

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed adoption of Rule 25-30.4325, F.A.C., Water Treatment Plant Used and Useful Calculations. | DOCKET NO. 070183-WS
| ORDER NO. PSC-08-0328-FOF-WS
| ISSUED: May 20, 2008

The following Commissioners participated in the disposition of this matter:

MATTHEW M. CARTER II, Chairman
LISA POLAK EDGAR
KATRINA J. McMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

NOTICE OF ADOPTION OF RULE

BY THE COMMISSION:

NOTICE is hereby given that the Florida Public Service Commission, pursuant to Section 120.54, Florida Statutes, has adopted Rule 25-30.4325, Florida Administrative Code, relating to water treatment plant used and useful calculations with changes.

The rule was filed with the Department of State on May 19, 2008 and will be effective on June 8, 2008. A copy of the rule as filed with the Department is attached to this Notice.

This docket is closed upon issuance of this notice.

By ORDER of the Florida Public Service Commission this 20th day of May, 2008.



ANN COLE
Commission Clerk

(SEAL)

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DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

25-30.4325 Water Treatment and Storage Used and Useful Calculations

(1) Definitions.

(a) A water treatment system includes all facilities, such as wells and treatment facilities, excluding storage and high service pumping, necessary to pump and treat potable water.

(b) Storage facilities include ground or elevated storage tanks and high service pumps.

(c) Peak demand for a water treatment system includes the utility's maximum hour or day demand, excluding excessive unaccounted for water, plus a growth allowance based on the requirements of Rule 25-30.431, Florida Administrative Code, and, where fire flow is provided, a minimum of either the fire flow required by the local governmental authority or 2 hours at 500 gallons per minute.

(d) Peak demand for storage includes the utility's maximum day demand, excluding excessive unaccounted for water, plus a growth allowance based on the requirements of Rule 25-30.431, Florida Administrative Code, and, where provided, a minimum of either the fire flow required by the local governmental authority or 2 hours at 500 gallons per minute.

(e) Excessive unaccounted for water (EUW) is unaccounted for water in excess of 10 percent of the amount produced.

(2) The Commission's used and useful evaluation of water treatment system and storage facilities will consider the prudence of the investment, economies of scale, and other relevant factors including whether flows have decreased due to conservation or to a reduction in the number of customers.

(3) Separate used and useful calculations shall be made for the water treatment system and storage facilities. An alternative calculation may also be provided, along with supporting documentation and justification, including service area restrictions, factors involving treatment

capacity, well drawdown limitations, changes in flow due to conservation or to a reduction in the number of customers, and alternative peaking factors.

(4) A water treatment system is considered 100 percent used and useful if the service territory the system is designed to serve is built out and there is no apparent potential for expansion of the service territory or the system is served by a single well.

(5) The used and useful calculation of a water treatment system is made by dividing the peak demand by the firm reliable capacity of the water treatment system.

(6) The firm reliable capacity of a water treatment system is equivalent to the pumping capacity of the wells, excluding the largest well for those systems with more than one well.

(a) Firm reliable capacity is expressed in gallons per minute for systems with no storage capacity.

(b) Firm reliable capacity is expressed in gallons per day, based on 16 hours of pumping, for systems with storage capacity.

(7) Peak demand is based on a peak hour for a water treatment system with no storage capacity and a peak day for a water treatment system with storage capacity.

(a) Peak hour demand, expressed in gallons per minute, shall be calculated as follows:

1. The single maximum day (SMD) in the test year where there is no unusual occurrence on that day, such as a fire or line break, less excessive unaccounted for water, divided by 1440 minutes in a day, times 2 $[(SMD-EUW)/1,440] \times 2$, or

2. If the actual maximum day flow data is not available, 1.1 gallons per minute per equivalent residential connection (1.1 x ERC).

(b) Peak day demand, expressed in gallons per day, shall be calculated as follows:

1. The single maximum day in the test year where there is no unusual occurrence on that

day, such as a fire or line break, less excessive unaccounted for water (SMD-EUW), or

2. If the actual maximum day flow data is not available, 787.5 gallons per day per equivalent residential connection (787.5 x ERC).

(8) The used and useful calculation of storage is made by dividing the peak demand by the usable storage of the storage tank. Usable storage capacity less than or equal to the peak day demand shall be considered 100 percent used and useful. A hydropneumatic tank is not considered usable storage.

(9) Usable storage determination shall be as follows:

(a) An elevated storage tank shall be considered 100 percent usable.

(b) A ground storage tank shall be considered 90 percent usable if the bottom of the tank is below the centerline of the pumping unit.

(c) A ground storage tank constructed with a bottom drain shall be considered 100 percent usable, unless there is a limiting factor, in which case the limiting factor will be taken into consideration.

(10) To determine whether an adjustment to plant and operating expenses for excessive unaccounted for water will be included in the used and useful calculation, the Commission will consider all relevant factors, including whether the reason for excessive unaccounted for water during the test period has been identified, whether a solution to correct the problem has been implemented, or whether a proposed solution is economically feasible.

Specific Authority: 350.127(2), 367.121(1)(f) FS.

Law Implemented: 367.081(2), (3) FS.

History: New