

NOTICE OF PROPOSED RULE DEVELOPMENT  
FLORIDA PUBLIC SERVICE COMMISSION

UNDOCKETED

RULE TITLE: RULE NO.:

Water Treatment Plant Used and Useful Calculation 25-30.4325

PURPOSE AND EFFECT: To codify the Commission's practice in calculating used and useful percentages for water treatment plants in rate proceedings.

SUBJECT AREA TO BE ADDRESSED: Water treatment plant used and useful determinations.

SPECIFIC AUTHORITY: 350.127(2), 367.121, FS

LAW IMPLEMENTED: 367.081(2)(3), FS

A RULE DEVELOPMENT WORKSHOP WILL BE HELD AT THE TIME, DATE, AND PLACE SHOWN BELOW:

TIME AND DATE: 9:30 a.m., July 26, 2006

PLACE: Betty Easley Conference Center, Room 182, 4075 Esplanade Way, Tallahassee, Florida

Any person requiring some accommodation at this workshop because of a physical impairment should call the Division of the Commission Clerk and Administrative Services at

(850) 413-6770 at least 48 hours prior to the hearing. Any person who is hearing or speech

impaired should contact the Florida Public Service Commission by using the Florida Relay

Service, which can be reached at: 1-800-955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE

DEVELOPMENT IS: Troy Rendell, Florida Public Service Commission, 2540 Shumard Oak

Blvd., Tallahassee, FL 32399-0862, (850) 413-6934

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS:

25-30.4325 Water Treatment Plant Used and Useful Calculation

(1) Definitions.

DOCUMENT NUMBER-DATE

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(a) A water treatment system includes all facilities necessary to produce, treat, and deliver potable water to a transmission and distribution system. This may include a storage component if utilized by the utility.

(b) Peak demand includes the utility's maximum hour or day demand, excluding excessive unaccounted for water, plus an allowance for fire flow based on local requirements and a growth allowance based on the requirements in Rule 25-30.431, FAC.

(c) Excessive unaccounted for water (EUW) is water produced in excess of 10 percent of the accounted for usage, including water sold, water used for flushing or fire fighting, and water lost through line breaks.

(2) Except as provided in subsection (7), the used and usefulness of a water treatment system shall be based on a total system analysis unless one or more components of the system is oversized in anticipation of future growth.

(3) The used and usefulness of a water treatment system shall include a determination as to the prudence of the investment and consideration of economies of scale if any component is oversized.

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

(5) Peak demand is based on a peak hour for systems with no storage capacity and a peak day for systems 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, if there is no anomaly on that day such as a fire or line break, less excessive unaccounted for water divided by 1440 minutes in a day times two  $[(SMD-EUW)/1,440] \times 2$ , or

2. the average of the 5 highest days (AFD) within a 30-day period in the test year less excessive unaccounted for water divided by 1440 minutes in a day times two [((AFD-EUW)/1,440) x 2], or

3. 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 include:

1. the single maximum day in the test year, if there is no anomaly on that day such as a fire or line break, less excessive unaccounted for water (SMD-EUW), or

2. the average of the 5 highest days within a 30-day period in the test year less excessive unaccounted for water (AFD-EUW), or

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

(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, unless the pumping capacity is restricted by a limiting factor such as the treatment capacity. In which case, the firm reliable capacity is the capacity of the limiting component of the water treatment system.

(a) Firm reliable capacity is expressed in gallons per minute for systems with no storage capacity and in gallons per day, based on 12 hours of pumping, for systems with storage capacity.

(b) If a water treatment system using only aeration or disinfection includes a storage facility, the usable storage capacity shall be included in the firm reliable capacity.

(7) If a water treatment system using a treatment process other than, or in addition to, aeration or disinfection includes a storage facility, the used and usefulness of the storage facility will be determined separately from the water treatment system. For a water treatment system

using a treatment process other than aeration or disinfection, storage capacity equaling the peak demand shall be considered 100 percent used and useful. In the calculation of the used and useful percentage of the storage facility, fire flow shall be added to the peak demand.

(8) A water treatment system is considered 100 percent used and useful if:

(a) the system is the minimum size necessary to adequately serve existing customers plus an allowance for growth and fire flow; or

(b) the service territory the system is designed to serve is mature or built out and there is no potential for expansion of the service territory; or

(c) the system is served by a single well.

(9) In determining 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 whether the reason for excessive unaccounted for water during the test period has been identified and whether a solution to correct the problem has been implemented, or whether the solution is not economically feasible.

(10) In determining the used and useful amount, the Commission will also consider whether flows have decreased due to conservation or a reduction in the number of customers.

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

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

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

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## Submit FAW Notices

**Step 5: Acknowledgement of Submittal**

The Administrative Code and Weekly Unit has received your notice for publication in the FAW.

A confirmation number has been provided below which may be used to reference this submittal in any communications with the Unit. Use the your browser *'Print'* button or the *'Print this Acknowledgement'* button at the bottom of this page to generate a receipt for your records. A record of this transmittal will be maintained for approximately 30 days and may be accessed from the 'Submittal Listing' item in the FAW Online menu on the left of this page.

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