

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to adopt rules
on margin reserve and imputation
of contributions-in-aid-of-
construction on margin reserve
calculation, by Florida
Waterworks Association.

DOCKET NO. 960258-WS
ORDER NO. PSC-99-2297-FOF-WS
ISSUED: November 30, 1999

The following Commissioners participated in the disposition of
this matter:

JOE GARCIA, Chairman
J. TERRY DEASON
SUSAN F. CLARK
E. LEON JACOBS, JR.

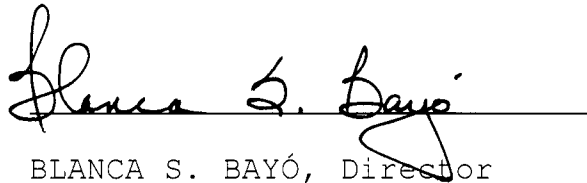
NOTICE OF ADOPTION OF RULE

NOTICE is hereby given that the Florida Public Service
Commission, pursuant to Section 120.54, Florida Statutes, has
adopted the amendments to Rule 25-30.431, Florida Administrative
Code, relating to margin reserve with changes.

The rule was filed with the Department of State on November
23, 1999 and will be effective on December 14, 1999. A copy of the
rule as filed with the Department is attached to this Notice.

This docket is closed upon issuance of this notice.

By ORDER of the Florida Public Service Commission, this 30th
day of November, 1999.



BLANCA S. BAYÓ, Director
Division of Records & Reporting

(S E A L)

CTM

DOCUMENT NUMBER-DATE

14562 NOV 30 99

PSC-RECORDS-REPORTING

25-30.431 Used and Useful Consideration

(1) In determining whether property is needed to serve customers more than five full years after the end of the test period as provided by section 367.081(2)(a)2.c., Florida Statutes (1999), the Commission shall consider the rate of growth in the number of equivalent residential connections (ERCs); the time needed to meet the guidelines of the Department of Environmental Protection (DEP) for planning, designing, and construction of plant expansion; and the technical and economic options available for sizing increments of plant expansion.

(2)(a) Property needed to serve customers after the end of the test year shall be calculated as follows:

$$\underline{EG \times PT \times D = PN}$$

where:

EG = Equivalent Annual Growth in ERCs determined pursuant to (b) or (c) below, not to exceed 5 percent per year

PT = Post Test Year Period determined pursuant to section 367.081(2)(a)2.b. and c., Florida Statutes (1999)

U = Unit of measurement utilized in the used and useful calculations for plant components

PN = Property needed expressed in the units of measurement utilized

(b) The equivalent annual growth in ERCs (EG) is measured in terms of the projected annual growth and shall be calculated in Schedules F-9 and F-10 of Form PSC/WAW 19 for Class A utilities and Form PSC/WAW 20 for Class B utilities, incorporated by reference in Rule 25-30.437.

(c) The utility shall also submit a linear regression analysis using average ERCs for the last 5 years. The utility may submit other information that will affect growth in ERCs.

(3) As part of its application filed pursuant to Rule 25-30.437, the utility shall submit its most recent wastewater capacity analysis report, if any, filed with DEP.

Specific Authority: 367.121, F.S.

Law Implemented: 367.081(2)(a)2.b.c., F.S.

History--New 12/14/99.

M E M O R A N D U M

November 29, 1999

RECEIVED-FHSC

NOV 29 PM 3:29

RECEIVED AND REPORTING

TO : DIVISION OF RECORDS & REPORTING

FROM : CHRISTIANA T. MOORE, ASSOCIATE GENERAL COUNSEL *CTM*

RE : DOCKET NO. 960258-WS - PETITION TO ADOPT RULES ON MARGIN RESERVE AND IMPUTATION OF CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION ON MARGIN RESERVE CALCULATION, BY FLORIDA WATERWORKS ASSOCIATION

2297-FOF

Attached please find a Notice of Adoption for distribution by your office.

Industry distribution is:

- Electric (EI)
- Electric (EM)
- Electric (EC)
- Gas (GU)
- Gas (GS)
- Gas Pipeline (GP)
- Telephone (TL)
- Telephone (TI)
- Telephone (TC)
- Telephone (TS)
- Telephone (TX)
- Telephone Alternate Access Vendors (TA)
- Water and Wastewater (WAW)

This document has the following priority:

- Must be issued today.
- Must be issued within 48 hours.
- Must be issued within 5 working days.

This docket will be closed upon issuance of the Notice.

NOA431.CTM
Attachment

cc: File
Sandy Moses (w/o attach.)
W. Terrell