year for which the exemption is claimed. The report shall contain the following:

(1) A schedule, listing by month, the rates charged for and total revenue received from the water or wastewater service sold.

(2) A schedule, listing by month, the rates charged and total expense incurred for the purchase of the water or wastewater sewer service.

(3) A statement listing the source from which the water or wastewater sewer service was purchased.

Specific Authority: 367.121(1), F.S.

Law Implemented: 367.022(8), F.S.

History: New 3/26/81, formerly 25-10.09, Transferred from 25-10.009 11/9/86, Amended \_\_\_\_.

25-30.117 Accounting for Pension Costs.

Any utility that has an established defined benefit pension plan as defined by the Financial Accounting Standard's Board in the Statement of Financial Accounting Standards No. 87, Employers' Accounting for Pensions (SFAS 87), shall account for these costs pursuant to SFAS 87 as it applies to business enterprises in general.

Specific Authority: 367.121, F.S.

Law Implemented: 367.121, F.S.

History: New.

25-30.135 Tariffs, Rules and Miscellaneous Requirements.

(1) Each utility shall adopt and file tariffs in accordance with Chapter 25-9, Florida Administrative Code.

(2) No utility may modify or revise its rules or regulations or its schedules of rates and charges until the utility files and receives approval from the Commission for any such modification or revision.

(3) Each utility shall maintain for customer inspection upon request during regular business hours at its main in-state business office, a current copy of Chapters 25-9, 25-22 and 25-30, Florida Administrative Code, a current copy of Chapter 367, F.S., and a copy of the utility's current tariffs, and current developer agreements. The Commission shall provide current copies of the above rules and statute to each utility.  
~~rules, regulations and schedules~~

Specific Authority: 367.121, F.S.

Law Implemented: 367.081, F.S.

History: Amended 9/12/74, formerly 25-10.41, Transferred from 25-10.041 and Amended 11/9/86, Amended \_\_\_\_.

25-30.320 Refusal or Discontinuance of Service.

(1) Until adequate facilities can be provided a utility may refuse to serve an applicant if, in the best judgment of the utility, it does not have adequate facilities, or supply to

render the service applied for, or if the service is of character that is likely to affect unfavorably service to other customers.

(2) As applicable, the utility may refuse or discontinue service under the following conditions provided that, unless otherwise stated, the customer shall be given written notice and allowed a reasonable time to comply with any rule or remedy any deficiency:

(a) For noncompliance with or violation of any state or municipal law or regulation governing such utility service.

(b) For failure or refusal of the customer to correct any deficiencies or defects in his piping or equipment which are reported to him by the utility.

(c) For the use of utility service for any other property or purpose than that described in the application.

(d) For failure or refusal to provide adequate space for the meter or service equipment of the utility.

(e) For failure or refusal to provide the utility with a deposit to insure payment of bills in accordance with the utility's regulation.

(f) For neglect or refusal to provide reasonable access to the utility for the purpose of reading meters or inspection and maintenance of equipment owned by the utility.

(g) For nonpayment of bills or noncompliance with utility's rules and regulations in connection with the same or a different type or a different class of utility service furnished to the same customer at the same premises by the same or affiliated utility only after there has been a diligent attempt to have the customer comply, including at least 5 working days' written notice to the customers. Such notice shall be separate and apart from any bill for service. For purposes of this subsection, "working day" means any day on which the utility's office is open and the U.S. Mail is delivered. A utility shall not, however, refuse or discontinue service for nonpayment of a dishonored check service charge imposed by the utility.

(h) Without notice in the event of a condition known to the utility to be hazardous.

(i) Without notice in the event of tampering with regulators, valves, piping, meter or other facilities furnished and owned by the utility.

(j) Without notice in the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of such service, the utility, before restoring service, may require the customer to make at his own expense all changes in piping or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the deficiency in



revenue resulting from such fraudulent use. Service shall not be discontinued if, prior to the arrival of the utility to discontinue service, the customer has:

1. paid for all fraudulent use of service;
2. demonstrated the fraudulent use has ceased;
3. paid all other applicable fees and charges; and
4. the service condition allowing fraudulent use of service has been corrected.

(3) Service shall be restored when cause for discontinuance has been satisfactorily adjusted.

(4) In case of refusal to establish service, or whenever service is discontinued, the utility shall notify the applicant or customer in writing of the reason for such refusal or discontinuance. In all instances involving refusal or discontinuance of service the utility shall advise in its notice that persons dissatisfied with the utility's decision to refuse or discontinue service may register their complaint with the utility's Customer Relations Personnel and to the Florida Public Service Commission at 1-800-342-3552, which is a toll free number.

(5) The following shall not constitute sufficient cause for refusal or discontinuance of service to an applicant or customer:

(a) Delinquency in payment for service by a previous occupant of the premises unless the current applicant or customer occupied the premises at the time the delinquency occurred and the previous customer continues to occupy the premises and such previous customer will receive benefit from such service.

(b) Failure to pay for appliances or equipment purchased from the utility.

(c) Failure to pay for a different class of service, except where two or more classes of service are rendered to the same customer at the same premises.

(d) Failure to pay the bill of another customer as guarantor thereof.

(e) Failure to pay a dishonored check service charge imposed by the utility.

(6) No utility shall discontinue service to any customer, between 12:00 noon on a Friday and 8:00 a.m. the following Monday or between 12:00 noon on the day preceding a public holiday and 8:00 a.m. the next working day; provided, however, that this prohibition shall not apply when:

(a) Discontinuance is requested by or agreed to by the customer; or

(b) A hazardous condition exists; or

(c) Meters or other utility-owned facilities have been tampered with; or

(d) Service is being obtained fraudulently or is being used for unlawful purposes.

Specific Authority: 367.121, F.S.

Law Implemented: 367.081, 367.121, F.S.

History: Amended 9/12/74, 4/3/80, formerly 25-10.74, Transferred from 25-10.074 and Amended 11/9/86, 1/1/91, 1/11/93, \_\_\_\_.

25-30.335 Customer Billing.

(1) Except as provided in this rule, a utility shall render bills to customers at regular intervals, and each bill shall indicate: the billing period covered; the applicable rate schedule; beginning and ending meter reading; the amount of the bill; ~~as applicable, gross and/or net billing, and/or discount or penalty; and final discount or penalty date;~~ and the delinquent date or the date after which the bill becomes past due; and any authorized late payment charge.

(2) If the utility estimates the bill, the utility shall indicate on the bill that the amount owed is an estimated amount.

(3) When service is rendered for less than 50 ~~fifty~~ percent of the normal billing cycle, the utility shall prorate the base facility charges as though the normal billing cycle were 30 ~~thirty~~ days, except that the utility may elect not to issue an

initial bill for service if the service is rendered during a time period which is less than 50 ~~fifty~~ percent of the normal billing cycle. Instead, the utility may elect to combine the amount owed for the service rendered during the initial time period with the amount owed for the next billing cycle, and issue a single bill for the combined time period. For service taken under flat rate schedules, 50 ~~fifty~~ percent (~~50%~~) of the normal charges may be applied.

(4) A utility may not consider a customer delinquent in paying his or her bill until the 21st ~~twenty-first~~ day after the utility has mailed or presented the bill for payment.

(5) Each utility shall establish each point of delivery as an independent customer and shall calculate the amount of the bill accordingly, except where physical conditions make it necessary to use additional meters or points of delivery for one class of service to a single customer on the same premises, or where such multiple meters or delivery points are used for the convenience of the utility.

(6) A utility may not incorporate municipal or county franchise fees into the amount indicated as the cost for service on the customer's bill. Rather, the utility shall show any such franchise fee as a separate item.

(7) The utility shall maintain a record of each customer's account for the most current 2 ~~two~~ years so as to permit reproduction of the customer's bills during the time that the utility provided service to that customer.

(8) In the event of unauthorized use of service by a customer, a utility may bill the customer on a reasonable estimate of the service taken. In addition, the utility may assess a fee to defray the cost of restoring service to such a customer provided that the fee is specified in the utility's tariff.

(9) If a utility utilizes the base facility and usage charge rate structure and does not have a Commission authorized vacation rate, the utility shall bill the customer the base facility charge regardless of whether there is any usage.

Specific Authority: 367.121, F.S.

Law Implemented: 367.121, F.S.

History: Amended 9/14/75, 6/21/79, formerly 25-10.97,

Transferred from 25-10.097 and 25-10.111, and Amended 11/9/86,

Amended \_\_\_\_.

25-30.360 Refunds.

- (1) Applicability. With the exception of deposit refunds, all refunds ordered by the Commission shall be made in accordance

with the provisions of this Rule, unless otherwise ordered by the Commission.

(2) Timing of Refunds. Refunds must be made within 90 ~~ninety (90)~~ days of the Commission's order unless a different time frame is prescribed by the Commission. A timely motion for reconsideration temporarily stays the refund, pending the final order on the motion for reconsideration. ~~Unless a stay has been requested in writing and granted by the Commission, a motion for reconsideration of an order requiring a refund will not delay the timing of the refund.~~ In the event of ~~if~~ that a stay is granted pending reconsideration, the timing of the refund shall commence from the date of the order disposing of any motion for reconsideration. This rule does not authorize any motion for reconsideration not otherwise authorized by Chapter 25-22, Florida Administrative Code.

(3) Basis of Refund. Where the refund is the result of a specific rate change, including interim rate increases, and the refund can be computed on a per customer basis, that will be the basis of the refund. However, where the refund is not related to specific rate changes, such as a refund for overearnings, the refund shall be made to customers of record as of a date specified by the Commission. In such case, refunds shall be made on the basis of usage. Per customer refund refers to a refund to

every customer receiving service during the refund period.  
Customer of record refund refers to a refund to every customer receiving service as of a date specified by the Commission.

(4) Interest.

(a) In the case of refunds which the Commission orders to be made with interest, the average monthly interest rate until refund is posted to the customers account shall be based on the 30 ~~thirty~~-(30) day commercial paper rate for high grade, unsecured notes sold through dealers by major corporations in multiples of \$1,000 as regularly published in the Wall Street Journal.

(b) This average monthly interest rate shall be calculated for each month of the refund period:

1. By adding the published interest rate in effect for the last business day of the month prior to each month of the refund period and the published rate in effect for the last business day of each month of the refund period, divided by 24 ~~twenty four~~-(24) to obtain the average monthly interest rate;
- 2. The average monthly interest rate for the month prior to distribution shall be the same as the last calculated average monthly interest rate.

(c) The average monthly interest rate shall be applied to the sum of the previous month's ending balance (including monthly interest accruals) and the current month's ending balance divided by 2 ~~two (2)~~ to accomplish a compounding effect.

(d) Interest Multiplier. When the refund is computed for each customer, an interest multiplier may be applied against the amount of each customer's refund in lieu of a monthly calculation of the interest for each customer. The interest multiplier shall be calculated by dividing the total amount refundable to all customers, including interest, by the total amount of the refund, excluding interest. For the purpose of calculating the interest multiplier, the utility may, upon approval by the Commission, estimate the monthly refundable amount.

(e) Commission staff shall provide applicable interest rate figures and assistance in calculations under this Rule upon request of the affected utility.

(5) Method of Refund Distribution. For those customers still on the system, a credit shall be made on the bill. In the event the refund is for a greater amount than the bill, the remainder of the credit shall be carried forward until the refund is completed. If the customer so requests, a check for any negative balance must be sent to the customer within 10 ~~ten (10)~~ days of the request. For customers entitled to a refund but no



longer on the system, the company shall mail a refund check to the last known billing address except that no refund for less than \$1.00 will be made to these customers.

(6) Security for Money Collected Subject to Refund. In the case of money being collected subject to refund, the money shall be secured by a bond unless the Commission specifically authorizes some other type of security such as placing the money in escrow, approving a corporate undertaking, or providing a letter of credit. The company shall provide a report by the 20th of each month indicating the monthly and total amount of money subject to refund as of the end of the preceding month. The report shall also indicate the status of whatever security is being used to guarantee repayment of the money.

(7) Refund Reports. During the processing of the refund, monthly reports on the status of the refund shall be made by the 20th of the following month. In addition, a preliminary report shall be made within 30 ~~thirty~~-(30) days after the date the refund is completed and again 90 days thereafter. A final report shall be made after all administrative aspects of the refund are completed. The above reports shall specify the following:

- (a) The amount of money to be refunded and how that amount was computed;

(b) The amount of money actually refunded;

(c) The amount of any unclaimed refunds; and

(d) The status of any unclaimed amounts.

(8) Any unclaimed refunds shall be treated as cash contributions-in-aid-of-construction.

~~(8) With the last report under subsection (7) of this Rule, the company shall suggest a method for disposing of any unclaimed amounts. The Commission shall then order a method of disposing of the unclaimed funds.~~

Specific Authority: 350.127(2), F.S.

Law Implemented: 367.081(6), 367.082(2), F.S.

History: New 8/17/83, formerly 25-10.76, Transferred from 25-10.076 11/9/86, Amended \_\_\_\_.

25-30.430 Test Year Approval.

(1) Prior to the filing of an application for a general rate increase a utility shall submit to the Commission a written request for approval of a test year, supported by a statement of reasons and justifications showing that the requested test year is representative of utility operations. The Commission Chairman will then approve or disapprove the request within 30 days from the receipt of the request. In disapproving the requested test year, the Chairman may suggest another test year. Within 30 days of the Chairman's approval or disapproval of a test year, upon

request of any interested person the full Commission may review the Chairman's test year decision.

(2) Each applicant for test year approval shall submit the following information in its written request to the Chairman:

(a) A statement explaining why the requested test year is representative of the utility's current operations.

(b) A general statement of major plant expansions or changes in operational methods which:

1. Have occurred in the most recent 18 months or since the last test year, whichever is less;

2. Will occur during the requested test year.

(c) A general statement of all known estimated pro forma adjustments which will be made to the requested test year amounts.

(d) If a projected test year is requested, provide an explanation as to why the projected period is more representative of the utility's operations than a historical period.

(3) Any requests for extensions of time to file the application shall be made to the Director, Division of Water and Wastewater. Upon good cause shown and if the extension will not cause the approved test year to be unrepresentative, the Director may grant an extension in writing.

~~(3) In the test year approval letter the Commission Chairman may advise whether or not prepared testimony in support of the utility's application will be required to be filed as part of the minimum filing requirements.~~

~~(a) Prepared testimony will be required, as part of the minimum filing requirements, for all cases anticipated to require a formal hearing, rather than a proposed agency action process.~~

~~(b) Where prepared testimony is not required to be filed as part of the minimum filing requirements, it may be required by the Commission or the Commission Chairman during a rate case proceeding.~~

Specific Authority: 367.121, F.S.

Law Implemented: 367.081, 350.01(5), F.S.

History: New 6/10/75, Amended 6/13/79, 3/26/81, 9/27/83,

Transferred from 25-10.175 and Amended 11/9/86, 6/25/90, \_\_\_\_.

25-30.432 Used and Useful in Rate Case Proceedings.

(1) The Commission shall allow a utility to recover, through authorized rates, charges and fees, the costs incurred in meeting its statutory obligations to provide safe, efficient and sufficient service. The utility's investment, prudently incurred, in meeting its statutory obligations shall be considered used and useful.

(2) It is the policy of the Commission to encourage utility planning that recognizes conservation, environmental protection, economies of scale, and which is economically beneficial to its customers over the long term.

(3) In determining those portions of water and wastewater systems that are used and useful in serving the public, the Commission shall consider:

(a) the design and construction requirements set forth in Chapter 17-555, F.A.C., Permitting and Construction of Public Water Systems and Chapter 17-600, F.A.C., Domestic Wastewater Facilities;

(b) the investment in land acquired or facilities constructed or to be constructed in the public interest within a reasonable time in the future;

(c) the prudence of the investment, taking into consideration such factors as the treatment process, water storage capacity, economies of scale, the historical and projected rate of growth in customers and demand, seasonal demand characteristics, residential and commercial mix, and the configuration of the service area.

- (4) To encourage long-term planning and least cost system design, the Commission, at a minimum, shall consider as used and useful the level of investment that would have been required had

the utility designed and constructed the system to serve only its existing customer base.

(5) For the purpose of calculating used and useful, the following specific factors shall apply. When applying these factors, references to customer demand shall mean the demand per equivalent residential connection (ERC) used for design or permitting or the actual historical demand per ERC, whichever is greater.

(a) Margin Reserve

1. The Commission recognizes that for a utility to meet its statutory responsibility, it must have sufficient capacity and investment to meet the existing and changing demands of present customers and the demands of potential customers within a reasonable time. The investment needed to meet the demands of potential customers and the changing demands of existing customers is defined as margin reserve. As a matter of policy, the Commission recognizes margin reserve as a component of used and useful rate base.

2. In determining the allowable investment in margin reserve, the Commission shall consider, but not be limited to, the functions of each component of plant (treatment, transmission, distribution, etc.), the treatment process, regulatory requirements, including those requiring plant

redundancies, regulatory lag, the rate of growth in customers and demand, seasonal demand characteristics, the economies of scale, and the construction time frame.

3. As a part of its rate filing, the utility shall submit historical data for a minimum of five years preceding the test year for the year-end number of customers by class and meter size; the annual sales by class; the annual treated or pumped flows for the system; and monthly system peak day flows.

4. Unless otherwise justified, the following margin reserve allowances shall be used:

a. Water source and treatment facilities and wastewater treatment and disposal facilities: 20 percent of the permitted or actual ERC capacity, whichever is greater;

b. Prudently constructed water transmission mains and off-site wastewater force and gravity collector mains and pumping stations shall be considered 100 percent used and useful, and margin reserve shall therefore not be a factor.

c. Non-contributed on-site water distribution mains and services and on-site wastewater collection mains, pumping stations and laterals: 20 percent of the ERCs capable of being served. However, where the utility demonstrates that such portions of the system will likely reach build-out within 36 months after the test year, such portions of the system shall be

considered 100 percent used and useful, and margin reserve shall therefore not be a factor.

(b) Fire Flow

1. Fire flow shall be considered in used and useful calculations for any utility that requests that fire flow be a consideration it its system requirements.

2. Insufficient capacity to provide adequate fire flows shall not be grounds to exclude fire flows as a factor in determining used and useful; however the Commission may require the utility to take the steps necessary to provide adequate fire flow capacity. In doing so, the Commission shall set a reasonable timetable for compliance and may withhold that portion of the rates associated with the required additions and fire flow capacity allowed, until the requirements set by the Commission are met.

3. When fire flow requirements are set by a governmental authority, those requirements shall be the basis for determining the fire flow component of used and useful. In such cases, as part of its rate filing, the utility shall identify and file with the Commission a copy of the applicable governmental fire flow requirements. In all other cases, unless specific support is provided, the Commission shall consider a minimum fire flow demand to be 500 gallons per minute (gpm) for single family and



1,500 gpm for multiple family and commercial areas for a duration of 2 hours for needed fire flows up to 2500 gpm, and 3 hours for needed fire flows of 3000 and 3500 gpm. Such requirements shall be satisfied without causing deterioration of water pressure below 20 pounds per square inch (psi).

(c) Unaccounted for Water

1. The Commission's policy is to recognize conservation of water as a fundamental and proper concern of water system operation. The Commission encourages water utilities to exercise good operational and economic management toward preventing depletion and wasteful use of this important natural resource. Good modern water utility practice dictates that, wherever possible, all customer services and plant output and plant uses be metered and reasonable records be kept.

2. Unaccounted for water is all water produced or purchased by a water utility that is neither sold, metered nor accounted for in the records of the utility. Water, other than that sold, that shall be accounted for includes, but is not limited to, water for plant operations, line flushing, hydrant testing, hydrant use, sewer cleaning, street cleaning, line breaks, leakage, theft, unauthorized use, malfunctions and meter errors.

3. The Commission recognizes that some uses of water are readily measurable and others are not. The Commission encourages each utility to establish procedures to measure or estimate the quantity of water used but not sold, by cause, and to maintain documentation for those measurements and estimates.

4. The Commission shall consider the amount of unaccounted for water in determining used and useful expenses and shall allow the American Water Works Association's Standards' design level of leakage (2-3 percent plus the standard 10 percent for a maximum of 12.5 percent) without further explanation. The Commission may impute revenues or reduce purchased power and chemical expenses where inadequate explanation is given for unaccounted for water in excess of this amount.

(d) Infiltration and Inflow

1. The Commission's policy is to consider the impact of infiltration and inflow on wastewater treatment and collection systems in determining the appropriate level of operation and maintenance expenses. Infiltration refers to those extraneous flows (usually from groundwater sources) that enter the wastewater system through openings in pipes that may be caused by normal deterioration, corrosion, or damage from ground movement or structural overload. Inflow refers to extraneous flows from sources other than infiltration, such as surface water run-off

into manholes or from unauthorized connections to surface water sources. Although a utility has little control over the amount of inflow, it shall provide an estimate, with support, of the annual flows in its system due to inflow. Without specific support, allowable inflow will be 10 percent of treated flows.

2. The Commission recognizes as reasonable the Infiltration Specification Allowances set forth in Water Environment Federation Manual of Practice No. 9. Absent sufficient justification to the contrary, excess infiltration is defined as flows in excess of 500 gallons per day per inch diameter of pipe per mile (gpd/in. diam/mile) for all lines, including service laterals.

(e) Cost/benefit Analysis - The Commission may order a utility to perform a cost/benefit analysis to determine the amount of water losses or wastewater infiltration that may be economically eliminated. If the cost/benefit analysis is ordered by the Commission in the course of evaluating a rate application, the actual or estimated prudent cost of the analysis shall be recovered through the revenues authorized in that rate proceeding, and the cost shall be amortized over three years. If the analysis is ordered outside of a formal rate proceeding, the utility may request the cost be recovered through a limited proceeding pursuant to section 367.0822, F.S.

(f) Used and Useful Analysis -

1. As a part of its rate filing, each utility shall provide a determination of the used and useful percentage for each primary plant account along with the supporting formulas and documentation.

2. In lieu of presenting evidence in support of used and useful percentages, the utility may elect to use the default formulas in Rule 25-30.432(6), F.A.C., for calculating used and useful percentages for water supply, treatment, pumping and storage equipment, water transmission and distribution systems, wastewater treatment and effluent disposal equipment, and wastewater pumping and collection systems. The terms used in the default formulas are defined in Rule 25-30.432(7).

(6) Used and useful default formulas.

(a) Small water systems (less than 1 million gallons per day (MGD) capacity).

1. Small water systems (less than 1 MGD capacity) with adequate reliable finished water storage capacity to meet the local fire flow ordinances and to meet the peak hour demand of its customers shall use the following formulas:

- a. Water source of supply:

(Maximum Day Demand + Margin Reserve) / Firm Reliable Capacity

- b. Water treatment equipment:  
(Maximum Day Demand + Margin Reserve) / Firm Reliable Capacity
- c. Finished water storage:  
(Equalization Volume + Fire Flow Requirement + Emergency Storage + Margin Reserve) / Firm Reliable Capacity
- d. Water high service pumping:  
(Instantaneous Demand + Margin Reserve) / Firm Reliable Capacity  
or, if the utility chooses:  
(Peak Hour Demand + Fire Flow Requirement + Margin Reserve) / Firm Reliable Capacity
- e. Other water facilities:      100 percent used and useful
- f. Water transmission system:      100 percent used and useful
- g. Water distribution system - non-developer related: 100% used and useful
- h. Water distribution system - developer related, single family developments:  
((Lots Served + Fill-in Lots + Margin Reserve) / Lots with Service Available) + Fire Flow Allowance
- i. Water distribution system - developer related, mixed developments (e.g., single family, multi-family and commercial):

((Connected ERCs + Fill-in ERCs + Margin Reserve) / ERC Capacity) + Fire Flow Allowance

2. Small water systems (less than 1 MGD capacity) with no storage facilities other than hydropneumatic tanks or with insufficient storage to buffer the instantaneous demands of its customers shall use the following formulas:

a. Water source of supply:

(Instantaneous Demand + Margin Reserve) / Firm Reliable Capacity

or, if the utility chooses:

(Maximum Day Demand + Fire Flow Requirement + Margin Reserve) / Firm Reliable Capacity

b. Water treatment equipment:

(Instantaneous Demand + Margin Reserve) / Firm Reliable Capacity

or, if the utility chooses:

(Maximum Day Demand + Fire Flow Requirement + Margin Reserve) / Firm Reliable Capacity

c. Finished water storage: 100 percent used and useful

d. Water high service pumping:

(Instantaneous Demand + Margin Reserve) / Firm Reliable Capacity

or, if the utility chooses:

(Peak Hour Demand + Fire Flow Requirement + Margin Reserve) / Firm Reliable Capacity

e. Other water facilities: 100 percent used and useful

f. Water transmission system: 100 percent used and useful

g. Water distribution system - non-developer related: 100 percent used and useful

h. Water distribution system - developer related, single family developments:

((Lots Served + Fill-in Lots + Margin Reserve) / Lots with Service Available) + Fire Flow Allowance

i. Water distribution system - developer related, mixed developments (e.g., single family, multi-family and commercial):

((Connected ERCs + Fill-in ERCs + Margin Reserve) / ERC Capacity) + Fire Flow Allowance

(b) Medium water systems (1 MGD to 5 MGD Capacity):

1. Medium water systems (1 MGD to 5 MGD capacity) with adequate reliable finished water storage capacity to meet the local fire flow ordinances and to meet the peak hour demand of its customers shall use the following formulas:

a. Water source of supply:

(Maximum Day Demand + Margin Reserve) / Firm Reliable Capacity

b. Water Treatment Equipment:

(Maximum Day Demand + Margin Reserve) / Firm Reliable Capacity

c. Finished water storage:

(Equalization Volume + Fire Flow Requirement + Emergency Storage + Margin Reserve) / Firm Reliable Capacity

d. Water high service pumping:

(Peak Hour Demand + Margin Reserve) / Firm Reliable Capacity

or, if the utility chooses:

(Maximum Day Demand + Fire Flow Requirement + Margin Reserve) / Firm Reliable Capacity

e. Other water facilities: 100 percent used and useful

f. Water transmission system: 100 percent used and useful

g. Water distribution system - non-developer related: 100 percent used and useful

h. Water distribution system - developer related, single family developments:

((Lots Served + Fill-in Lots + Margin Reserve) / Lots with Service Available) + Fire Flow Allowance

i. Water distribution system - developer related, mixed developments (e.g., single family, multi-family and commercial):



((Connected ERCs + Fill-in ERCs + Margin Reserve) / ERC Capacity) + Fire Flow Allowance

2. Medium water systems (1 MGD to 5 MGD capacity) with no storage facilities other than hydropneumatic tanks or with insufficient storage to buffer the instantaneous demands of its customers shall use the following formulas:

a. Water source of supply:

(Peak Hour Demand + Margin Reserve) / Firm Reliable Capacity

or, if the utility chooses:

(Maximum Day Demand + Fire Flow Requirement + Margin Reserve) / Firm Reliable Capacity

b. Water treatment equipment:

(Peak Hour Demand + Margin Reserve) / Firm Reliable Capacity

or, if the utility chooses:

(Maximum Day Demand + Fire Flow Requirement + Margin Reserve) / Firm Reliable Capacity

c. Finished water storage: 100 percent used and useful

d. Water high service pumping:

(Peak Hour Demand + Margin Reserve) / Firm Reliable Capacity

or, if the utility chooses:

(Maximum Day Demand + Fire Flow Requirement + Margin Reserve) / Firm Reliable Capacity

- e. Other water facilities: 100 percent used and useful
- f. Water transmission system: 100 percent used and useful
- g. Water distribution system - non-developer related: 100 percent used and useful

h. Water distribution system - developer related, single family developments:

((Lots Served + Fill-in Lots + Margin Reserve) / Lots with Service Available) + Fire Flow Allowance

i. Water distribution system - developer related, mixed developments (e.g., single family, multi-family and commercial):

((Connected ERCs + Fill-in ERCs + Margin Reserve) / ERC Capacity) + Fire Flow Allowance

(c) Large water systems (over 5 MGD Capacity):

1. Large water systems (over 5 MGD capacity) with adequate reliable finished water storage capacity to meet the local fire flow ordinances and to meet the peak hour demand of its customers shall use the following formulas:

a. Water source of supply:

(Average 5 Maximum Days Demand + Margin Reserve) / Firm Reliable Capacity

b. Water treatment equipment:

(Average 5 Maximum Days Demand + Margin Reserve) / Firm  
Reliable Capacity

c. Finished water storage:

(Equalization Volume + Fire Flow Requirement +  
Emergency Storage + Margin Reserve) / Firm Reliable  
Capacity

d. Water high service pumping:

(Peak Hour Demand + Margin Reserve) / Firm Reliable  
Capacity

or, if the utility chooses:

(Maximum Day Demand + Fire Flow Requirement + Margin  
Reserve) / Firm Reliable Capacity

e. Other water facilities: 100 percent used and useful

f. Water transmission system: 100 percent used and useful

g. Water distribution system - non-developer related: 100  
percent used and useful

h. Water distribution system - developer related, single  
family developments:

((Lots Served + Fill-in Lots + Margin Reserve) / Lots  
with Service Available) + Fire Flow Allowance

i. Water distribution system - developer related, mixed  
developments (e.g., single family, multi-family and commercial):

((Connected ERCs + Fill-in ERCs + Margin Reserve) / ERC Capacity) + Fire Flow Allowance

2. Large water systems (over 5 MGD capacity) with no storage facilities other than hydropneumatic tanks or with insufficient storage to buffer the instantaneous demands of its customers shall use the following formulas:

a. Water source of supply:

(Maximum Day Demand + Fire Flow Requirement + Margin Reserve) / Firm Reliable Capacity

b. Water treatment equipment:

(Maximum Day Demand + Fire Flow Requirement + Margin Reserve) / Firm Reliable Capacity

c. Finished water storage: 100 percent used and useful

d. Water high service pumping:

(Peak Hour Demand + Fire Flow Requirement + Margin Reserve) / Firm Reliable Capacity

e. Other water facilities: 100 percent used and useful

f. Water transmission system: 100 percent used and useful

g. Water distribution system - non-developer related: 100 percent used and useful

h. Water distribution system - developer related, single family developments:

((Lots Served + Fill-in Lots + Margin Reserve) / Lots  
with Service Available) + Fire Flow Allowance

i. Water distribution system - developer related, mixed  
developments (e.g., single family, multi-family and commercial):

((Connected ERCs + Fill-in ERCs + Margin Reserve) / ERC  
Capacity) + Fire Flow Allowance

(d) Wastewater systems:

1. Wastewater collection system and pumping stations -  
non-developer related: 100 percent used and useful

2. Wastewater collection system and pumping stations -  
developer related, single family developments:

(Lots Served + Fill-in Lots + Margin Reserve) / Lots  
with Service Available

3. Wastewater collection system and pumping stations -  
developer related, mixed developments (e.g., single family,  
multi-family and commercial):

(Connected ERCs + Fill-in ERCs + Margin Reserve) / ERC  
Capacity

4. Wastewater force mains: 100 percent used and useful

5. Wastewater treatment equipment:

(Maximum Month Flow + Margin Reserve) / Firm Reliable  
Capacity

6. Effluent disposal facilities:

(Maximum Month Flow + Margin Reserve) / Firm Reliable  
Capacity

7. Other wastewater facilities: 100 percent used and  
useful

(7) Definitions - the following definitions apply to the  
default formulas in Rule 25-30.432(6), F.A.C., for determining  
used and useful water and wastewater facilities.

(a) Average 5 Maximum Days Demand - the average of the 5  
days with the greatest demand attained by a water system during  
the past 5 years, exclusive of emergency or fire flow events.

(b) Effluent Disposal Facilities - this includes, but is  
not limited to, the transmission lines, percolation and  
evaporation ponds, sprayfields, irrigation systems, and deep  
wells utilized in the disposal of effluent or reclaimed water.

(c) Emergency Storage - that storage required by a water  
system to meet the emergency-like demands of the customers.  
Typically, Emergency Storage is made available when it is more  
cost effective to provide the storage and pumping facilities than  
to add redundancy to the system for emergency conditions. The  
quantity of Emergency Storage need is a function of the duration  
of the emergency condition and is typically assumed to be  
approximately one half of the average annual daily demand.

(d) Equalization Volume - the quantity of storage in a water system necessary to meet the customers' greatest demands which are beyond the throughput capacity of the source of supply or water treatment equipment.

(e) Fill-in Lots - The total number of unoccupied residential lots on isolatable sections of the distribution system in which at least 25 percent of the lots are currently, or in the past have been provided active water or wastewater service, as applicable.

(f) Fire Flow Allowance - an allowance for the capacity of a water distribution system, calculated using the following formula:

Fire Flow Allowance = (Fire Flow Requirement / (Fire Flow Requirement + Maximum Day Demand)) X (1 - ((Average number of ERCs connected to the distribution system + Margin Reserve in ERCs) / Capacity of the distribution system in ERCs))

(g) Fire Flow Requirement - as defined in 25-30.432(5)(b), F.A.C.

(h) Firm Reliable Capacity - the capacity of a particular component of a water or wastewater facility in which at least the largest unit is assumed to be out of service. If the used and useful category contains several components, the Firm Reliable Capacity is assumed to be the limiting component in that category

with the largest unit out of service. For finished water storage, the Firm Reliable Capacity excludes any unusable or dead storage.

(i) Instantaneous Demand - the greatest demand that a water system attains. It is typically used only as a design criteria for small water systems with no storage and a small distribution system that does not have the ability to absorb these instantaneous demands through depressurization of the distributions system. Rule 25-30.432(8), F.A.C., shall be used to determine the instantaneous demand unless specific quantitative information indicates greater demands.

(j) Large Water System - a system that has a reliable capacity of more than 5 million gallons per day. Based upon Rule 17-699.310(4), F.A.C., operation requirements, a Large Water System would require at least one shift per day of operations for a Category IV or V system (aeration or chlorination) and at least a double shift of operations for Category I, II, or III (filtration, softening or reverse osmosis).

(k) Lots Served - the total number of residential lots that are currently, or in the past have been, provided active water or wastewater service, as applicable, plus lots occupied but never connected to the system that are capable of being provided service by the existing distribution or collection system.



(l) Lots with Service Available - the total number of residential lots that currently have the water distribution or wastewater collection system, as applicable, immediately available.

(m) Margin Reserve - as defined in 25-30.432(5)(a), F.A.C.

(n) Maximum Day Demand - the maximum daily demand that a water system attained during the past 5 years of time, exclusive of emergency or fire flow events. Typical design criteria allow .55 gpm per ERC.

(o) Maximum Month Flow - the average daily flow through a wastewater treatment facility for the month with the highest total flow during the past five years.

(p) Medium Water System - a system that has a reliable capacity of between 1 million gallons per day and 5 million gallons per day. Based upon Rule 17-699.310(4), F.A.C., operation requirements, a Medium Water System would require less than 24 hours per day operation but greater operational requirements than a small system.

(q) Other Wastewater Facilities - this includes, but is not limited to, disinfection units, emergency generators, auxiliary engines, customer service laterals, laboratory equipment, utility office and other general plant and equipment used in the operation of a wastewater system.

(r) Other Water Facilities - this includes, but is not limited to, disinfection facilities, emergency generators, auxiliary engines, customer service lines and meters, laboratory equipment, utility office and other general plant used in the operation of a water system.

(s) Peak Hour Demand - the greatest demand attained by a water system over a sustained period of 60 minutes. Typical design criteria allows for a Peak Hour Demand of 2 times the maximum day demand or 1.1 gpm per ERC.

(t) Small Water System - a system that has a reliable capacity of less than 1 million gallons per day. Based upon Rule 17-699.310(4), F.A.C., operation requirements, a Small Water System would require less than 1 hour per day visit for a Category IV or V system (aeration and chlorination) and less than 8 hours of operation for a Category I, II or III system (filtration, softening or reverse osmosis).

(u) Wastewater Collection System and Pumping Stations - this includes, but is not limited to, all the gravity collection lines from the customer sewer lateral to and including the wastewater pumping stations.

(v) Wastewater Force Mains - this includes, but is not limited to, the force mains from the discharge of the pumping

stations to the influent structure at the wastewater treatment facilities.

(w) Wastewater Treatment Equipment - this includes, but is not limited to, the influent structure, pretreatment facilities, pumping, aeration, clarification, filtration, chlorine contact and effluent pumping equipment.

(8) Unless specific quantitative information indicates greater demands, a water system's Instantaneous Demand, for purposes of determining used and useful, will be calculated from the following table:

INSTANTANEOUS DEMANDS PER ERC

<u>No. of ERCs</u>	<u>Instantaneous Demand (GPM)</u>	<u>No. of ERCs</u>	<u>Instantaneous Demand (GPM)</u>	<u>No. of ERCs</u>	<u>Instantaneous Demand (GPM)</u>	<u>No. of ERCs</u>	<u>Instantaneous Demand (GPM)</u>
<u>1</u>	<u>15</u>	<u>26</u>	<u>124</u>	<u>51</u>	<u>203</u>	<u>76</u>	<u>279</u>
<u>2</u>	<u>20</u>	<u>27</u>	<u>128</u>	<u>52</u>	<u>206</u>	<u>77</u>	<u>282</u>
<u>3</u>	<u>25</u>	<u>28</u>	<u>132</u>	<u>53</u>	<u>209</u>	<u>78</u>	<u>285</u>
<u>4</u>	<u>30</u>	<u>29</u>	<u>136</u>	<u>54</u>	<u>212</u>	<u>79</u>	<u>288</u>
<u>5</u>	<u>35</u>	<u>30</u>	<u>140</u>	<u>55</u>	<u>215</u>	<u>80</u>	<u>291</u>
<u>6</u>	<u>40</u>	<u>31</u>	<u>143</u>	<u>56</u>	<u>218</u>	<u>81</u>	<u>294</u>
<u>7</u>	<u>45</u>	<u>32</u>	<u>146</u>	<u>57</u>	<u>221</u>	<u>82</u>	<u>297</u>
<u>8</u>	<u>50</u>	<u>33</u>	<u>149</u>	<u>58</u>	<u>224</u>	<u>83</u>	<u>300</u>
<u>9</u>	<u>55</u>	<u>34</u>	<u>152</u>	<u>59</u>	<u>227</u>	<u>84</u>	<u>303</u>
<u>10</u>	<u>60</u>	<u>35</u>	<u>155</u>	<u>60</u>	<u>230</u>	<u>85</u>	<u>306</u>
<u>11</u>	<u>64</u>	<u>36</u>	<u>158</u>	<u>61</u>	<u>233</u>	<u>86</u>	<u>309</u>
<u>12</u>	<u>68</u>	<u>37</u>	<u>161</u>	<u>62</u>	<u>237</u>	<u>87</u>	<u>312</u>
<u>13</u>	<u>72</u>	<u>38</u>	<u>164</u>	<u>63</u>	<u>240</u>	<u>88</u>	<u>315</u>
<u>14</u>	<u>76</u>	<u>39</u>	<u>167</u>	<u>64</u>	<u>243</u>	<u>89</u>	<u>318</u>
<u>15</u>	<u>80</u>	<u>40</u>	<u>170</u>	<u>65</u>	<u>246</u>	<u>90</u>	<u>321</u>
<u>16</u>	<u>84</u>	<u>41</u>	<u>173</u>	<u>66</u>	<u>249</u>	<u>91</u>	<u>324</u>
<u>17</u>	<u>88</u>	<u>42</u>	<u>176</u>	<u>67</u>	<u>252</u>	<u>92</u>	<u>327</u>
<u>18</u>	<u>92</u>	<u>43</u>	<u>179</u>	<u>68</u>	<u>255</u>	<u>93</u>	<u>330</u>
<u>19</u>	<u>96</u>	<u>44</u>	<u>182</u>	<u>69</u>	<u>258</u>	<u>94</u>	<u>333</u>
<u>20</u>	<u>100</u>	<u>45</u>	<u>185</u>	<u>70</u>	<u>261</u>	<u>95</u>	<u>336</u>
<u>21</u>	<u>104</u>	<u>46</u>	<u>188</u>	<u>71</u>	<u>264</u>	<u>96</u>	<u>339</u>
<u>22</u>	<u>108</u>	<u>47</u>	<u>191</u>	<u>72</u>	<u>267</u>	<u>97</u>	<u>342</u>
<u>23</u>	<u>112</u>	<u>48</u>	<u>194</u>	<u>73</u>	<u>270</u>	<u>98</u>	<u>345</u>
<u>24</u>	<u>116</u>	<u>49</u>	<u>197</u>	<u>74</u>	<u>273</u>	<u>99</u>	<u>348</u>

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25      120                      50      200                      75      276                      100      351

For systems greater than 100 ERCs, ID = 351 x ERCs/100 in GPM

Specific Authority: 367.121, F.S.

Law Implemented: 367.081, F.S.

History: New.

25-30.433 Rate Case Proceedings.

In a rate case proceeding, the following provisions shall apply, unless, for good cause shown, the applicant or any intervenor demonstrates that these rules result in an unreasonable burden. In these instances, fully supported alternatives will be considered by the Commission. Any alternatives proposed by the utility must be filed with the minimum filing requirements.

(1) The Commission in every rate case shall make a determination of the quality of service provided by the utility. This shall be derived from an evaluation of three separate components of water and wastewater utility operations: quality of utility's product (water and wastewater); operational conditions of utility's plant and facilities; and the utility's attempt to address customer satisfaction. Sanitary surveys, outstanding citations, violations and consent orders on file with the Department of Environmental Regulation (DER) and county

health departments (HRS) or lack thereof over the preceding 3-year period shall also be considered. DER and HRS officials' testimony concerning quality of service as well as the testimony of utility's customers shall be considered.

(2) Working capital shall be calculated as one-eighth of operation and maintenance expenses.

(3) Debit deferred taxes created due to income taxes associated with used and useful Contributions-in-Aid-of-Construction (CIAC) shall be offset against credit deferred taxes in the capital structure. Any resulting net debit deferred taxes shall be included as a separate line item in the rate base calculation. No other deferred debits shall be considered in rate base when the formula method of working capital is used.

(4) The averaging method used by the Commission for rate base and cost of capital is the simple beginning and end-of-year average.

(5) Non-used and useful plant adjustments shall be applied to the applicable depreciation expense.

(6) CIAC shall not be imputed on the margin reserve calculation.

(7) Income tax expense shall not be allowed for Subchapter S corporations, partnerships or sole proprietorships.

(8) Non-recurring expenses shall be amortized over a 5-year period unless a shorter or longer period of time can be justified.

(9) The amortization period for forced abandonment or the prudent retirement, in accordance with the National Association of Regulatory Utility Commissioners Uniform System of Accounts, of plant assets prior to the end of their depreciable life shall be calculated by taking the ratio of the net loss (original cost less accumulated depreciation and contributions-in-aid-of-construction (CIAC) plus accumulated amortization of CIAC plus any costs incurred to remove the asset less any salvage value) to the sum of the annual depreciation expense, net of amortization of CIAC, plus an amount equal to the rate of return that would have been allowed on the net invested plant that would have been included in rate base before the abandonment or retirement. This formula shall be used unless the specific circumstances surrounding the abandonment or retirement demonstrate a more appropriate amortization period.

(10) A utility is required to own the land upon which the utility treatment facilities are located, or possess the right to the continued use of the land, such as a 99-year lease.

(11) In establishing an authorized rate of return on common equity, a utility, in lieu of presenting evidence, may use the

current leverage formula adopted by Commission order. The equity return established shall be based on the equity leverage order in effect at the time the Commission decides the case.

Specific Authority: 367.121, F.S.

Law Implemented: 367.081, F.S.

History: New.

25-30.434 Application for Allowance For Funds Prudently Invested (AFPI) Charges.

(1) An Allowance For Funds Prudently Invested (AFPI) charge is a mechanism which allows a utility the opportunity to earn a fair rate of return on prudently constructed plant held for future use from the future customers to be served by that plant in the form of a charge paid by those customers.

(2) Each application for AFPI charges shall comply with the notice requirements specified in Rule 25-22.0408, F.A.C.

(3) Each application for AFPI charges shall provide the following information. If any of the following items do not apply to the applicant, the applicant shall state the reason it does not apply.

(a) The applicant's name and address.

(b) A statement describing how the noticing requirements have been complied with, including a copy of the actual notice(s).



(c) The numbers of all Commission order(s) that:

1. previously established customer rates for the applicant either in a rate case or a reverse make-whole proceeding; and
2. established AFPI charges for the applicant.

(d) The charge shall be calculated for one equivalent residential connection (ERC) on a monthly basis up to the time the utility reaches the designed capacity of the plant for which the charge applies. The charges shall cease when the plant has reached its designed capacity.

(e) A statement explaining the basis for the requested charges and conditions.

(f) The dollar amount of the non-used and useful plant and the accumulated depreciation that has been recovered in previous AFPI charges, and the methodology used to determine these amounts. The net of these two amounts shall be considered the cost of qualifying assets. Separate balances for plant and for accumulated depreciation shall be reported for the water treatment plant, wastewater treatment plant, water transmission and distribution system and wastewater collection system.

(g) The plant capacity related to each of the systems in (f) above and the methodology used to determine the amount.

(h) The number of future customers in number of ERCs related to the non-used and useful plant by system.

(i) The amount of depreciation expense and composite depreciation rate related to the non-used and useful plant by system.

(j) The overall rate of return requested for the AFPI charge and the workpapers supporting the calculation.

(k) The last authorized rate of return on equity and references to the docket number of the last rate case and the resulting order.

(l) The state and federal income tax rates requested for calculating the AFPI charge.

(m) All other costs such as non-used and useful property taxes and operation and maintenance expenses removed in the last rate case.

(n) The test year to be used in the calculation, the month that the utility expects the charge to go into effect and the number of years the utility expects to collect the charge. Provide a detailed explanation of why the number of years to collect the charge represents a reasonable and prudent management decision in the construction of plant.

(o) The workpapers and calculations used to develop the proposed AFPI charge. The utility may obtain a diskette that outlines the calculation and schedules to be used by calling or writing the Bureau of Economic Regulation, Division of Water and

Wastewater, 904/488-8482. The required schedules that shall be submitted are "AFPI Filing Schedules", Commission Form PSC/WAW 26 ( / ), incorporated by reference into this rule, and are as follows:

Schedule 1 - List of Information Imputed Into Calculation

Schedule 2 - Calculation Of Carrying Costs Per ERC

Schedule 3 - Calculation Of Carrying Costs Per ERC Per Year

Schedule 4 - Calculation Of Carrying Costs Per ERC Per Month

The form may be obtained from the Commission's Division of Water and Wastewater, 101 East Gaines Street, Tallahassee, Florida 32399-0850.

(p) The revised or original tariff sheets necessary to incorporate the AFPI charge into the tariff.

(4) The beginning date for accruing the AFPI charge shall agree with the month following the end of the test year that was used to establish the amount of non-used and useful plant. If any connections have been made between the beginning date and the effective date of the charge, no AFPI will be collected from those connections.

(5) Unless proven otherwise, it is prudent for a utility to have an investment in future use plant for a period of no longer than 5 years beyond the test year unless there is competent

substantial evidence presented by the utility demonstrating that the 5-year period is inappropriate.

(6) For utilities that have non-used and useful plant to be held for periods longer than what is determined to be prudent, the AFPI charge will cease accruing charges and will remain constant after the accrual period, established by the Commission, has expired. The utility can continue to collect the constant charge until all ERCs projected in the calculation have been added.

Specific Authority: 367.121, F.S.

Law Implemented: 367.121, F.S.

History: New.

25-30.435 Application for a Rate Increase by an Applicant that Owns Multiple Systems.

This section applies to any applicant filing under Chapters 367.081 or 367.082, F.S., that owns more than one regulated system, either water or wastewater, regardless of county boundaries. This section does not apply to an applicant filing under Chapter 367.0814.

(1) The applicant shall include and file the required information on all jurisdictional systems owned in the application for a rate increase regardless of whether or not the applicant is seeking a rate increase for all systems.

(2) The determination of the need for a rate increase shall be made based upon the total earnings of all jurisdictional water and wastewater systems owned by the applicant.

(3) After an applicant has filed an application under this rule, any need for a rate decrease shall be based on the total earnings of all jurisdictional systems owned by the applicant.

(4) The applicant shall file sufficient data for non-jurisdictional systems to demonstrate that the allocation of joint and common costs to the jurisdictional systems is appropriate.

(5) One capital structure shall be used and is to be calculated based on all jurisdictional and nonjurisdictional systems.

(6) A waiver of the provisions in this rule may be granted by the Commission for good cause shown.

Specific Authority: 367.121, F.S.

Law Implemented: 367.081, F.S.

History: New.

25-30.436 General Information and Instructions Required of Class A and B Water and Wastewater ~~Sewer~~ Utilities in an Application for Rate Increase.

(1) Each applicant for a rate increase shall provide the following general information to the Commission:

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

(b) The type of business organization under which the applicant's operations are conducted; if the applicant is a corporation, the date of incorporation; the names and addresses of all persons who own 5 percent % or more of the applicant's stock or the names and addresses of the owners of the business.

(c) The number of the Commission order, if any, which previously considered the applicant's rates for the system(s) involved.

(d) The address within the service area where the application is available for customer's inspection during the time the rate application is pending.

(e) Where the utility requests rates which generate less than a fair rate of return, it must provide a statement of assurance that its quality of service will not suffer.

(f) An affidavit signed by an officer of the utility that states that the utility will comply with Rule 25-22.0407 ~~25-22.0406~~, F.A.C.

(g) A statement ~~as to~~ whether the applicant requests to have the case processed using the proposed agency action procedure outlined in section 367.081(8), F.S. ~~1989-~~

(2) The applicant's petition for rate relief will not be deemed filed until the appropriate filing fee has been paid and all minimum filing requirements have been met.7 If the applicant has not filed its petition pursuant to section 367.081(8), F.S., applicant's including prepared direct testimony shall be filed with the minimum filing requirements, where appropriate. At a minimum, the direct testimony shall explain why the rate increase is necessary and address those areas anticipated at the time of filing to be at issue.

(3) The applicant shall state any known deviation from the policies, procedures and guidelines prescribed by the Commission in relevant rules or in the company's last rate case.

(4) In the rate case application:

(a) Each schedule shall be cross-referenced to identify related schedules as either supporting schedules and/or recap schedules.

(b) Each page of the filing shall be consecutively numbered on 8 1/2 x 11-inch paper.

(c) Except for handwritten official company records, all data in the petition, exhibits and minimum filing requirements shall be typed.

(d) Sixteen copies shall ~~are required to~~ be filed with the Commission's ~~directly with the~~ Division of Records and Reporting,

except as specifically identified in Rule 25-30.437, 25-30.439 or 25-30.440, F.A.C.

(e) Whenever the applicant proposes any corrections, updates or other changes to the originally filed data, 20 twenty ~~(20)~~ copies shall be filed with the Division of Records and Reporting with copies also served on all parties of record at the same time.

(f) If the capital structure contains zero or negative equity, a return on equity shall be requested, which shall be the maximum of the return of the current equity leverage formula established by order of this Commission pursuant to section 367.081(4), F.S.

(g) The provisions of Rules 25-30.432 and 25-30.433 shall be followed in preparing the utility's application.

(h) Any system that has costs allocated to it from any source in addition to those costs reported on Schedule B-12 of Commission Form PSC/WAS 17 (as described in Rule 25-30.437) shall file additional schedules that show the following information:

1. The total costs being allocated prior to any allocation as well as the source of the allocation.
2. A detailed description of the costs being allocated.
3. The allocation method used and the bases for using that method.



(i) The utility shall file copies of the documents that demonstrate that the utility owns the land upon which the utility treatment facilities are located, or that provides for the continued use of the land, such as a 99-year lease.

(5) Commission Designee. The Director of the Division of Water and Wastewater Sewer shall be the designee of the Commission for purposes of determining whether the applicant has met the minimum filing requirements imposed by this rule.

(6) Waiver of MFR Requirements. The Commission may grant a waiver with respect to specific data required by this rule upon a showing that the production of the data would be impractical or impose an excessive economic burden upon the applicant. All requests for waiver of specific portions of the minimum filing requirements shall be made as early as practicable.

(7) Within 60 days after the issuance of a final order entered in response to an application for increased rates, or, if applicable, within 60 days after the issuance of an order entered in response to a motion for reconsideration of the final order, each utility shall submit a breakdown of actual rate case expense incurred, in total, in a manner consistent with Schedule No. B-10 (PSC/WAS Form 17, as described in Section 25-30.437). If the deadline prescribed above cannot be met, an extension may be

granted by the Director of the Division of Water and Wastewater for good cause shown.

Specific Authority: 367.121, F.S.

Law Implemented: 367.081, F.S.

History: New 11/9/86, Amended 6/25/90, \_\_\_\_\_.

25-30.437 Financial, Rate and Engineering Information Required of Class A and B Water and Wastewater Sewer Utilities in an Application for Rate Increase.

Each applicant for a rate increase shall provide the information required by Commission Form PSC/WAS 17 (6/90), entitled "Financial, Rate and Engineering Minimum Filing Requirements - Class A and B Utilities" which is incorporated into this rule by reference. The form may be obtained from the Director, Division of Water and Wastewater Sewer, Florida Public Service Commission, 101 E. Gaines Street, Tallahassee, Florida 32399-~~08500873~~. In compiling the required schedules, additional instructions are set forth below:

(1) Each section of this form shall be indexed and tabbed, including a table of contents listing the page numbers of each schedule.

- (2) If information requested in the form described above is not applicable to the applicant, so state and provide an explanation of the specific schedule.

(3) If a projected test year is used, provide a complete set of the Commission Form PSC/WAS 17 (6/90), entitled "Financial, Rate and Engineering Minimum Filing Requirements - Class A and B Utilities" (as described above) which require a designation of historical or projected information. Such schedules shall be submitted for the historical base year, and any year subsequent to the base year and prior to the projected test year, in addition to the projected test year. If no designation is shown on a schedule, submit that schedule for the test year only. In lieu of providing separate pages for the above required schedules, the information required can be combined on the same page by adding additional columns. In the rate base schedules, Section A, the beginning and end of year balances shall be shown. For any intermediate period or year, only the year-end balance shall be shown. If a historical test year is used, Schedule E-13 will not be required. A schedule shall should also be included which describes in detail all methods and bases of projection, explaining the justification for each method or basis employed. If an historical test year is used, Schedule E-13 is not required.

- (4) Only two 2 copies of Schedule E-14, entitled Billing Analysis Schedules, shall be filed with the application. Each

copy shall be submitted in a separate binder from the other required information.

(5) If a petition for interim rates is filed, a utility shall demonstrate that it is earning outside the range of reasonableness on rate of return calculated in accordance with section Chapter 367.082(5), Florida Statutes. In doing such, the utility shall submit schedules of rate base, cost of capital and net operating income on an historical basis, with schedules of all adjustments thereto, consistent with Commission Form PSC/WAS 17 (6/90), (described above).

(6) If a utility is requesting uniform rates for any systems that are not already combined in a uniform rate, the information required by this rule shall be submitted on a separate basis for each system that has not already been combined in a uniform rate. Those systems already combined in a uniform rate shall be considered as a single system when submitting the required information. The following schedules of Form PSC/WAS 17 (6/90), described above, at a minimum, shall be filed on a combined basis for all systems included in the filing: A-1, A-2, A-3, A-17, B-1, B-2, B-3, B-5, B-6, B-13, B-14, B-15, plus all "C", "D" and "E" Schedules (no "F" Schedules are required).

(7) In proposing rates, the utility shall use the base facility and usage charge rate structure, unless an alternative

rate structure is adequately supported by the applicant. The base facility charge incorporates fixed expenses of the utility and is a flat monthly charge. This charge is applicable as long as a person is a customer of the utility, regardless of whether there is any usage. The usage charge incorporates variable utility expenses and is billed on a per 1,000 gallon or 100 cubic feet basis in addition to the base facility charge. The rates are first established with the 5/8 " x 3/4" meter as the foundation. For meter sizes larger than 5/8", the base facility charge shall be based on the usage characteristics.

Specific Authority: 367.121, F.S.

Law Implemented: 367.081, F.S.

History: New 6/10/75, Amended 10/16/77, 3/26/81, Transferred from 25-10.176 and Amended 11/9/86, Amended 6/25/90, \_\_\_\_\_.

25-30.4385 Additional Rate Information Required in Application for Rate Increase.

The utility shall file an original and three copies of all revised tariff sheets for each service classification in which any change is proposed, except those tariff sheets in which the only change is to the service rates.

Specific Authority: 367.121, F.S.

Law Implemented: 367.081, F.S.

History: New.

~~25-30.441 Engineering Information Required in Application for Rate Increase by Utilities Seeking to Recover the Cost of Investment for Plant Construction Required by Governmental Authority.~~

~~If an applicant proposes to include in its plant investment the cost of investment in property required by a "duly authorized governmental authority" pursuant to s. 367.081(2), F.S. (1980 Supp.), the applicant shall provide the following engineering information to the Commission:~~

~~(1) A copy of the order or directive of the agency which required the applicant to improve a particular service.~~

~~(2) An estimate by an independent engineer, establishing the cost of the applicant's compliance with the regulatory order or directive and the period of time required for completion of construction.~~

~~(3) An analysis showing that portion of the proposed rate increase which relates to the financial support required for the improvement.~~

~~(4) A recent statement from a registered professional engineer that the approved plan, when executed, will not unreasonably exceed the system's need to meet the requirements for improvements in capacity or costs.~~

~~(5) A copy of the order or directive of the agency which will not unreasonably exceed either the requirements imposed upon the system for improvements in capacity, or costs.~~

Specific Authority: 367.121, F.S.

Law Implemented: 367.081, F.S.

History: New 11/9/86, Repealed \_\_\_\_.

25-30.4415 Additional Information Required in Application for Rate Increase by Utilities Seeking to Recover the Cost of Investment in the Public Interest.

If an applicant proposes to include in its plant investment the cost of investment made in the public interest pursuant to section 367.081(2), F.S., which investment was or will be required by agency rule, regulation, order or other regulatory directive, the applicant shall provide the following information to the Commission:

(1) A copy of the rule, regulation, order, or other regulatory directive that has required or will require the applicant to make the improvement or the investment for which the applicant seeks recovery.

(2) An estimate by a professional engineer, or other person knowledgeable in design and construction of water and wastewater plant, to establish the cost of the applicant's investment and the period of time required for completion of construction.

(3) An analysis showing the portion of the proposed rate increase that relates to the financial support for the investment or improvement.

Specific Authority: 367.121, F.S.

Law Implemented: 367.081, F.S.

History: New \_\_\_\_\_.

25-30.443 Minimum Filing Requirements for Class C Water and Wastewater Sewer Utilities.

(1) A Class C Utility seeking a rate increase shall submit an application which contains the information required by Rules 25-30.436; 25-30.440; 25-30.4385; 25-30.4415 ~~25-30.441~~; and 25-30.442.

(2) Each Class C Utility seeking a rate increase shall also provide the information required by Commission Form PSC/WAS 18 (6/90), entitled "Financial, Rate and Engineering Minimum Filing Requirements - Class C Utilities" which is incorporated into this rule by reference. The form may be obtained from the Director, Division of Water and Wastewater Sewer, Florida Public Service Commission, 101 E. Gaines Street, Tallahassee, Florida 32399-~~08500873~~. In compiling the required schedules, additional instructions are set forth below:



(a) Each section of this form shall be indexed and tabbed, including a table of contents listing the page numbers of each schedule.

(b) If information requested in the form described above is not applicable to the applicant, so state and provide an explanation on the specific schedule.

(c) If a projected test year is used, provide a complete set of the Commission Form PSC/WAS 18 (6/90), entitled "Financial, Rate and Engineering Minimum Filing Requirements - Class C Utilities" (as described above) which require a designation of historical or projected information. Such schedules shall be submitted for the historical base year, and any projected year subsequent to the base year and prior to the projected test year, in addition to the projected year. If no designation is shown on a schedule, submit that schedule for the test year only. If a historical test year is used, Schedule E-5 will not be required. A schedule shall ~~should~~ also be included which describes in detail all methods and bases of projection, explaining the justification for each method or basis employed.

(d) Only two 2 copies of Schedule E-6, entitled Billing Analysis Schedules shall be filed with the application. Each copy shall be submitted in a separate binder from the other required information.

(e) In designing rates, the base facility and usage charge rate structure shall be utilized for metered service.

(3) Within 60 days after the issuance of a final order entered in response to an application for increased rates, or, if applicable, within 60 days after the issuance of an order entered in response to a motion for reconsideration of such final order, each utility shall submit a breakdown of actual rate case expense incurred, in total, in a manner consistent with Schedule No. B-10 (PSC/WAS Form 17, as described in Section 25-30.437). If this deadline cannot be met, an extension may be granted by the Director of the Division of Water and Wastewater for good cause shown.

(4) If a petition for interim rates is filed, a utility shall demonstrate that it is earning outside the range of reasonableness on rate of return calculated in accordance with section 367.082(5), F.S. To demonstrate this, the utility shall submit schedules of rate base, cost of capital and net operating income on an historical basis, with schedules of all adjustments thereto, consistent with Commission Form PSC/WAS 18 (6/90), described above.

- (5) If a utility is requesting uniform rates for systems that are not already combined in a uniform rate, the information required by this rule must be submitted on a separate basis for

each system that has not already been combined in a uniform rate.  
For those systems already combined in a uniform rate, the utility  
should submit the required information as a single system. At a  
minimum, the following schedules of Form PSC/WAS 18 (6/90),  
described above, shall be filed on a combined basis for all  
systems included in the filing: A-1, A-2, A-3, A-16, B-1, B-2,  
B-3, B-4, B-5, B-10, B-11, B-12, plus all "C", "D" and "E"  
schedules (no "F" schedules are required).

Specific Authority: 367.121, F.S.

Law Implemented: 367.081, F.S.

History: New 6/25/90, Amended \_\_\_\_.

25-30.455 Staff Assistance in Rate Cases.

(1) Water and wastewater uTilities whose with total gross  
annual operating revenues are of \$150,000 or less for water each  
service or \$150,000 or less for wastewater service, provided or  
\$300,000 or less where the services are combined on a combined  
basis, may petition the Commission for staff assistance in rate  
filings applications by submitting a completed staff assisted  
rate case application. In accordance with section 367.0814(4),  
F.S., a utility that requests staff assistance waives its right  
to protest by agreeing to accept the final rates and charges  
approved by the Commission unless the final rates and charges  
would produce less revenue than the existing rates and charges.

If a utility that chooses to utilize the staff assistance option employs outside experts to assist in developing information for staff or to assist in evaluating staff's schedules and conclusions, the reasonable and prudent expense will be recoverable through the rates developed by staff. A utility that chooses not to exercise the option of staff assistance may file for a rate increase under the provisions of Rule 25-30.443, F.A.C.

(2) Upon request, the Division of Water and Wastewater Sewer shall provide the potential applicant with the appropriate application form, Commission Form (PSC/WAS 2 (Rev. 11/86), "Application for Staff Assisted Rate Case",) which is incorporated by reference in this rule, and a copy of Rule 25-30.455, F.A.C., governing staff assisted rate cases. The form may be obtained from the Commission's Division of Water and Wastewater Sewer, 101 East Gaines Street, Tallahassee, Florida 32399-08508153.

(3) Upon completion of the form, the petitioner may return it to the Director of Records and Reporting, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida 32399-08708153.

(4) Upon receipt of a completed application, the Director of Records and Reporting shall acknowledge its such receipt,

assign a docket number for identification, and shall forward the application to a committee comprised of one member each of the Commission's Divisions of Water and Wastewater Sewer, Auditing and Financial Analysis, and Legal Services.

(5) Within 30 days of receipt of the completed application, the committee shall evaluate the application and determine the petitioner's eligibility for staff assistance.

(a) If the Commission has received four or more applications in the previous 30 ~~thirty~~-(30) days; or, if the Commission has 20 ~~twenty~~-(20) or more docketed sStaff aAssisted rRate cCases in active status on the date the application is received, the Commission shall deny initial evaluation of an application for staff assistance and close the docket. When an application is denied under the provisions of this subsection, the applicant shall be notified of the date on which the application may be resubmitted.

(b) Initially, determinations of eligibility may be conditional, pending an actual examination of the condition of petitioner's books and records. After an initial determination of eligibility, the Division of Auditing and Financial Analysis committee shall examine the books and records of the utility before making a final determination of eligibility.

(c) All recommendations of ~~in~~eligibility shall be in writing and shall state the ~~indicate~~ deficiencies in the application with reference to guidelines set out in subsection (8) of this rule or with reference to subsection (11) of this rule.

(6) Upon reaching a decision to officially accept the application, the Division of Water and Wastewater Sewer shall notify the petitioner by letter and initiate staff assistance. Upon reaching a decision to deny the petition, the Division of Water and Wastewater Sewer shall notify the Chairman of the Commission. The Chairman shall make the determination with regard to the petition and shall notify the petitioner if the application has been denied.

(7) The official date of filing will be 30 days after the date of the letter notifying the applicant of the official acceptance of the application by the Commission.

(8) In arriving at a recommendation whether to grant or deny the petition, the following shall be considered:

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

- (b) Whether the petitioner's 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 1 ~~one~~ year's actual 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 petitioner has complied in a timely manner with all Commission decisions and requests affecting water and wastewater utilities for 2-~~two~~ years prior to the filing of the application under review;

(h) Whether the utility has applied for a staff assisted rate case within the 2-~~two~~ year period prior to the receipt of the application under review.

(9) The Commission will deny the application if a utility does not remit the fee, as provided by section 367.145, Florida Statutes, and Rule 30.020(2)(f), F.A.C., within 30 days after official acceptance.

(10) An aggrieved petitioner may request reconsideration which shall be decided by the Chairman.

(11) A petitioner may request a waiver of any of the guidelines set out in subsection (8) of this rule.

(12) A substantially affected person may file a petition to protest the Commission's proposed agency action in a staff assisted rate case within 21 days of issuance of the Notice of Proposed Agency Action as set forth in Rule 25-22.036, F.A.C.

(13) In the event of a protest of the Commission's Notice of Proposed Agency Action (PAA Order) in a staff assisted rate case, the utility has the burden of proof in the case. The utility shall:

(a) Provide prefiled direct testimony in accordance with the procedural order in the case. At a minimum, that testimony shall adopt the Commission's PAA Order in the case;

(b) Sponsor a witness to support source documentation provided to the Commission staff in its preparation of the staff audit, the staff engineering and accounting report and the staff PAA recommendation in the case;

(c) Include in its testimony the necessary factual information to support its position on any issue that it chooses to take a position different than that contained in the Commission's PAA Order;

(d) Meet all other requirements of the order establishing procedures.



(14) Failure to comply with the dates established in the procedural order, or to file timely a request for extension of time for good cause shown, may result in dismissal of the staff assisted rate case and closure of the docket.

(15) In the event of a protest of the Commission's PAA Order in a staff assisted rate case the Commission staff shall:

(a) File prefiled direct testimony to explain its analysis in the PAA recommendation. In the event the staff wishes to alter its PAA position on any issue, it shall provide factual testimony to support its changed position.

(b) Meet all other requirements of the order establishing procedures;

(c) Provide to the utility materials to assist the utility in the preparation of its testimony and exhibits. This material shall consist of an example of testimony filed by a utility in another case, an example of testimony that would support the PAA Order in this case, an example of an exhibit filed in another case, and examples of prehearing statements and briefs filed in other cases.

Specific Authority: 367.121, 120.54, F.S.

Law Implemented 367.0814, 120.53, F.S.

History: New 12/8/80, Transferred from 25-10.180 and Amended 11/9/86, 8/26/91, \_\_\_\_.

25-30.456 Staff Assistance in Alternative Rate Setting.

(1) As an alternative to a staff assisted rate case as described in Rule 25-30.455, F.A.C., water and wastewater utilities whose total gross annual operating revenues are \$150,000 or less for water service or \$150,000 or less for wastewater service, or \$300,000 or less on a combined basis, may petition the Commission for staff assistance in alternative rate setting by submitting a completed staff assisted application for alternative rate setting.

(2) Upon request, the Division of Water and Wastewater shall provide the potential applicant with the application form, PSC/WAS 25 ( / ), titled "Application for Staff Assistance for Alternative Rate Setting" which is incorporated by reference in this rule, and a copy of the rules governing Staff Assistance in Alternative Rate Setting. The form may be obtained from the Commission's Division of Water and Wastewater, 101 East Gaines Street, Tallahassee, Florida 32399-0850.

(3) Upon completion of the form, the applicant may return it to the Director of Records and Reporting, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida 32399-0870.

(4) Upon receipt of an application, the Director of Records and Reporting shall acknowledge its receipt, assign a docket

number for identification, and shall forward the application to the Commission's Division of Water and Wastewater.

(5) Within 30 days of receipt of the completed application, the Division of Water and Wastewater shall evaluate the application and determine the petitioner's eligibility for staff assistance.

(a) If the Commission has received four or more alternative rate setting applications in the previous 30 days; or, if the Commission has 20 or more docketed staff assisted rate cases in active status on the date the application is received, the Commission shall deny initial evaluation of an application for staff assistance and close the docket. When an application is denied under the provisions of this subsection, the applicant shall be notified of the date on which the application may be resubmitted.

(b) Determinations of eligibility may be conditional, pending an actual examination of the condition of petitioner's books and records.

(c) All recommendations of ineligibility shall be in writing and shall state the deficiencies in the application with reference to guidelines set out in subsection (8) of this rule or with reference to subsection (11) of this rule.

(6) Upon reaching a decision to officially accept the application, the Division of Water and Wastewater shall notify the applicant by letter and initiate staff assistance. Upon reaching a decision to deny the application, the Division of Water and Wastewater shall notify the Chairman of the Commission. The Chairman shall make the determination with regard to the application and shall notify the applicant if the application has been denied.

(7) The official date of filing will be 30 days after official acceptance of the application by the Commission.

(8) In deciding whether to grant or deny the application, the following shall be considered:

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

(b) Whether the applicant has filed annual reports;

(c) Whether the applicant has paid applicable regulatory assessment fees;

(d) Whether the applicant has at least 1 year's actual experience in utility operation;

(e) Whether the applicant has filed additional relevant information in support of eligibility, together with reasons why the information should be considered;

(f) Whether the applicant has made a good faith effort in a timely manner to comply with all Commission decisions and requests affecting water and wastewater utilities for 2-years prior to the filing of the application under review;

(g) Whether the utility has been granted a staff assisted rate case or alternative rate setting within the 2-year period prior to the receipt of the application under review.

(9) The Commission shall deny the application if a utility does not remit the fee, as provided by section 367.145, F.S., and Rule 25-30.020(2)(f), F.A.C., within 30 days after official acceptance.

(10) An aggrieved applicant may request reconsideration which shall be decided by the Chairman.

(11) An applicant may request a waiver of any of the guidelines set out in subsection (8) of this rule.

(12) The Commission shall, for the purposes of determining the amount of rate increase, if any, compare the operation and maintenance expenses (O & M) of the utility to test year operating revenues. The Commission shall consider an allowance for return on working capital using the one-eighth of O & M formula approach.

(13) The Commission shall limit the maximum increase in operating revenues to 50 percent of test year operating revenues.

(14) The Commission shall vote on a proposed agency action (PAA) recommendation establishing rates no later than 90 days from the official filing date as established in Rule 25-30.455(7), F.A.C.

(15) A substantially affected person may file a petition to protest the Commission's PAA Order regarding a staff assisted alternative rate setting application within 21 days of issuance of the Notice of Proposed Agency Action as set forth in Rule 25-22.036, F.A.C.

(16) In the event of protest of the PAA Order by a substantially affected party, the rates established in the PAA Order may be implemented on a temporary basis. At that time the utility may elect to pursue rates set pursuant to the rate base determination provisions of Rule 25-30.455, F.A.C.

(17) In the event of a protest the maximum increase established in (13) above shall no longer apply.

(18) In the event of a protest of the Commission's PAA Order in a staff assisted alternative rate setting application, the utility has the burden of proof in the case. The utility shall:

(a) Provide prefiled direct testimony in accordance with the procedural order in the case. At a minimum, that testimony shall adopt the Commission's PAA Order in the case;

(b) Sponsor a witness to support source documentation provided to the Commission staff in its preparation of the staff engineering and accounting analysis and the staff PAA recommendation in the case;

(c) Include in its testimony the necessary factual information to support its position on any issue that it chooses to take a position different than that contained in the Commission's PAA Order;

(d) Meet all other requirements of the order establishing procedures.

(19) Failure to comply with the dates established in the procedural order, or to timely file a request for extension of time for good cause shown, may result in dismissal of the staff assisted alternative rate setting application and closure of the docket.

(20) In the event of protest of the Commission's PAA Order in a staff assisted alternative rate setting application the Commission staff shall:

(a) File prefiled direct testimony to explain its analysis in the PAA recommendation. In the event the staff wishes to alter its PAA position on any issue it shall provide factual testimony to support its changed position.

(b) Meet all other requirements of the order establishing procedures;

(c) Provide to the utility materials to assist the utility in the preparation of its testimony and exhibits. This material shall consist of an example of testimony filed by a utility in another case, a sample of testimony that would support the PAA Order in this case, an example of an exhibit filed in another case, and examples of prehearing statements and briefs filed in other cases.

Specific Authority: 367.121, 120.54, F.S.

Law Implemented 367.0814, 120.53, F.S.

History: New 12/8/80, Transferred from 25-10.180 and Amended 11/9/86, 8/26/91, \_\_\_\_.

25-30.460 Application for Miscellaneous Service Charges.

(1) All water and wastewater utilities may apply for miscellaneous service charges. These charges shall be included in each company's tariff and include rates for initial connections, normal reconnections, violation reconnections, and premises visit charges.

(a) Initial connection charges are levied for service initiation at a location where service did not exist previously.

(b) Normal reconnection charges are levied for transfer of service to a new customer account at a previously served



location, or reconnection of service subsequent to a customer requested disconnection.

(c) Violation reconnection is a charge that is levied prior to reconnection of an existing customer after discontinuance of service for cause according to Rule 25-30.320(2), F.A.C., including a delinquency in bill payment. Violation reconnection charges are at the tariffed rate for water and actual cost for wastewater.

(d) Premises Visit Charge is levied when a service representative visits a premises at the customer's request for complaint resolution and the problem is found to be the customer's responsibility.

(e) Premises Visit Charge (in lieu of disconnection) is levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill.

(2) A utility may request an additional charge ("after hours charge") for overtime when the customer requests that the service be performed after normal hours. The after hours charge may be at the same rate specified for the existing charge during normal working hours. If the utility seeks a charge other than

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the normal working hours charge, the utility must file cost support.

Specific Authority: 367.121, F.S.

Law Implemented: 367.121, F.S.

History: New.

25-30.465 Private Fire Protection Rates.

The rate for private fire protection service shall be a charge based on the size of the connection rather than the number of fixtures connected. The rate shall be one-third the current base facility charge of the utility's meter sizes, unless otherwise supported by the utility.

Specific Authority: 367.121, F.S.

Law Implemented: 367.121, F.S.

History: New.

25-30.470 Calculation of Rate Reduction After Rate Case Expense is Amortized.

To calculate the rate reduction to be made 4 years after a rate case as required by section 367.0816, F.S., the following methodology shall be used. The annual amount of rate case expense, which is equal to one-fourth of the total allowed rate case expense, shall be divided by the regulatory assessment fee gross up factor. The resulting number shall then be divided by the revenue requirement to determine the percentage of the rate

reduction. The percentage is then multiplied against the new rates to determine the amount of the future rate reduction. Revised tariff sheets implementing the reduction shall be filed no later than 1 month before the end of the fourth year.

Specific Authority: 367.121, F.S.

Law Implemented: 367.121, F.S.

History: New.

25-30.475 Effective Date of Approved Tariffs. Effective dates shall be as follows unless otherwise authorized by the Commission:

(1) For recurring rates or charges:

(a) Metered or flat recurring rates shall be effective for service rendered as of the stamped approval date on the tariff sheets provided customers have received notice. The tariff sheets will be approved upon staff's verification that the tariffs are consistent with the Commission's decision, that the proposed customer notice is adequate, and that any required security has been provided.

(b) If the effective date of the new rates falls within a regular billing cycle, the initial bills at the new rate may be prorated. The old charge shall be prorated based on the number of days in the billing cycle before the effective date of the new rates. The new charge shall be prorated based on the number of

days in the billing cycle on and after the effective date of the new rates.

(c) In no event shall the rates be effective for service rendered prior to the stamped approval date.

(2) Non-recurring charges (such as service availability, guaranteed revenue charges, allowance for funds prudently invested, miscellaneous services) shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets provided customers have received notice. The tariff sheets will be approved upon staff's verification that the tariffs are consistent with the Commission's decision and that the proposed customer notice is adequate. In no event shall the rates be effective for service rendered prior to the stamped approval date.

Specific Authority: 367.121, F.S.

Law Implemented: 367.121, F.S.

History: New.

25-30.515 Definitions.

When used in this part or in service availability policies or in service availability contracts or agreements, the following terms have the following meanings:

(1) Active Connection means a connection to the utility's system at the point of delivery of service, whether or not service is currently being provided.

(2) Customer Connection Charge means any payment made to the utility for the cost of installing a connection from the utility's water or wastewater sewer lines, including but not limited to the cost of piping and the meter installation fee.

(3) Contribution-in-aid-of-construction (CIAC) means any amount or item of money, services, or property received by a utility, from any person or governmental agency, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility, and which is utilized to offset the acquisition, improvement, or construction costs of the utility's property, facilities, or equipment used to provide utility services to the public. The term includes, but is not limited to, system capacity charges, main extension charges and customer connection charges.

(4) Contributor means a person, builder, developer or other entity who makes a contribution-in-aid-of-construction.

(5) Customer Installation means all the facilities on the customer's side of the point of delivery.

(6) Developer's Agreement means a written agreement setting forth in detail the terms and conditions under which a utility will render service to a developer's property.

(7) Economic Feasibility means a test by which the operating income of a utility to be earned from prospective customers within the area to be served by a proposed extension of facilities is divided by the investment in such facilities to determine if the utility will earn a fair return on its investment in the proposed extension.

(8) Equivalent Residential Connection (ERC) means

(a) 350 gallons per day;

(b) The number of gallons a utility demonstrates is the average daily flow for a single residential unit; or

(c) The number of gallons which has been approved by the Department of Environmental Regulation for a single residential unit.

(9) Guaranteed Revenue Charge Agreement means ~~a written agreement by which an applicant agrees to pay~~ a charge designed to cover the utility's costs including, but not limited to the cost of operation, maintenance, depreciation, and any taxes, and to provide a reasonable return to the utility, for facilities ~~that are subject to the agreement~~, a portion of which may not be used and useful to the utility or its existing customers.

Guaranteed Revenues are designed to help the utility recover a portion of its cost from the time capacity is reserved until a customer begins to pay monthly service rates.

(10) Hydraulic Share means the pro rata share of the capabilities of the utility's facilities to be made available for service to the contributor. The pro rate share is multiplied by the unit cost (per gallon) of providing the facilities to determine the proportional share of the cost thereof to be borne by the contributor.

(11) Inspection Fee means either the actual or the average cost to the utility of inspecting, or having inspected, the facilities constructed by a contributor or by an independent contractor for connection to the facilities of the utility.

(12) Main Extension Charge means a charge made by the utility for the purpose of covering all or part of the utility's capital costs in extending its off-site water or sewer facilities to provide service to specified property. The charge is determined on the "hydraulic share" basis or other acceptable method reasonably related to the cost of providing the service.

(13) Meter Installation Fee means the amount authorized by the Commission which is designed to recover the cost of installing the water measuring device at the point of delivery including materials and labor required.

(14) Off-Site Facilities means either the water transmission mains and facilities or the sewage collection trunk mains and facilities, or the sewage collection trunk mains and facilities, including, but not limited to, manholes, sewage force mains and sewage pumping stations, the purpose of which is either to provide water service to properties within the service territory of the service utility or to collect sewage received from properties within the territory.

(15) On-Site Facilities means the portion of the water distribution system or the sewage collection and treatment system that has been, or is to be, located wholly within the property to which service is to be extended. If off-site facilities cross the property of the customer via an easement, the on-site facilities shall mean the water distribution system or the sewage collection system that is located on the customer's property, exclusive of the off-site facilities.

(16) Refundable Advance means money paid or property transferred to a utility by the applicant for the installation of facilities which may not be used and useful for a period of time. The advance is made so that the proposed extension may be rendered economically feasible. The advance is returned to the applicant over a specified period of time in accordance with a written agreement as additional users connect to the system.



(17) Service Availability Policy means the section of the utility's tariff which sets forth a uniform method of determining the system capacity charge or other charges to be paid and conditions to be met, by applicants for service in order to obtain water or sewer service.

(18) Special Service Availability Contract means an agreement for charges for the extension of service which is not provided for in the utility's service availability policy.

(19) System Capacity Charge means the charge made by a utility for each new connection to the system which charge is designed to defray a portion of the cost of the utility system.

(20) Treatment Facilities means the facilities used for the production and treatment of water or for the treatment and disposal of sewage.

(21) Plant Capacity Charge means a charge made by the utility for the purpose of covering all or part of the utility's capital costs in construction or expansion of treatment facilities.

Specific Authority: 367.121(1), 367.101, F.S.

Law Implemented: 367.101, F.S.

History: New 6/14/83.

25-30.565 Application for Approval of a New or Revised  
Service Availability Policy or ~~Modification of Service~~  
Availability Charges.

(1) Each application for a service availability policy or charges shall be filed in original and 12 ~~15~~ copies.

(2) Upon filing an application for a new or revised service availability charge or policy, the utility shall provide notice pursuant to Rule 25-22.0408.

~~(2) Within twenty days prior to or simultaneously with the filing of an application the utility shall begin providing notice. The notice shall be given:—~~

~~(a) To all existing customers (may be included with regular billing for water and/or sewer service); and~~

~~(b) By publishing an advertisement once each week, for 3 consecutive weeks, in a newspaper of general circulation in the service area involved; and~~

~~(c) By certified mail or personal delivery to the governing body of the county in which the system is located within a 4-mile radius, area planning agencies designated pursuant to the Clean Water Act, 33 USC 1288(2) Chapter 758, Title II, section 308 P.L. 92-500, P.L. 95-217, the public counsel, and the Commission; and~~

~~(d) By certified mail or personal delivery to anyone who has filed a written request or who has received a written estimate for service within the past 12 months.~~

(3) A filing fee as required in Rule 25-30.020 shall be submitted at the time of application.

~~(3) The notice shall contain:~~

~~(a) A statement that the utility has applied for a change in its service availability policy; and~~

~~(b) A statement that the requested service availability fee increase is to pay for growth in the utility system and the requested increased fees are to be paid by new, and not existing customers; and~~

~~(c) The location within the service territory where copies of the application are available for inspection; and~~

~~(d) A comparison of the present and proposed policy and charges; and~~

~~(e) A statement that any comments concerning the policy changes should be addressed to the Director of Records and Reporting at 101 East Gaines Street, Tallahassee, Florida 32301-8153 (904-488-8371); and~~

~~(f) The utility's address, telephone number, and business hours.~~

(4) Each application shall include the following, if applicable:

(a) A statement describing ~~indicating~~ how the notice provisions have been complied with, including a copy of the actual notice(s).

(b) The name of the applicant, the applicant's principal place of business and each local office from which company operations are conducted. The applicant's name shall be as it appears on the certificate issued by the Commission if one has been issued.

(c) The number of the Commission order, if any, which previously considered the charges or service availability policy for the system involved.

(d) A statement explaining the basis for the requested changes in charges and conditions.

(e) A schedule showing the original cost of any existing treatment plants, the water transmission and distribution system, and the sewage collection system, by Uniform System of Accounting ~~N.A.R.U.C.~~ account numbers as required by Rule 25-30.115, F.A.C., and the related capacity of each system as of 90 days prior to application.

(f) A detailed statement of accumulated depreciation for the plant listed in (e) above as of 90 days prior to application.

(g) A schedule showing the number of active customers on line 90 days prior to the time of application by meter size, by customer class, and the related equivalent residential connections (ERC) as defined in Rule 25-30.515(8). Describe the method by which an ERC is defined.

(h) A detailed statement defining the capacity of the treatment facilities in terms of ERCs as used in developing the proposed service availability charges.

(i) A detailed statement defining the capacity of the distribution or collection system in terms of ERCs as used in developing the proposed service availability charges.

(j) Provide a list of outstanding developer agreements.

(k) For each developer agreement state indicate whether the agreement is designed to result in contributed property, other than the approved system capacity charge, within the next 24 months; an estimate of the value of the contributed property to be added to the utility's books; and a description of the property.

(l) A schedule showing total collections of contributions-in-aid-of-construction (CIAC) as of 90 days prior to the date of application. Detail any prepaid CIAC by amount, the related reserved ERCs, and the anticipated connection date. Reference any appropriate developer agreements.

(m) A detailed statement of accumulated amortization of CIAC as listed in (l) above as of 90 days prior to application.

(n) Copies of approvals or permits for construction and operation of treatment facilities.

(o) A detailed statement by a registered professional engineer showing the cost, by Uniform System of Accounting N.A.R.U.C. account numbers, and capacity of proposed plant expansion, and a timetable showing projected construction time.

(p) A detailed statement by a registered professional engineer showing how the proposed construction will affect the capacity of the existing systems.

(q) If the expansion or plant upgrading is being undertaken to comply with the mandates of local, state or federal regulatory authorities, copies of the order(s) or correspondence directing the expansion or upgrading.

(r) A schedule showing the projected growth rate for utilization of the existing plant and line capacity and future plant and line capacity.

(s) A summary schedule of how the proposed service availability charge was calculated.

- (t) A schedule showing, by meter size, the cost of meters, connecting fittings, meter boxes or enclosures and also showing sufficient data on labor and any other applicable costs to allow

the determination of an average cost for meter installation by type.

(u) A statement of the existing and proposed on-site and off-site main installation charges or policy.

(v) The company's present capital structure, including the cost of debt in the present capitalization. The availability and cost of other sources of financing the proposed expansion or upgrading of the system also shall be given.

(w) An original and three copies of the proposed tariff sheets.

(5) Upon filing of the application and supporting exhibits, the utility shall place copies thereof at its local office of the utility serving the area affected by the charges and conditions, and such copies shall be made available for public inspection.

(6) Each utility shall demonstrate the appropriateness of ~~justify~~ the requested service availability charges and ~~conditions. by competent substantial evidence.~~

Specific Authority: 367.121(1), 367.101, F.S.

Law Implemented: 367.101, F.S.

History: New 6/14/83, Amended 11/9/86, \_\_\_\_.

NAME OF PERSON ORIGINATING PROPOSED RULES: Chuck Hill, Director of Water and Wastewater