



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: September 7, 1993
TO: Brian Armstrong, Esquire
 Kenneth A. Hoffman, Esquire
 Buddy Dewar, Florida Fire Sprinkler Association
 F. Marshall Deterding, Esquire
 Philip Heil, Jacksonville Suburban Utilities Corporation
 Jack Shreve, Esquire, Office of Public Counsel
 Wayne L. Schiefelbein, Esquire
FROM: Christiana T. Moore, Associate General Counsel *CTM*
RE: Docket No. 911082-WS

Attached is staff's proposed final version of the rules along with the rationale, if applicable, for any changes. Your comments, which will be inserted verbatim in a third column, are due by Monday, September 20, 1993. Please clearly identify the party commenting with the rule number and section you are commenting on. Please also provide both a printed copy of your comments and a copy on diskette (in WordPerfect if possible). Once the final document is completely assembled, we will correct the page numbering.

I will be out of the office next week so please call me with any questions this week.

c: Chuck Hill, Division of Water & Wastewater
 Director, Division of Records & Reporting

Attachment

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC 1
- W/S _____
- OTH _____

DOCUMENT NUMBER - DATE

09643 SEP-78

FPSC-RECORDS/REPORTING

25-30.020

At the May, 1993 hearing, the Commission directed staff to present the rule as proposed for adoption with the changes recommended by staff in Exhibits CHH-1 and CHH-2 (Composite Exhibit 1, Tab 16). In addition, staff recommends the addition to section (1) at line 10 stating to whom the fee shall be paid.

25-30.025

At the May, 1993 hearing, the Commission directed staff to present the rule as originally proposed for adoption with the addition of language clarifying that the "official date of filing" is not established until testimony that may be required by Rule 25-30.436(2) is filed.

25-30.030

At the May hearing, the Commission directed staff to present the rule as originally proposed for adoption with the additional changes recommended by staff in Exhibit PD-1 (part of Composite Exhibit 1 at Tab 21), and directed staff to recommend language to clarify what is meant by "appropriate" territory description format. This clarification is contained in section (2) of the proposed rule.

of Application for a Transfer of Water,
Water and Wastewater Certificate(s); or
of Application for a Transfer of Majority
Control.

Notice shall include the following:

At the time the notice is given:

name and address of the applicant;
description, using township, range and section
of the territory proposed to be either served, added,
or transferred; and

statement that any objections to the application
shall be filed with the Director, Division of Records and Reporting,
1000 North G Street, Tallahassee, Florida 32399-0870, no later
than the last date that the notice was mailed or
delivered is later.

Within seven days of filing its application, the
applicant shall provide a copy of the notice, by regular certified
mail service, to:

governing body of the county in which the utility
territory proposed to be served is located;
governing body of any municipality contained on the
map pursuant to (2) above within a four-mile radius of
the center of the territory proposed to be served;
regional planning council agency designated by the
Florida Department of Transportation, 33 U.S.C. 1288(2);

Words underlined are additions; words in
delivered type are deletions from existing law.

er or wastewater utilities contained on the
uant to (2) above utility within a four-mile
ry proposed to be served, added, deleted, or

of Public Counsel; and

sion's Director of Records and Reporting;

riate regional office of the Department of
tion; and

riate Water Management District.

than ~~21~~ twenty-one days before the application
r than 7 ~~seven~~ days after the application is
shall also provide a copy of the Notice, by
onal service, to each customer, ~~if any~~, of the
cated, transferred, acquired, or deleted.

shall be published once ~~each week, for three~~
in a newspaper of general circulation in the
to be served, added, deleted, or transferred.
ion shall be within 7 days of filing the
~~than 21 days before the date the application~~
~~later than seven days after the date the~~
i.

f the notice(s) and list of the entities
ursuant to this rule shall accompany the
y sections 367.045(1) (e) and (2) (f), Florida
avit shall be filed no later than 15 days after

underlined are additions; words in
type are deletions from existing law.

le does not apply to applications for
as filed under section 367.171, Florida
ications for transfers to governmental
Section 367.071, Florida Statutes, or to

7.121(1), F.S.

31, 367.045, 367.071, F.S.

, formerly 25-10.061, Transferred from
11/9/86, Amended 1/27/91, Amended _____.

derlined are additions; words in
pe are deletions from existing law.

25-30.032

At the May 25 hearing, all parties agreed that the rule as proposed is not controversial and should be adopted. The Commission directed staff to present it for adoption as proposed. Because staff is recommending withdrawal of proposed new Rule 25-30.038, the reference to it in section (1) should be stricken.

o regulation by the Commission
cate of authorization, amendment
orization, ~~or transfer, or name~~
cation and 12 ~~fifteen~~ copies, in
25-30.034, 25-30.035, 25-30.036,
or 25-30.039, F.A.C. However,

ar to a governmental authority by
d two copies, in accordance with

The application shall be filed
Records and Reporting, 101 East
lorida 32399-0870. Sample
l from the Division of Water and
tion, 101 East Gaines Street,
873.

ombined applications if it is
uthorization or any amendments
ter systems; however, the utility
on fee for each service system.
ned application as if a separate
ch service system.

late of an application for an
nt to an existing certificate, or
a completed application is filed
and Reporting, except that the

re additions; words in
ctions from existing law.

ments set forth in Rule 25-30.030, F.A.C., do not
ated at that time. If, however, the utility has
e noticing within the time limits prescribed by
F.A.C., ~~22 days of filing the application,~~ the
ate shall be the date the noticing is complete.
~~the applicant has provided notice of its actual~~
~~red by Section 367.045, Florida Statutes, shall be~~
~~lays after filing the application.~~

y: 367.121, F.S.

367.031, 367.045, 367.071, F.S.

17/91, Amended _____.

ds underlined are additions; words in
gh type are deletions from existing law.

original Certificate of
ages.

original certificate of
charges shall provide the

ess;

's business organization,
limited partnership, sole

of all corporate officers,
person(s) owning an interest in

an election under Internal
Code;

social and technical ability
and the need for service in
shall identify any other

~~be served a 4-mile radius~~

and the steps the applicant
service is available;

best of the applicant's

shall be consistent with the
local comprehensive plan, as

City Affairs at the time the
consistent, a statement

provisions; words in
from existing law.

25-30.033

The Commission directed staff to present the rule as originally proposed with staff's recommended change contained in Exhibit PD-2 (part of Composite Exhibit 1 at Tab 21), and changes suggested by Public Counsel as modified by Frank Seidman on behalf of Florida Waterworks Association (part of Composite Exhibit 1 at Tab 9). In addition, staff has added one phrase in subsection (1)(1) to reference the territory description format suggested to be included in Rule 25-30.030(2).

granting the certificate of authorization would interest.

the applicant plans to begin serving customers;
number of equivalent residential connections (ERCs) served, by meter size and customer class. If to be in phases, separate this information by phase; description of the types of customers anticipated, including single family homes, mobile homes, duplexes, golf course homes, etc.;

and, in the form of a warranty deed, that the applicant will acquire the land upon which the utility treatment facilities are to be located, or a copy of an agreement which provides for the use of the land, such as a 99-year lease. The applicant must submit a contract for the purchase and sale of land and a certified copy of the warranty deed, provided the applicant has an executed and recorded copy of the deed, or a copy of the lease, within 30 ~~thirty~~ days after the order is issued to issue the certificate;

and one original and two copies of a sample tariff, including rates, classifications, charges, rules, and conditions which shall be consistent with Chapter 25-9, Florida Statutes. Model tariffs are available from the Division of Public Utilities, 101 East Gaines Street, Tallahassee, Florida 32304;

and a description of the territory to be served, using

words in italics are additions; words in ~~brackets~~ type are deletions from existing law.

d section references ~~as specified in Rule 25-~~

of a detailed system map showing the proposed facilities and the territory proposed to be shall be of sufficient scale and detail to enable the description of the territory proposed to be

of the official county tax assessment map, or township, range, and section with a scale such as , with the proposed territory plotted thereon by bounds or quarter sections, and with a defined beginning.

ment regarding the separate capacities of the d treatment facilities in terms of ERCs and If development will be in phases, separate this se;

n description of the type of water treatment, nt, and method of effluent disposal;

bove does not include effluent disposal by means irrigation, a statement that describes with reasons for not using ~~rause spray irrigation;~~

ed ~~financial~~ statement (balance sheet ~~and income~~ ed if available, of the financial condition of t shows all assets and liabilities of every kind ~~the income statement shall be for the preceding~~

is underlined are additions; words in # type are deletions from existing law.

niform system of accounts (USOA) NARUC
to Rule 25-30.115, F.A.C. and the related
in ERCs and gallons per day. If the
phases, this shall apply to the first

showing the projected operating expenses
by USOA NARUC account numbers, when 80
capacity of the system is being utilized.
uilt in phases, this shall apply to the

showing the projected capital structure
financing the construction and operation
utility reaches 80 percent of the design

ty and usage rate structure (as defined in
) shall be utilized for metered service.
e structure is supported by the applicant
and authorized by the Commission.

mon equity shall be established using the
formula established by order of this
action 367.081(4), F.S., unless there is
vidence supporting the use of a different

ning initial certificates pursuant to this
accrue allowance for funds used during

defined are additions; words in
are deletions from existing law.

(DC) for projects found eligible pursuant to Rule
16(3), F.A.C.

Applicable AFUDC rate shall be determined as the
weighted cost of capital as demonstrated in its
original certificate and initial rates and charges.
Adjusted monthly AFUDC rate calculated in accordance
with Rule 16(3), F.A.C., shall be used to insure that the
rate does not exceed authorized levels.

When the utility shall begin to charge the AFUDC rate
the certificate of authorization is issued to the
utility, such rate can apply to the initial construction of
facilities.

Section: 367.121, F.S.

Sections: 367.031, 367.045(1), F.S.

Amended: 1979, Amended ____.

Words underlined are additions; words in
bracket type are deletions from existing law.

Application for Certificate of Authorization for
Currently Charging for Service.

Existing utility currently charging for service,
for an initial certificate of authorization,
section 367.171, Florida Statutes, shall provide
information:

Utility's complete name and address;

Form of the utility's business organization, i.e.,
partnership, limited partnership, sole proprietorship,

Name(s) and address(es) of all corporate officers,
partners, or any other person(s) owning an interest in

Statement regarding the financial and technical ability
to continue to provide service;

Statement that the utility owns the land upon which the
facilities are located, or a copy of an agreement
for the continued use of the land, such as a 99-year

Original and two copies of a model sample tariff,
rates, classifications, charges, rules, and
which shall be consistent with Chapter 25-9, Florida
Statutes. Model Sample tariffs are available from the
Florida Department of Water and Wastewater, 101 East Gaines Street,
Tallahassee, Florida 32399-08500879;

Words underlined are additions; words in
bold type are deletions from existing law.

25-30.034

The Commission directed staff at the May
hearing to present the rule as originally
proposed for adoption. Staff has added one
phrase in section (1)(h) to reference the
territory description format suggested to be
included in Rule 25-30.030(2).

ent with Schedule No. B-10
ction 25-30.437). If this
y be granted by the Director
er for good cause shown.
es is filed, a utility shall
the range of reasonableness
nce with section 367.082(5).
y shall submit schedules of
t operating income on an
all adjustments thereto.
18 (6/90), described above.
iform rates for systems that
orm rate, the information
ed on a separate basis for
combined in a uniform rate.
a uniform rate, the utility
n as a single system. At a
Form PSC/WAS 18 (6/90).
mbined basis for all systems
L, A-16, B-1, B-2, B-3, B-4,
D" and "E" schedules (no "F"

itions; words in
s from existing law.

assistance in Rate Cases.

Wastewater utilities whose total gross revenues are of \$150,000 or less for water each less for wastewater service, provided or the services are combined on a combined
a Commission for staff assistance in rate submitting a completed staff assisted rate accordance with section 367.0814(4), F.S., a staff assistance waives its right to protest the final rates and charges approved by the final rates and charges would produce less ing rates and charges. If a utility that a staff assistance option employs outside veloping information for staff or to assist schedules and conclusions, the reasonable and recoverable through the rates developed by chooses not to exercise the option of staff r a rate increase under the provisions of

the Division of Water and Wastewater Sewer
potential applicant with the appropriate Commission Form (PSC/WAS 2 (Rev. 11/86) - Assisted Rate Case which is incorporated ule, and a copy of Rule 25-30.455, F.A.C., and rate cases. The form may be obtained from

Underlined are additions; words in brackets are deletions from existing law.

25-30.455

At the August hearing, the Commission directed staff to present the rule for adoption as proposed with changes to (6), (10) and (13).

er Sewer, 101 East

153.

tioner may return it

ida Public Service

ahassee, Florida

n, the Director of

receipt, assign a

rd the application

the Commission's

ing and Financial

eted application,

und determine the

more applications

Commission has 20

rRate cGases in

s received, the

application for

n application is

e applicant shall

lication may be

bility may be

ds in
ing law.

a 25-30.110, F.A.C., so as to allow commission costs and other relevant factors within the set out in this rule;

the petitioner has filed annual reports;
the petitioner has paid applicable regulatory

the petitioner has at least one year's actual utility operation;

the petitioner has filed additional relevant proof of eligibility, together with reasons why it should be considered;

the petitioner has complied in a timely manner with decisions and requests affecting water and sewer rates for ~~two~~ years prior to the filing of the application for review;

the utility has applied for a staff assisted rate of return two year period prior to the receipt of the application for review.

The Commission will deny the application if a utility fails to pay the fee, as provided by section 367.145, Florida Statutes, 30.020(2)(f), F.A.C., within 30 days after the filing of the application.

The Commission may request reconsideration which may be requested by the Full Commission Chairman.

The Commission may request a waiver of any of the

words underlined are additions; words in ~~brackets~~ type are deletions from existing law.

he docket.

a protest of the Commission's PAA Order

case the Commission staff shall:

direct testimony to explain its analysis in

the event the staff wishes to alter its

it shall provide factual testimony to

on.

requirements of the order establishing

utility materials to assist the utility in

testimony and exhibits. This material shall

testimony filed by a utility in another

case that would support the PAA Order in

an exhibit filed in another case, and

testimony and briefs filed in other cases.

21, 120.54, F.S.

120.53, F.S.

transferred from 25-10.180 and Amended

lined are additions; words in
re deletions from existing law.

25-30.456

At the August hearing, the Commission directed staff to present the rule for adoption as proposed with changes to (6), (10) and (18).

ter shall evaluate the application
ligibility for staff assistance.
received four or more alternative
re previous 30 days; or, if the
ted staff assisted rate cases in
e application is received, the
valuation of an application for
docket. When an application is
is subsection, the applicant shall
which the application may be

ility may be conditional, pending
dition of petitioner's books and

ineligibility shall be in writing
in the application with reference
ction (8) of this rule or with
this rule.

n to officially accept or deny the
Division of Water and Wastewater
er and initiate staff assistance.

~~the application, the Division of~~
~~the Chairman of the Commission.~~
~~termination with regard to the~~
~~applicant if the application has~~

re additions; words in
itions from existing law.

ate of filing will be 30 days after
e application by the Commission.

her to grant or deny the application, the
ered:

applicant qualifies for staff assistance
of this rule:

licant has filed annual reports:

licant has paid applicable regulatory

licant has at least 1 year's actual
ration:

licant has filed additional relevant
f eligibility, together with reasons why
considered:

licant has made a good faith effort in a
with all Commission decisions and requests
ewater utilities for 2-years prior to the
under review:

ility has been granted a staff assisted
e rate setting within the 2-year period
the application under review.

shall deny the application if a utility
as provided by section 367.145, F.S., and
F.A.C., within 30 days after official

lined are additions; words in
are deletions from existing law.

deration which

any of the

determining the
operation and
year operating
costs for return on
equity approach.

an increase in
net operating
revenues.
Agency action
within 90 days from
25-30.455(7).

a petition to
staff assisted
in the issuance of
an order in Rule 25-

an order by a
judge in the PAA
at that time the
rate base

is in
the law.

se

er

he

i

he

ll

on

ff

AA

al

to

's

ng

he

me

ed

in

he

ect testimony to explain its analysis in
the event the staff wishes to alter its
it shall provide factual testimony to
on.

requirements of the order establishing

ility materials to assist the utility in
imony and exhibits. This material shall
estimony filed by a utility in another
y that would support the PAA Order in
an exhibit filed in another case, and
ements and briefs filed in other cases.

1, 120.54, F.S.

120.53, F.S.

ransferred from 25-10.180 and Amended

ned are additions; words in
e deletions from existing law.

25-30.460

All participants agreed at the hearing that the rule as proposed is not controversial and should be adopted. The Commission directed staff to present it for adoption as proposed.

the service representative or otherwise makes
payments to pay the bill.

the utility may request an additional charge ("after hours
charge") when the customer requests that the service
be performed outside of normal hours. The after hours charge may be at
least 150 percent of the existing charge during normal
hours. If the utility seeks a charge other than the normal
rate, the utility must file cost support.

: 367.121, F.S.

367.121, F.S.

: underlined are additions; words in
: type are deletions from existing law.

Private Fire Protection Rates.

Private fire protection service shall be a charge
of the connection rather than the number of
. The rate shall be ~~one-twelfth one-third~~ the
ity charge of the utility's meter sizes, unless
d by the utility.

: 367.121, F.S.

367.121, F.S.

25-30.465

Staff recommends the Commission adopt the rule as originally proposed with staff's recommended change to one-twelfth the base facility charge which is contained in Exhibit BBM-1 (part of Composite Exhibit 1, Tab 20). The current method of determining private fire protection rates using one-third the base facility charge of comparable size meters is based on an evaluation of potential demand, not on cost of service. The recommended rule continues the demand approach by using ISO requirements for fire flow demand. This results in a charge that staff believes is more commensurate with the insurance savings that businesses may receive by installing sprinkler systems, but still provides the utility a contribution towards the maintenance of capacity over and above their peak hour consumptive needs.

underlined are additions; words in
type are deletions from existing law.

Calculation of Rate Reduction After Rate Case
ized.

a the rate reduction to be made 4 years after a
quired by section 367.0816, F.S., the following
l be used. The annual amount of rate case expense,
to one-fourth of the total allowed rate case
divided by the regulatory assessment fee gross up
lting number shall then be divided by the revenue
termine the percentage of the rate reduction. The
an multiplied against the new rates to determine
a future rate reduction. Revised tariff sheets
reduction shall be filed no later than 1 month
the fourth year.

y: 367.121, F.S.

367.121, F.S.

25-30.470

All participants agreed at the hearing that the rule as proposed is not controversial and should be adopted. The Commission directed staff to present it for adoption as proposed.

s underlined are additions; words in
h type are deletions from existing law.

25-30.475

The Commission directed staff to present
this rule as proposed.

proved upon staff's verification that the tariffs
with the Commission's decision and that the proposed
is adequate. In no event shall the rates be
in force rendered prior to the stamped approval date.

by: 367.121, F.S.

367.121, F.S.

underlined are additions; words in
bracket type are deletions from existing law.

ns. When used in this part or in service
r in service availability contracts or
; terms have the following meanings:

ion means a connection to the utility's
livery of service, whether or not service
led.

tion Charge means any payment made to the
ninstalling a connection from the utility's
: lines, including but not limited to the
ster installation fee.

aid-of-construction (CIAC) means any
r, services, or property received by a
r governmental agency, any portion of
cost to the utility, which represents an
the capital of the utility, and which is
acquisition, improvement, or construction
roperty, facilities, or equipment used to
to the public. The term includes, but is
capacity charges, main extension charges and
fes.

ns a person, builder, developer or other
tribution-in-aid-of-construction.

llation means all the facilities on the
oint of delivery.

reement means a written agreement setting

lined are additions; words in
are deletions from existing law.

25-30.515

Staff recommends the Commission adopt
the rule as proposed. Major revisions to the
Definition section will be addressed in the
Phase II rules proceeding.

ich a utility will

ich the operating
a customers within
of facilities is
determine if the
it in the proposed

2) means

monstrates is the
t; or
n approved by the
single residential

means a ~~written~~
charge designed to
ited to the cost of
xes, and to provide
as that ~~are subject~~
used and useful to
nteed Revenues are
f its cost from the
ins to pay monthly

words in
isting law.

.c Share means the pro rata share of the utility's facilities to be made available for contributor. The pro rate share is multiplied by (gallon) of providing the facilities to determine share of the cost thereof to be borne by the

.on Fee means either the actual or the average cost of inspecting, or having inspected, the connection to the facilities of the utility.

ension Charge means a charge made by the utility covering all or part of the utility's capital cost of its off-site water or sewer facilities to a specified property. The charge is determined on a "per acre" basis or other acceptable method reasonably calculated for the cost of providing the service.

Installation Fee means the amount authorized by the utility designed to recover the cost of installing the service at the point of delivery including materials and labor.

Facilities means either the water transmission lines or the sewage collection trunk mains and appurtenant sewage collection trunk mains and facilities, but not limited to, manholes, sewage force mains and appurtenant facilities, the purpose of which is either to provide

Words underlined are additions; words in strike type are deletions from existing law.

the
ties

water
stem
y to
the
ties
tion
the

erty
n of
ime.
ered
cant
tten

the
ning
and
tain

ment
for

service availability policy.

Capacity Charge means the charge made by a utility in connection to the system which charge is designed to cover a portion of the cost of the utility system.

Treatment Facilities means the facilities used for the treatment of water or for the treatment and disposal of wastewater.

Capacity Charge means a charge made by the utility of covering all or part of the utility's capital cost for the construction or expansion of treatment facilities.

Authority: 367.121(1), 367.101, F.S.

367.101, F.S.

14/83.

Words underlined are additions; words in strike type are deletions from existing law.

25-30.565

There were no comments on this rule at the hearing and the Commission directed staff to present it for adoption as originally proposed.

conducted. The applicant's name shall be as it
certificate issued by the Commission if one has been

number of the Commission order, if any, which
ordered the charges or service availability policy
involved.

statement explaining the basis for the requested
terms and conditions.

schedule showing the original cost of any existing
of the water transmission and distribution system,
collection system, by Uniform System of Accounting
chart numbers as required by Rule 25-30.115, F.A.C.,
capacity of each system as of 90 days prior to

filed statement of accumulated depreciation for the
schedule above as of 90 days prior to application.

schedule showing the number of active customers on line
at the time of application by meter size, by customer
related equivalent residential connections (ERC) as
defined in Rule 25-30.515(8). Describe the method by which an ERC

filed statement defining the capacity of the
facilities in terms of ERCs as used in developing the
availability charges.

filed statement defining the capacity of the

words underlined are additions; words in
strike type are deletions from existing law.

lection system in terms of ERCs as used in
sed service availability charges.

list of outstanding developer agreements.

developer agreement state ~~indicate~~ whether the

l to result in contributed property, other than

capacity charge, within the next 24 months; an

e of the contributed property to be added to

and a description of the property.

showing total collections of contributions-in-

[CIAC] as of 90 days prior to the date of

any prepaid CIAC by amount, the related

e anticipated connection date. Reference any

agreements.

statement of accumulated amortization of CIAC

e as of 90 days prior to application.

approvals or permits for construction and

t facilities.

statement by a registered professional

a cost, by Uniform System of Accounting

numbers, and capacity of proposed plant

table showing projected construction time.

statement by a registered professional

the proposed construction will affect the

ing systems.

ision or plant upgrading is being undertaken

derlined are additions; words in
pe are deletions from existing law.

re mandates of local, state or federal regulatory
es of the order(s) or correspondence directing the
ading.

chedule showing the projected growth rate for
he existing plant and line capacity and future
capacity.

nary schedule of how the proposed service
age was calculated.

hule showing, by meter size, the cost of meters,
ngs, meter boxes or enclosures and also showing
n labor and any other applicable costs to allow
of an average cost for meter installation by

ement of the existing and proposed on-site and
tallation charges or policy.

pany's present capital structure, including the
he present capitalization. The availability and
ources of financing the proposed expansion or
system also shall be given.

Final and three copies of the proposed tariff

ling of the application and supporting exhibits,
place copies thereof at its local office of the
he area affected by the charges and conditions,
hall be made available for public inspection.

is underlined are additions; words in
type are deletions from existing law.

utility shall demonstrate the appropriateness of
tested service availability charges and conditions.
~~substantial evidence.~~

ity: 367.121(1), 367.101, F.S.

: 367.101, F.S.

/14/83, Amended 11/9/86, _____.

words underlined are additions; words in
del type are deletions from existing law.

Proceedings.

ceeding, the following provisions shall
cause shown, the applicant or any
that these rules result in an unreasonable
res, fully supported alternatives will be
ision. Any alternatives proposed by the
th the minimum filing requirements.

n in every rate case shall make a
lity of service provided by the utility.
from an evaluation of three separate
wastewater utility operations: quality of
and wastewater); operational conditions of
ilities; and the utility's attempt to
action. Sanitary surveys, outstanding
and consent orders on file with the
ntal Regulation (DER) and county health
rk thereof over the preceding 3-year period
ed. DER and HRS officials' testimony
vice as well as the testimony of utility's
dered.

al shall be calculated as one-eighth of
se expenses.

ny debit deferred taxes created due to
with used and useful contributions in aid
shall be offset against used and useful

erlined are additions; words in
e are deletions from existing law.

25-30.433

The following changes are recommended by staff:

Introductory paragraph: The phrase "for good cause shown" is deleted as suggested by Commissioner Clark because it is redundant.

(1) Quality of Service - At the May hearing, the Commission decided against providing a penalty in this rule for failure to meet standards as suggested by Public Counsel. Staff recommends no changes to this section.

(2) A consensus was not reached at the May hearing and the Commission instructed staff to Staff provide its recommendation for the final agenda. Staff recommends the Commission adopt this section as originally proposed.

(3) The change to the first sentence was recommended by staff at the May hearing. This language clarifies the Commission practice of netting used and useful debit and credit deferred taxes. This coincides with the used and useful adjustments made to plant in determining rate base. No parties disagreed with this change, however the rule section was left undecided and the Commission instructed staff to provide its recommendation.

The new third sentence is added to clarify the rule and does not change its meaning or intent.

Staff recommends that the Commission

25-30.435

Staff recommends that the Commission
vote to withdraw the rule.

and Instructions Required of
Water Sewer Utilities in an

increase shall provide the
Commission:

amount as it appears on the
address of the applicant's

organization under which the
is conducted; if the applicant is a
corporation; the names and addresses of
shareholders of the applicant's stock or
partners of the business.

Commission order, if any, which
affects rates for the system(s)

service area where the application
is pending during the time the rate

rates which generate less than
adequate revenue to provide a statement of assurance
that rates will not suffer.

representative officer of the utility that
is in compliance with Rule 25-22.0407 ~~25-~~

additions; words in
brackets are from existing law.

(2) This section was reworded at the suggestion of Commissioner Clark at the May hearing.

(4)(d) This change is recommended to allow a deviation from the 16-copy filing requirement for the allocated costs required in section (4)(h).

specifying on what date and under what rates and charges were established; on of the territory to be served, using section references ~~as specified in Rule 25-~~

a detailed system map showing the lines, and the territory to be served. Any territory of the application shall be specifically dem map. The map shall be of sufficient scale a correlation with the description of the d;

the official county tax assessment map, or township, range, and section with a scale such as with the proposed territory plotted thereon by lands or quarter sections, and with a defined beginning.

s and dates of any permits issued for the Department of Environmental Regulation; the utility was established; and it explaining how and why applicant began prior to obtaining a certificate of

showing the number of customers currently meter size, as well as the number of customers served when the requested service territory is

underlined are additions; words in type are deletions from existing law.

licant is requesting any territory not served
ation, provide the following:
showing the need for service in the proposed

it that to the best of the applicant's
sion of service in this territory will be
water and wastewater sections of the local
is approved by the Department of Community
le the application is filed, or, if not
ent demonstrating why granting the territory
ic interest.

367.121, F.S.

7.045, F.S.

1, Amended _____.

underlined are additions; words in
type are deletions from existing law.

Application for Grandfather Certificate.

For a certificate of authorization under the
on 367.171, Florida Statutes, shall provide the
ion.

ity's complete name and address;

re of the utility's business organization, i.e.,
rship, limited partnership, sole proprietorship,

(s) and address(es) of all corporate officers,
s, or any other person(s) owning an interest in

the utility was established;

ption of the types of customers served, i.e.,
s, mobile homes, duplexes, golf course clubhouse,

that the utility owns the land upon which the
facilities are located, or a copy of an agreement
the continued use of the land, such as a 99-year

ginal and two copies of a sample tariff,
rates, classifications, charges, rules, and
1 shall be consistent with Chapter 25-9, Florida
ode. Sample tariffs are available from the
er and Wastewater, 101 East Gaines Street,
ida 32399-08500079.

ds underlined are additions; words in
sh type are deletions from existing law.

25-30.035

The Commission directed staff to present
the rule for adoption as originally proposed
with the addition of a requirement, based on
Public Counsel's comments, to identify
affiliates upon which the applicant relies
for funding. Staff has not included this
requirement because the rule prescribes the
filing requirements for grandfather
certificates. Grandfather certificates are
granted as a matter of right pursuant to
section 367.171(2)(b), F.S., and applicants
do not need to demonstrate adequate funding.

Staff has added one phrase in (9) to
reference the territory description format
suggested to be included in Rule 25-
30.030(2).

25-30.036

The Commission directed staff at the May hearing to present the rule for adoption as originally proposed with staff's recommended changes contained in Exhibit PD-3 (part of Composite Exhibit 1, Tab 21).

date and under what
e established;

range, and section
[, of the territory the
rve by the county which
y Chapter 367, Florida

map showing the lines,
served. Any territory
shall be specifically
ent scale and detail to
of the territory to be

tax assessment map, or
tion, with a scale such
rritory plotted thereon
ons, and with a defined

permits issued for the
Regulation; and
of customers currently
the number of customers
and service territory is

ons; words in
om existing law.

367.171, F.S.
and 7/21/65, 1/7/69, 2/3/70, 3/6/71, 9/12/74,
25-10.02, Transferred from 25-10.002 and Amended
1/27/91, Amended _____.

Words underlined are additions; words in
* type are deletions from existing law.

~~utility has filed a completed application on~~
~~section (2) of this rule within 45 days of the~~
~~notice requirements.~~

ch utility proposing to extend its service area
ons filed pursuant to section ~~(2)(C)~~ above, which
(a), (d), (e), (i), ~~(m)~~ (o), (p), (q), and (r)

ll provide the following:
lity's complete name and address;
ment showing the financial and technical ability
provide service and the need for service in the
~~The statement shall identify any other utilities~~
~~dius that could potentially provide such service;~~
ment that to the best of the applicant's knowledge
service will be consistent with the water and
is of the local comprehensive plan at the time the
led, as approved by the Department of Community
ot, a statement demonstrating why granting the
in the public interest.
that the utility owns the land upon which the
facilities that will serve the proposed territory
copy of an agreement, such as a 99-year lease,
the continued use of the land;
ption of the territory proposed to be served,
nge and section references as specified in Rule

s underlined are additions; words in
h type are deletions from existing law.

of a detailed system map showing the proposed facilities, and the territory proposed to be shall be of sufficient scale and detail to enable the description of the territory;

utility is planning to build a new wastewater or upgrade an existing plant to serve the proposed a written description of the proposed method(s) shall;

above does not include effluent disposal by means ~~irrigation~~, a statement that describes with reasons for ~~not using reuse spray irrigation~~.

of the official county tax assessment map or township, range, and section, with a scale such as 1" = 100', with the proposed territory plotted thereon and bounded by quarter sections, and with a defined beginning.

statement describing the capacity of the existing treatment facilities, and the design of the proposed extension;

numbers and dates of any permits issued for the project by the Department of Environmental Regulation;

needed statement regarding the proposed method of construction, and the projected impact on the surrounding structure;

prediction of the types of customers anticipated to be served.

Words underlined are additions; words in strike type are deletions from existing law.

ansion, i.e., single family homes, mobile homes,
rse clubhouse, commercial, etc.;

ement regarding the projected impact of the
tility's monthly rates and service availability

ginal and two copies of sample tariff sheets
ditional service area; and
plicant's current certificate for possible

per of the most recent order of the Commission
anging the applicant's rates and charges.

avit that the utility has tariffs and annual
th the Commission.

utility proposing to delete a portion of its
submit the following:

ity's complete name and address;

ption of the territory proposed to be deleted,
nge and section references;

of a detailed system map showing the existing
acilities, and territory served. The map shall
scale and detail to enable correlation with the
of the territory;

ber of current active connections within the
leted;

of the official county tax assessment map, or

s underlined are additions; words in
h type are deletions from existing law.

ship, range, and section with a scale such
with the territory proposed to be deleted
metes and bounds or quarter sections, and
point of beginning.

specifying the reasons for the proposed

indicating why the proposed deletion of
public interest;

to the effect of the proposed deletion on
owner or potential customer to receive water

including alternative source(s) of service;

and two copies of sample tariff sheets
service area; and

its current certificate for possible

of the most recent order of the Commission

regarding the applicant's rates and charges.

that the utility has tariffs and annual

to the Commission.

57.121, F.S.

045, F.S.

Amended _____.

Underlined are additions; words in
brackets are deletions from existing law.

ion for Authority to Transfer.

ies to any application for the transfer of
astewater system, regardless of whether
ing provided. This rule does not apply
an exempt or non-jurisdictional system and
em continuing to be exempt from or not
isdiction. The application for transfer
er of the seller's existing certificate.
's certificate or granting an initial

ication for transfer of certificate of
ies or any portion thereof, to a
shall include the following information:
ame and address of the seller transferor;
ame and address of the buyer transferee;
of the buyer's transferee's business
oration, partnership, limited partnership,
association;
and address(es) of all of the buyer's
officers, directors, partners or any other
an interest in the utility;
state of incorporation or organization of

locations of any other water or wastewater
utilities owned by the buyer transferee;

erlined are additions; words in
e are deletions from existing law.

25-30.037

The Commission directed staff at the hearing on May 26 to present the rule as proposed with changes recommended by Public Counsel to sections (2)(g), (2)(k) and (3)(g). As to staff's suggested change to section (2)(m), regarding a negative acquisition adjustment, staff believes the Commission gave sufficient direction that the buyer should not be required to justify in the transfer application why a negative acquisition adjustment should not be included in determining net book value. Staff can obtain this information through discovery if necessary, and the change is not included in this version of the rule which is presented for adoption.

tract for sale ~~and all auxiliary or~~

h shall include ~~if applicable:~~

terms of payment, ~~and~~

~~Other amount of~~ the assets purchased

not assumed, ~~including those of non-~~

~~ies; and~~

~~the consideration between the parties,~~

~~ries, retainer fees, stock, stock~~

~~tions.~~

sale shall also provide for the

a, of the following:

and interest thereon;

venue contracts;

ts;

-

Y;

bing the financing of the purchase;

ting how the transfer is in the public

ummary of the buyer's transferee's

water utility operations, a showing of

ancial ability to provide service, and

ansferee will fulfill the commitments,

itions of the seller transferor with

ed are additions; words in
deletions from existing law.

(4) (g) The reference to Rule 25-30.432 is deleted because adoption of that rule has been deferred.

(4) (h) This change incorporates OPC's proposed changes from its comments in Composite Exhibit 1, Tab 8. Staff believes that this information will provide the Commission with sufficient information at the beginning of a proceeding in order to analyze related party transactions and charges. For those utilities that have such charges, this information would be provided through discovery regardless. Staff has recommended that only three copies of this information be provided with the MFRs instead of the 16 copies required otherwise. Staff does not agree with OPC's recommendation to require the workpapers and source documents to be filed as this could be very voluminous and expensive to copy. This information may easily be provided during discovery or audit if a problem appears to exist after the initial review is made. With respect to the organizational chart, staff believes that it is appropriate to receive the total organizational chart, not just those entities that have allocated costs or charges. A situation could occur where the charge only is allocated to a few entities, especially the regulated ones, and should be allocated to more entities. Without the complete chart, staff may not be aware that any further allocations might be appropriate.

~~on or direct charging method used and the method.~~

~~ional chart of the relationship between the parent and affiliated companies and the related parties.~~

~~contracts or agreements between the utility and affiliated companies for services rendered~~

~~recorded on the utility's books since rate filed, the utility shall file copies of the rate that the utility owns the land upon treatment facilities are located, or that renewed use of the land, such as a 99-year~~

signee. The Director of the Division of Power shall be the designee of the Commission in determining whether the applicant has met the standards imposed by this rule.

Requirements. The Commission may grant a specific data required by this rule upon a determination of the data would be impractical or an economic burden upon the applicant. All specific portions of the minimum filing shall be made as early as practicable.

Underlined are additions; words in brackets are deletions from existing law.

60 days after the issuance of a final order
to an application for increased rates, or, if
60 days after the issuance of an order entered
into for reconsideration of the final order,
submit a breakdown of actual rate case expense
in a manner consistent with Schedule No. B-10
as described in Section 25-30.437). If the
provision above cannot be met, an extension may be
granted by the Director of the Division of Water and Wastewater for

367.121, F.S.

367.081, F.S.

367.081, Amended 6/25/90, ____.

underlined are additions; words in
brackets are deletions from existing law.

Financial, Rate and Engineering Information
and B Water and Wastewater Sewer Utilities in
Rate Increase.

For a rate increase shall provide the
by Commission Form PSC/WAS 17 (6/90), entitled
and Engineering Minimum Filing Requirements -
Classes" which is incorporated into this rule by
may be obtained from the Director, Division of
Sewer, Florida Public Service Commission, 101
Tallahassee, Florida 32399-~~08500073~~. In
and schedules, additional instructions are set

Form of this form shall be indexed and tabbed,
contents listing the page numbers of each

Information requested in the form described above is
the applicant, so state and provide an
specific schedule.

When a test year is used, provide a complete set
PSC/WAS 17 (6/90), entitled "Financial, Rate
Minimum Filing Requirements - Class A and B
(as described above) which require a designation of
test information. Such schedules shall be
calendar base year, and any year subsequent to
the projected test year, in addition to

Underlined are additions; words in
brackets are deletions from existing law.

25-30.437

Staff recommends the Commission adopt
all sections of this rule as originally
proposed.

est year. If no designation is shown on a schedule, schedule for the test year only. In lieu of providing for the above required schedules, the information is combined on the same page by adding additional rate base schedules, Section A, the beginning and balances shall be shown. For any intermediate period the year-end balance shall be shown. If a historical schedule, Schedule E-13 will not be required. A schedule so be included which describes in detail all methods of projection, explaining the justification for each method employed. If an historical test year is used, a schedule is not required.

two 2 copies of Schedule E-14, entitled Billing Schedules, shall be filed with the application. Each copy shall be placed in a separate binder from the other required

copies. If a petition for interim rates is filed, a utility shall file a schedule if it is earning outside the range of reasonableness of rates to be earned as determined by the rate of return calculated in accordance with section Chapter 350 of the Florida Statutes. In doing such, the utility shall file a schedule of rate base, cost of capital and net operating expenses on a historical basis, with schedules of all adjustments consistent with Commission Form PSC/WAS 17 (6/90), (Appendix A, Schedule E-14).

utility is requesting uniform rates for any systems

Words underlined are additions; words in strikeout type are deletions from existing law.

ended 11/9/86, Amended 6/25/90, _____.

Words underlined are additions; words in
rough type are deletions from existing law.

Additional Rate Information Required in
Rate Increase.

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

Authority: 367.121, F.S.

Authority: 367.081, F.S.

25-30.4385

All participants agreed at the hearing that the rule as proposed is not controversial and should be adopted. The Commission directed staff to present it for adoption as proposed.

Words underlined are additions; words in
rough type are deletions from existing law.

~~Engineering Information Required in Application for
by Utilities Seeking to Recover the Cost of
Plant Construction Required by Governmental~~

25-30.441

No comments were submitted on this rule and staff recommends the Commission repeal it as originally proposed and adopt Rule 25-30.4415 to replace it.

REPEALED

Words underlined are additions; words in
rough type are deletions from existing law.

ditional Information Required in Application for
Utilities Seeking to Recover the Cost of
Public Interest.

nt proposes to include in its plant investment
ment made in the public interest pursuant to
F.S., which investment was or will be required
gulation, order or other regulatory directive,
ll provide the following information to the

of the rule, regulation, order, or other
ve that has required or will require the
he improvement or the investment for which the
covery.

te by a professional engineer, or other person
esign and construction of water and wastewater
the cost of the applicant's investment and the
ired for completion of construction.

is showing the portion of the proposed rate
es to the financial support for the investment

367.121, F.S.

67.081, F.S.

25-30.4415

No comments were submitted on this rule
and staff recommends the Commission adopt it
as originally proposed.

underlined are additions; words in
type are deletions from existing law.

13 Minimum Filing Requirements for Class C Water and
wer Utilities.

Class C Utility seeking a rate increase shall submit an
which contains the information required by Rules
15-30.440; 25-30.4385; 25-30.4415 ~~25-30.441~~; and

h Class C Utility seeking a rate increase shall also
nformation required by Commission Form PSC/WAS 18
led "Financial, Rate and Engineering Minimum Filing
- Class C Utilities" which is incorporated into this
ence. The form may be obtained from the Director,
ater and Wastewater Sewer, Florida Public Service
101 E. Gaines Street, Tallahassee, Florida
3. In compiling the required schedules, additional
re set forth below:

1 section of this form shall be indexed and tabbed,
able of contents listing the page numbers of each

nformation requested in the form described above is
e to the applicant, so state and provide an
the specific schedule.

projected test year is used, provide a complete set
ion Form PSC/WAS 18 (6/90), entitled "Financial, Rate
g Minimum Filing Requirements - Class C Utilities"
above) which require a designation of historical or

Words underlined are additions; words in
rough type are deletions from existing law.

25-30.443

No comments were submitted on this rule
and staff recommends the Commission adopt it
as originally proposed with staff's change to
(2)(c) (Composite Exhibit 1, Tab 18, pages 21
- 22). This change makes the Class C MFR
instructions consistent with those for the
Class A&B MFRs.

25-30.360

All participants agreed at the hearing that the rule as proposed is not controversial and should be adopted. The Commission directed staff to present it for adoption as proposed.

Per customer refund refers to a refund to every
ing service during the refund period. Customer of
efers to a refund to every customer receiving
late specified by the Commission.

it.
case of refunds which the Commission orders to be
t, the average monthly interest rate until refund
customers account shall be based on the 10 ~~thirty~~
al paper rate for high grade, unsecured notes sold
by major corporations in multiples of \$1,000 as
ed in the Wall Street Journal.

verage monthly interest rate shall be calculated
the refund period:

adding the published interest rate in effect for
e last business day of the month prior to each
nth of the refund period and the published rate
effect for the last business day of each month
the refund period, divided by 24 ~~twenty-four~~
+) to obtain the average monthly interest rate;
e average monthly interest rate for the month
ior to distribution shall be the same as the last
lculated average monthly interest rate.

verage monthly interest rate shall be applied to the
ous month's ending balance (including monthly
) and the current month's ending balance divided

is underlined are additions; words in
st type are deletions from existing law.

accomplish a compounding effect.

t Multiplier. When the refund is computed for
interest multiplier may be applied against the
customer's refund in lieu of a monthly calculation
for each customer. The interest multiplier shall
be dividing the total amount refundable to all
customers, by the total amount of the refund,
to determine the interest multiplier.
t. For the purpose of calculating the interest
multiplier, the utility may, upon approval by the Commission,
use a monthly refundable amount.

Commission staff shall provide applicable interest rate
for use in calculations under this Rule upon request
of the utility.

of Refund Distribution. For those customers still
on credit, credit shall be made on the bill. In the event
of a greater amount than the bill, the remainder of
the refund shall be carried forward until the refund is completed.
On requests, a check for any negative balance must
be made to the customer within 10 ~~ten~~ (10) days of the request.
If a customer is entitled to a refund but no longer on the system, the
utility shall mail a refund check to the last known billing address.
Refund checks for less than \$1.00 will be made to these

of Money Collected Subject to Refund. In the
event that money is collected subject to refund, the money shall be

Words underlined are additions; words in
type are deletions from existing law.

unless the Commission specifically authorizes security such as placing the money in escrow, undertaking, or providing a letter of credit. Provide a report by the 20th of each month and total amount of money subject to refund of the preceding month. The report shall also state of whatever security is being used to guarantee money.

Reports. During the processing of the refund, the status of the refund shall be made by the following month. In addition, a preliminary report shall be filed within ~~30~~ 30 days after the date the refund is made and within 90 days thereafter. A final report shall be filed when the administrative aspects of the refund are completed.

The report shall specify the following:

1. The amount of money to be refunded and how that amount

2. The amount of money actually refunded;

3. The amount of any unclaimed refunds; and

4. The status of any unclaimed amounts.

Unclaimed refunds shall be treated as cash aid-of-construction.

~~The last report under subsection (7) of this Rule, shall suggest a method for disposing of any unclaimed money. The Commission shall then order a method of disposing of~~

Words underlined are additions; words in strike type are deletions from existing law.

ds-

y: 350.127(2), F.S.

367.081(6), 367.082(2), F.S.

8/17/83, formerly 25-10.76, Transferred from

, Amended _____.

is underlined are additions; words in
type are deletions from existing law.

est Year Approval.

the filing of an application for a general rate shall submit to the Commission a written request for test year, supported by a statement of reasons showing that the requested test year is representative of utility operations. The Commission Chairman will disapprove the request within 30 days from the filing. In disapproving the requested test year, the applicant may suggest another test year. Within 30 days of the filing or disapproval of a test year, upon request of the applicant the full Commission may review the Chairman's decision.

An applicant for test year approval shall submit the following information in its written request to the Chairman:
1. A statement explaining why the requested test year is representative of the utility's current operations.

2. A statement of major plant expansions or changes in operating methods which:

a. Occurred in the most recent 18 months or since the last test year whichever is less;

b. Occurred during the requested test year.

3. A statement of all known estimated pro forma test year amounts. If a projected test year is requested, provide an explanation why the projected period is more representative

Words underlined are additions; words in strike type are deletions from existing law.

25-30.430

The Commission directed staff to present this rule for adoption as originally proposed. Additionally, staff recommends one change to (3) below.

"May" should be changed to "shall" so there is no basis for an objection that extensions may be denied arbitrarily. If an applicant shows good cause for an extension and the extension won't cause the test year to be unrepresentative, there is no reason to deny the request.

Proceedings.

25-30.432

ted here because the
consideration.

At the August 12 hearing the Commission
voted to delay consideration of this rule.

--- -- ---

words in
existing law.

25-30.433

The following changes are recommended by staff:

Introductory paragraph: The phrase "for good cause shown" is deleted as suggested by Commissioner Clark because it is redundant.

(1) Quality of Service - At the May hearing, the Commission decided against providing a penalty in this rule for failure to meet standards as suggested by Public Counsel. Staff recommends no changes to this section.

(2) A consensus was not reached at the May hearing and the Commission instructed staff to Staff provide its recommendation for the final agenda. Staff recommends the Commission adopt this section as originally proposed.

(3) The change to the first sentence was recommended by staff at the May hearing. This language clarifies the Commission practice of netting used and useful debit and credit deferred taxes. This coincides with the used and useful adjustments made to plant in determining rate base. No parties disagreed with this change, however the rule section was left undecided and the Commission instructed staff to provide its recommendation.

The new third sentence is added to clarify the rule and does not change its meaning or intent.

Staff recommends that the Commission adopt the proposed rule as shown.

(4) Staff recommends the adoption of this section as originally proposed--without the change proposed by OPC to the 13-month averaging method. Staff believes the increased cost to prepare MFRs using the 13-month averaging method far outweighs the benefit of an increase in accuracy.

(5) Staff recommended deleting the word "plant" in its comments (part of Composite Exhibit 1, Tab 18, at page 12) to clarify the rule. Without this change, a literal interpretation could erroneously lead to the assumption that the same dollar adjustment made to plant be made to depreciation.

The addition of the second sentence regarding non-used and useful property taxes was recommended by the Office of Public Counsel (OPC) (Composite Exhibit 1, Tab 8). Staff agrees with OPC that non-used and useful property tax adjustments are Commission practice when the taxing authority taxes total plant, not just used and useful plant. Staff disagrees with OPC's proposed rule as its wording assumes that an adjustment is required whenever a non-used and useful adjustment is made. As reworded, staff's recommended rule will codify current policy. This language will still permit the flexibility when no adjustment should be made.

(6) The Commission directed staff to remove the original proposed rule regarding imputation of CIAC on the margin reserve for consideration at a later date with the used and useful rule. In place of that section, staff has included the proposed rule on charitable contributions, as recommended by OPC and as directed by the Commission. This codifies current Commission practice.

(7) This section was left pending at the May hearing. Staff recommends the Commission adopt this section as originally proposed.

(8) Staff recommends the Commission adopt this section as originally proposed.

21
15
14
13
12
11
10
9
8
7
6
5
4
3
2
1

(9) Staff recommends the Commission adopt this section as originally proposed without the change recommended by OPC. OPC's suggested methodology has been argued in several cases in the recent past and rejected by the Commission. The rule as originally proposed codifies the Commission's longstanding practice.

(10) and (11) No comments were presented on these sections of the rule at the hearing and staff recommends the Commission adopt it as originally proposed.

(12) Staff recommends adding this section which was initially suggested by OPC but modified by the Florida Waterworks Association (FWWA). The wording recommended by FWWA was taken from a number of Commission orders issued over the past ten years.

(13) At the August hearing, the Commission left this rule pending and directed staff to present the proposal of OPC. Staff recommends that the Commission adopt the rule proposed by OPC, modifying it to refer specifically to the parent debt rule, because it codifies long standing Commission policy.

~~ent Tax Credits that earn a rate of
interest expense shall also include the
in accordance with Rule 25-14.004.~~

~~shall not be allowed for utilities
forwards at the utility level to
the foreseeable future.~~

F.S.

S.

(14) At the August hearing, the Commission directed staff to present the rule proposed by OPC with staff's changes. Staff recommends that the Commission adopt the rule as modified by staff. With the changes, it codifies longstanding Commission policy.

Staff was initially directed to address intergenerational inequities in its recommendation. This Commission does not allow tax losses from non-regulated activities of the utility or its affiliates to subsidize above-the-line utility operations through use of tax losses attributable to non-regulated activities. This is the flip-side of that issue. Tax losses from above-the-line utility operations can be used to offset taxable income of affiliated companies or below-the-line taxable income of the utility. Regulatory recognition of the tax loss attributable to above-the-line operations prevents cross subsidization of non-utility activities by above-the-line operations. It follows generally accepted accounting principles and is good tax and regulatory practice. There is no intergenerational inequity. The actual tax expense of the utility that results from above-the-line utility operations is spread over the customers who receive service.

are additions; words in
deletions from existing law.

Staff recommends the adoption of this rule as originally proposed with the changes in (3)(f) and (5).

(3)(f) This section as originally proposed is confusing and indirectly allows utilities to reflect plant net of accumulated depreciation only if the accumulated depreciation was previously recovered in through AFPI charges. Staff believes that it is inappropriate to reflect gross plant. Further, if AFPI charges had previously been collected, then the plant would not be subject to AFPI charges again. This would allow a continuation of the collection of carrying charges when the Commission had ordered that those amounts cease in the prior charges. Staff recommended the use of gross instead of net plant in the comments contained in Composite Exhibit 1 , Tab 21, at pages 16-17.

(5) This section is merely reorganized to remove excess words. The meaning is not changed.

or the continued use of the land, such as a 99-year

original and two copies of sample tariff sheets

change in ownership; and

utility's current certificate(s), or if not

applicant shall provide an explanation of the steps

to obtain the certificate(s).

~~Information required under paragraphs (a), (b), (d),~~

~~(e), (o), and (q) of subsection (1);~~

Each application for transfer of certificate of

facilities, or any portion thereof, or majority

control to a governmental authority shall contain

the following information:

The name and address of the utility and its authorized

representative of the governmental authority and the name and

address of the authorized representative;

A copy of the contract or other document transferring the

control to the governmental authority;

A list of any utility assets not transferred to the

governmental authority if such remaining assets constitute a system

proposed to provide water or wastewater service to

the community;

A statement that the governmental authority obtained,

or the Public Utilities Commission, the most recent available income

Words underlined are additions; words in
del type are deletions from existing law.

ment, balance sheet, statement of rate base for
es, and contributions-in-aid-of-construction;
ate on which the governmental authority proposes
action to acquire the utility;

atement describing the disposition of customer
rest thereon; and

statement regarding the disposition of any
atory assessment fees, fines or refunds owed.

a utility is transferring a portion of its
vernmental agency, it must provide the following
ation:

ption of the remaining territory using township,
references;

of the official county tax assessment map, or
township, range, and section with a scale such

0', with the remaining territory plotted thereon
d bounds or quarter sections, and with a defined
beginning.

ginal and two copies of sample tariff sheets
aining territory.

its receipt of items required in (4)~~(3)~~(a), (b),
and (f).

the Commission will issue an order
the facilities or any portion thereof have been
vernmental authority.

receipt of the items required in (4)~~(3)~~(g)~~(e)~~ and

s underlined are additions; words in
h type are deletions from existing law.

applicable, ~~(5)(4)(a), (b), and (c), upon payment of~~
~~assessment fees due and owing,~~ and upon the
pending proceedings before the Commission, the
~~issue an order amending or cancelling the utility's~~
be amended or cancelled. Amendment or
the certificate shall not affect the utility's
subject to Rule 25-30.120, F.A.C., Regulatory

by: 367.121, F.S.

367.071 F.S.

7/91, Amended ____.

Words underlined are additions; words in
del type are deletions from existing law.

Established at Time of Transfer.
on any utility purchased by a utility
on, except where the purchased utility is
original county and is not otherwise subject
to taxation under section 367.171(7), F.S..
of this rule and Rule 25-30.037 and 25-
valued as the net book value of the utility
and value is calculated as Utility Plant In
Service plus Depreciation plus Construction Work in
Progress less Advances Accumulated Amortization of Contributions In
Service.
~~The Commission shall also consider the~~
~~value of assets purchased in deciding if a~~
~~discount should be removed from the rate base calculation.~~
in the case of extraordinary circumstances, the
purchase of a utility system at a premium or at a discount shall
be included in the rate base calculation.
~~by the acquiring utility, rate base~~
~~adjustment will be determined in the~~
~~transfer.~~
where the utility demonstrates that it has engaged in a
search for original cost documentation, and has
produced such documents, the Commission may establish
if competent substantial evidence reconstructing
the original cost of plant in service including

25-30.0371

Staff recommends that the Commission adopt this rule which codifies the longstanding Commission policy that the purchase of a utility system at a premium or discount shall not affect the rate base calculation in the absence of extraordinary circumstances. The rule as originally proposed with the shaded changes does that.

As discussed at the August 12 hearing, the changes staff recommends are to 1) delete the last sentence in section (1) requiring the Commission to consider the condition of the assets at the time of transfer; and 2) delete section (3) requiring the Commission to set rate base at the time of transfer if requested by the acquiring utility. Staff believes (3) should be deleted because it will unnecessarily bind the Commission. In addition, staff has added a phrase in the last section at the suggestion of Commissioner Clark to clarify that the value of plant in service in an original cost study should also reflect appropriate adjustments such as depreciation.

Because staff is recommending withdrawal of proposed new Rule 25-30.038, the reference to it in section (1) should be stricken.

Underlined are additions; words in
brackets are deletions from existing law.

ments thereto and the amount of contributions-
ction.

y: 367.121, F.S.

367.071(5), F.S.

ds underlined are additions; words in
gn type are deletions from existing law.

Redacted Application for Acquisition of Existing

DELETED

25-30.038

At the August 12 hearing, staff recommended withdrawal of this proposed new rule. The participants in the hearing concurred with staff's recommendation and the Commission agreed that this rule should be withdrawn.

underlined are additions; words in
type are deletions from existing law.

25-30.039

Staff recommends adopting this rule as originally proposed. The change to the rule suggested by staff in Exhibit JC-2 (part of Composite Exhibit 1, at Tab 17), which would require the applicant for a name change to show that the land where the treatment facilities are located is in the new name, is not recommended. The issue of what is acceptable proof of ownership or right to continued use of land and the cost that would be incurred requires further research and should be addressed in a later rule proceeding.

hem of the change in utility name;
nal and two copies of a proposed tariff
change, including all standard forms; and,
cant's current certificate.
Commission staff approves the customer notice,
and the approved customer notice to all existing
next regular billing, advising them of the name

367.121, F.S.

67.121, F.S.

underlined are additions; words in
type are deletions from existing law.

Application for Exemption from Regulation or
1 Finding.

Application for an exemption shall be filed in
two copies, ~~except that applications filed under~~
~~7), Florida Statutes, shall be filed in original~~
with the Director, Division of Records and
1 East Gaines Street, Tallahassee, Florida 32399-
Application forms may be obtained from the Division
Wastewater Sewer, Bureau of Certification, 101 East
Tallahassee, Florida 32399-08500073.

Application for an exemption from regulation shall
include the following information:

Name of the system owner;
Physical address of the system;
Billing address of the applicant, if different from
above;
Name, address, and phone number of the primary
contact person for the exemption request;
Nature of the applicant's business organization,
sole proprietorship, partnership, limited partnership, sole
proprietorship, or association; and

A statement that the applicant is aware that pursuant to
Florida Statutes, whoever knowingly makes a false
statement with the intent to mislead a public servant in
the performance of his official duty shall be guilty of a

Words underlined are additions; words in
bracket type are deletions from existing law.

25-30.060

At the May 26 hearing, all participants
agreed that the rule as proposed is not
controversial and should be adopted. The
Commission directed staff to present it for
adoption as proposed.

a second degree, punishable as provided in s.
33, or s. 775.084.

Application must specifically state which type of
is applied for and contain one of the following:

Exemption pursuant to Section 367.022(1), Florida
Consent from the owner of the system that the system
will provide bottled water and that water is not
delivered through a water main or service pipe;

Exemption pursuant to Section 367.022(2), Florida
Consent from the governmental authority specifying
jurisdiction for the governmental authority; that the
system is operated, managed, or controlled by the
authority; stating whether it provides water service,
wastewater service or both; and specifying the service area. The

applicant must describe with particularity the nature of the
system, its operation, management, and control of the system;

Exemption pursuant to Section 367.022(3), Florida
Consent from the manufacturer that service is
provided in connection with its operations; stating whether
it provides water service, wastewater service or both; and
specifying the service area;

Exemption pursuant to Section 367.022(4), Florida
Consent from the public lodging establishment that
service is provided solely in connection with service to its
guests; stating whether it provides water service, wastewater

Words underlined are additions; words in
type are deletions from existing law.

and specifying the service area;
exemption pursuant to Section 367.022(5), Florida
exemption from the landlord that it provides service
that charges for service are non-specifically
charges; stating whether it provides water
service or both; and specifying the service
the landlord's most recent version of a standard
agreement, ~~stating that there is no separate charge
for wastewater service, or both,~~ shall be submitted
on;

exemption pursuant to Section 367.022(6), Florida
exemption from the owner of the system that the system
has the capacity to serve 100 or fewer persons;
that provides water service, wastewater service or
both; specifying the service area. The applicant shall submit
documentation specifying the capacity of the system(s). For a
system with a capacity of both the treatment and disposal
units, the capacity shall be documented;

exemption pursuant to Section 367.022(7), Florida
exemption from the corporation, association, or
other entity that is nonprofit; that it provides service solely
to the community and control it; stating whether it provides
water service or both; specifying who will do
the work; and specifying the service area. The
applicant shall submit its articles of incorporation as filed with

Words underlined are additions; words in
~~strikethrough~~ type are deletions from existing law.

the and its bylaws, which documents must clearly
state for membership, that the members' voting
power per unit of ownership, and the circumstances
under which the corporation passes to the non-developer
the corporation must pass: 1) at 51 percent
of non-developer members or, 2) at some greater
percentage by a time period not to exceed 5 years from
the date of acquisition. The applicant must provide proof of its
financial stability facilities and the land upon which the
service is located or other proof of its right to continued
use of the land as a 99-year lease;

Application pursuant to Section 367.022(8), Florida
Statutes, shall be submitted to the reseller that service is provided at
a price that does not exceed the actual purchase price;
the reseller is aware of the requirements of Rule 25-
10.001, Administrative Code; stating that the reseller is
aware of the requirements of Sections 367.122, Florida Statutes, and
Sections 367.263, .264, .265, .266 and .267, Florida
Statutes relating to examination and testing of meters;

the applicant provides water service, wastewater service or
both services to the service area. The reseller must also
provide the utility providing service to it and that
utility's rates and charges. The reseller must submit a
copy of its proposed rates and charges, an explanation
of the method of billing customers, separately, for both

Words underlined are additions; words in
brackets are deletions from existing law.

er, and a schedule showing that the amount billed
e amount paid for water, wastewater, or both;
emption pursuant to Section 367.022(9), Florida
ent from the owner of the wastewater system that
arily for the treatment of wastewater other than
r, such as runoff and leachate from areas that
s associated with industrial or commercial
or processing; identifying the principal source
wastewater; and specifying the service area;
onjurisdictional finding pursuant to Section
da Statutes, a statement from the system owner
oes not charge for providing utility service;
rational costs of providing service are treated
ing whether it provides water service, wastewater
and specifying the service area.

: 367.121(1), F.S.

367.021(12), 367.022, 367.031, F.S.

92, Amended _____.

s underlined are additions; words in
* type are deletions from existing law.

25-30.090

At the May 26 hearing, all participants agreed that the rule as proposed is not controversial and should be adopted. The Commission directed staff to present it for adoption as proposed.

the name, address and telephone number of the
shall not affect the certificated name of the

the pendency of the receivership, the receiver
able for fulfilling the utility's obligations
er 367, F.S., and Chapter 25-10, F.A.C. In no
ever be held responsible for failure to provide
and sufficient service where such failure is
sed by actions or omissions pre-dating appointment
, unless the receiver is given reasonable
ctify such failure.

receiver appointed by the circuit court is a
prity as defined by section 367.021(7), F.S., the
riority, upon request, shall be found exempt
on 367.022(2), F.S.

y: 367.121, F.S.

367.165, F.S.

is underlined are additions; words in
type are deletions from existing law.

ption for Resale of Utility Service, Annual

25-30.111

as been granted an exemption from regulation
sells water or wastewater sewer service and
provided for in subsection 367.022(8), F.S.,
March 31 of each year following the year for
is claimed. The report shall contain the

At the May 26 hearing, all participants
agreed that the rule as proposed is not
controversial and should be adopted. The
Commission directed staff to present it for
adoption as proposed.

listing by month, the rates charged for and
d from the water or wastewater service sold.
listing by month, the rates charged and total
the purchase of the water or wastewater sewer

listing the source from which the water or
ice was purchased.

367.121(1), F.S.

.022(8), F.S.

1, formerly 25-10.09, Transferred from 25-
ed _____.

nderlined are additions; words in
/pe are deletions from existing law.

ing for Pension Costs.

has an established defined benefit pension
Financial Accounting Standard's Board in the
Accounting Standards No. 87, Employers'
ns (SFAS 87), shall account for these costs
as it applies to business enterprises in

867.121, F.S.

.121, F.S.

25-30.117

Staff recommends the Commission adopt this rule as originally proposed without the changes that have been recommended by Public Counsel. Public Counsel's changes were discussed at the August 12 hearing but left undecided.

The proposed rule prescribes the accounting treatment of pension costs, whereas Public Counsel's recommended addition--to require pension costs to be funded and placed in escrow--prescribes the regulatory treatment. Staff does not believe the Commission has developed a policy on this and, until the issue is addressed on a case-by-case basis and a policy developed, no rule should be adopted.

derlined are additions; words in
pe are deletions from existing law.

tariffs, Rules and Miscellaneous Requirements.

Utility shall adopt and file tariffs in accordance with Florida Administrative Code.

Utility may modify or revise its rules or regulations of rates and charges until the utility files and from the Commission for any such modification or

Utility shall maintain for customer inspection upon regular business hours at its main in-state business copy of Chapters 25-9, 25-22 and 25-30, Florida Code, a current copy of Chapter 367, F.S. and a utility's current tariffs, and current developer Commission shall provide current copies of the statute to each utility rules, regulations and

§ 367.121, F.S.

367.081, F.S.

§ 9/12/74, formerly 25-10.41, Transferred from Code and amended 11/9/86, Amended _____.

25-30.135

All participants agreed at the hearing that the rule as proposed is not controversial and should be adopted. The Commission directed staff to present it for adoption as proposed.

Words underlined are additions; words in strike type are deletions from existing law.

fusal or Discontinuance of Service.

equiate facilities can be provided, a utility may
an applicant if, in the best judgment of the
ot have adequate facilities, or supply to render
d for, or if the service is of character that is
nfavorably service to other customers.

able, the utility may refuse or discontinue
following conditions provided that, unless
the customer shall be given written notice and
le time to comply with any rule or remedy any

ompliance with or violation of any state or
egulation governing such utility service.

ure or refusal of the customer to correct any
ffects in his piping or equipment which are
the utility.

se of utility service for any other property or
escribed in the application.

re or refusal to provide adequate space for the
quipment of the utility.

re or refusal to provide the utility with a
ayment of bills in accordance with the utility's

ct or refusal to provide reasonable access to
e purpose of reading meters or inspection and

underlined are additions; words in
type are deletions from existing law.

25-30.320

All participants agreed at the hearing
that the rule as proposed is not
controversial and should be adopted. The
Commission directed staff to present it for
adoption as proposed.

ipment owned by the utility.

payment of bills or noncompliance with utility's
ions in connection with the same or a different
t class of utility service furnished to the same
ame premises by the same or affiliated utility
as been a diligent attempt to have the customer
at least 5 working days' written notice to the
notice shall be separate and apart from any bill
purposes of this subsection, "working day" means
he utility's office is open and the U.S. Mail is
lity shall not, however, refuse or discontinue
ment of a dishonored check service charge imposed

notice in the event of a condition known to the
rdous.

notice in the event of tampering with regulators,
ster or other facilities furnished and owned by

notice in the event of unauthorized or fraudulent
Whenever service is discontinued for fraudulent
ce, the utility, before restoring service, may
er to make at his own expense all changes in
t necessary to eliminate illegal use and to pay
ably estimated as the deficiency in revenue
ch fraudulent use. Service shall not be

s underlined are additions; words in
h type are deletions from existing law.

prior to the arrival of the utility to discontinue
omer has:

t all fraudulent use of service;

ated the fraudulent use has ceased;

l other applicable fees and charges; and

vice condition allowing fraudulent use of service

l.

shall be restored when cause for discontinuance
corily adjusted.

of refusal to establish service, or whenever
inued, the utility shall notify the applicant or
ting of the reason for such refusal or

In all instances involving refusal or
service the utility shall advise in its notice
tisfied with the utility's decision to refuse or
e may register their complaint with the utility's
s Personnel and to the Florida Public Service
0-342-3552, which is a toll free number.

owing shall not constitute sufficient cause for
inuance of service to an applicant or customer:
ncy in payment for service by a previous occupant
less the current applicant or customer occupied
e time the delinquency occurred and the previous
s to occupy the premises and such previous
ive benefit from such service.

s underlined are additions; words in
h type are deletions from existing law.

to pay for appliances or equipment purchased from

to pay for a different class of service, except
classes of service are rendered to the same
premises.

to pay the bill of another customer as guarantor

to pay a dishonored check service charge imposed

we shall discontinue service to any customer,
on a Friday and 8:00 a.m. the following Monday
noon on the day preceding a public holiday and
the next working day; provided, however, that this
provision shall not apply when:

advance is requested by or agreed to by the

customer if such condition exists; or

if other utility-owned facilities have been

obtained fraudulently or is being used
for other purposes.

367.121, F.S.

67.081, 367.121, F.S.

12/74, 4/3/80, formerly 25-10.74, Transferred

Amended 11/9/86, 1/1/91, 1/11/93, _____.

Underlined are additions; words in
brackets are deletions from existing law.

ing.

in this rule, a utility shall render
ar intervals, and each bill shall
iod covered; the applicable rate
g meter reading; the amount of the
~~d/or net billing, and/or discount or~~
~~or penalty date; and the delinquent~~
the bill becomes past due; and any
le.

imates the bill, the utility shall
amount owed is an estimated amount.
ndered for less than 50 ~~fifty~~ percent
the utility shall prorate the base
e normal billing cycle were 30 ~~thirty~~
y may elect not to issue an initial
vice is rendered during a time period
percent of the normal billing cycle.
ct to combine the amount owed for the
initial time period with the amount
ycle, and issue a single bill for the
ervice taken under flat rate schedules,
e normal charges may be applied.
t consider a customer delinquent in
l the 21st ~~twenty-first~~ day after the
ted the bill for payment.

ned are additions; words in
a deletions from existing law.

25-30.335

All participants agreed at the hearing
that the rule as proposed is not
controversial and should be adopted. The
Commission directed staff to present it for
adoption as proposed.

lity shall establish each point of delivery as an
mer and shall calculate the amount of the bill
t where physical conditions make it necessary to
sters or points of delivery for one class of
le customer on the same premises, or where such
delivery points are used for the convenience of

ty may not incorporate municipal or county
o the amount indicated as the cost for service on
11. Rather, the utility shall show any such
separate item.

ity shall maintain a record of each customer's
most current ~~2~~ two years so as to permit
he customer's bills during the time that the
ervice to that customer.

event of unauthorized use of service by a
y may bill the customer on a reasonable estimate
an. In addition, the utility may assess a fee to
restoring service to such a customer provided
ecified in the utility's tariff.

lity utilizes the base facility and usage charge
does not have a Commission authorized vacation
shall bill the customer the base facility charge
her there is any usace.

: 367.121, F.S.

s underlined are additions; words in
h type are deletions from existing law.

67.121, F.S.

/14/75, 6/21/79, formerly 25-10.97, Transferred
25-10.111, and Amended 11/9/86, Amended _____.

ds underlined are additions; words in
gh type are deletions from existing law.