

STATE OF FLORIDA

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
KATRINA J. MCMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP



OFFICE OF THE GENERAL COUNSEL
MICHAEL G. COOKE
GENERAL COUNSEL
(850) 413-6199

Public Service Commission

April 14, 2008

RECEIVED - FPSC
08 APR 14 PM 3:09
COMMISSION
CLERK

Mr. Scott Boyd, Executive Director
Joint Administrative Procedures
Committee
Room 120 Holland Building
Tallahassee, Florida 32399-1300

Re: Docket No. 070183-WS – Proposed adoption of Rule 25-30.4325, F.A.C., Water Treatment Plant Used and Useful Calculations

Dear Mr. Boyd:

The Commission has approved the adoption of new Rule 25-30.4325, F.A.C. Although the subject matter and content are similar to the proposed rule as published June 8, 2007, this new rule contains changes from the proposed rule based on the evidence of record from the draw-out hearing held on January 22, 2008.

We plan to publish a Notice of Change on April 25, 2008. If there are no rule challenges filed, we plan to file with the Department of State for adoption on May 19, 2008.

Sincerely,

Rosanne Gervasi
Associate General Counsel

070183 JAPCchanges.rg.doc

Enclosure

cc: Office of Commission Clerk

RECEIVED - FPSC
08 APR 14 2:58
COMMISSION
CLERK

STATEMENT OF CHANGES

Based upon the evidence taken at the January 22, 2008, full evidentiary hearing on the matter and upon post-hearing briefs filed by the parties, the Commission has voted to adopt new Rule 25-30.4325, F.A.C., with the following changes:

25-30.4325(1)(a): In addition to storage, “high service pumping” is excluded from the definition of a water treatment system, and the definition otherwise includes all facilities necessary to “pump and treat potable water.” The phrase “to a transmission and distribution system” is deleted.

25-30.4325(1)(e): For clarification purposes, the definition of excessive unaccounted for water has been changed to read “unaccounted for water in excess of 10 percent of the amount produced,” instead of “finished potable water produced in excess of 110 percent of the accounted for usage, including water sold; other water used, such as for flushing or firefighting; and water lost through line breaks.”

25-30.4325(2): For clarification purposes, “shall include a determination as to” is changed to “will consider” and the phrase “and consideration of” has been deleted. The phrase “other relevant factors including whether flows have decreased due to conservation or to a reduction in the number of customers” has been added to the used and useful evaluation of a water treatment system and storage facilities.

25-30.4325(3): “However, if the utility believes an alternative calculation is appropriate, such calculation may also be provided” has been changed to “An alternative calculation may also be provided,” for clarification purposes. “[J]ustification, including service area restrictions, factors involving treatment capacity, well drawdown limitations, changes in flow due to conservation or to a reduction in the number of customers, and alternative peaking factors” has been added, to require the submission of certain information to justify an alternative used and useful calculation for water treatment system and storage facilities. The clarified justification for an alternative calculation has been moved to this subsection from subsections (6) and (11).

25-30.4325(4)(a) has been deleted as unnecessary. Consequently, 25-30.4325(4)(b) has been renumbered to 25-30.4325(4)(a) and 25-30.4325(4)(c) has been renumbered to 25-30.4325(4)(b).

25-30.4325(4)(b): In addition to being renumbered to 25-30.4325(4)(a), the phrase “mature or” has been deleted and the word “apparent” has been added.

25-30.4325(6): The last three sentences have been deleted. See 25-30.4325(3), above.

25-30.4325(7)(a)1.: The phrase “unless there in an” has been changed to “where there is no,” for clarification purposes.

25-30.4325(7)(a)2. has been deleted as unnecessary. Consequently, 25-30.4325(7)(a)3. has been renumbered to 25-30.4325(7)(a)2.

DOCUMENT NUMBER - DATE

02858 APR 14 08

FPSC-COMMISSION CLERK

25-30.4325(7)(b)1.: The word “if” has been changed to the word “where,” for clarification purposes.

25-30.4325(7)(b)2. has been deleted as unnecessary. Consequently, 25-30.4325(7)(b)3. has been renumbered to 25-30.4325(7)(b)2.

25-30.4325(11) has been deleted. The Commission’s consideration of other relevant factors has been clarified and moved to 25-30.4325(3).

Notice of Change/Withdrawal

PUBLIC SERVICE COMMISSION

RULE NO: RULE TITLE

25-30.4325: Water Treatment Plant Used and Useful Calculation

NOTICE OF CHANGE

Notice is hereby given that the following changes have been made to the proposed rule in accordance with subparagraph 120.54(3)(d)1., F.S., published in Vol. 33, No. 23, June 8, 2007 issue of the Florida Administrative Weekly.

Docket No. 070183-WS

Strike the rule text as published and replace with the following:

25-30.4325 Water Treatment and Storage Used and Useful Calculations

(1) Definitions.

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

(b) through (d) No change.

(e) Excessive unaccounted for water (EUW) is ~~finished potable~~ unaccounted for water produced in excess of ~~110~~ 10 percent of the ~~accounted for usage, including water sold; other water used, such as for flushing or fire fighting; and water lost through line breaks~~ amount produced.

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

(3) Separate used and useful calculations shall be made for the water treatment system and storage facilities. ~~However, if the utility believes an~~ An alternative calculation is appropriate, such calculation may also be provided, along with supporting documentation; ~~and justification, including service area restrictions, factors involving treatment capacity, well drawdown limitations, changes in flow due to conservation or to a reduction in the number of customers, and alternative peaking factors.~~

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

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

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

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

(5) No change.

(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. ~~However, if the pumping capacity is restricted by a limiting factor such as the treatment capacity or draw down limitations, then the firm reliable capacity is the capacity of the limiting component or restriction of the water treatment system. In a system with multiple wells, if a utility believes there is justification to consider more than one well out of service in determining firm reliable capacity, such circumstance will be considered. The utility must provide support for its position, in addition to the analysis excluding only the largest well.~~

(a) No change.

(b) Firm reliable capacity is expressed in gallons per day, based on ~~12~~ 16 hours of pumping, for systems with storage capacity.

(7) No change.

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

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

~~2. The average of the 5 highest days (AFD) within a 30 day period in the test year, excluding any day with an unusual occurrence, less excessive unaccounted for water, divided by 1440 minutes in a day, times 2 $2 [((\text{AFD}-\text{EUW})/1,440) \times 2]$, or~~

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

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

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

~~2. The average of the 5 highest days within a 30 day period in the test year, excluding any day with an unusual occurrence, less excessive unaccounted for water (AFD-EUW), or~~

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

(8) through (10) No change.

~~(11) In its used and useful evaluation, the Commission will consider other relevant factors, such as whether flows have decreased due to conservation or a reduction in the number of customers.~~

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

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

History: New

5511848

070183 Changes.rg.doc