

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed amendment of Rules 25-6.0436, Depreciation; 25-7.045, Depreciation; 25-30.032, Applications; 25-30.565, Application for Approval of New or Revised Service Availability Policy or Charges; 25-30.140, Depreciation; 25-24.470, Registration Required; 25-24.511, Application for Certificate; 25-24.512, Application for Approval of Sale, Assignment or Transfer of Certificate; 25-24.567, Application for Certificate; 25-24.569, Application for Approval of Sale, Assignment or Transfer of Certificate; 25-24.720, Application for Certificate; 25-24.730, Application for Approval of Sale, Assignment, or Transfer of Certificate; 25-24.810, Application for Certificate; and 25-24.815, Application for Approval of Assignment or Transfer of Certificate.

DOCKET NO. 080052-OT  
ORDER NO. PSC-08-0306-FOF-OT  
ISSUED: May 12, 2008

The following Commissioners participated in the disposition of this matter:

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

NOTICE OF ADOPTION OF RULES

BY THE COMMISSION:

NOTICE is hereby given that the Florida Public Service Commission, pursuant to Section 120.54, Florida Statutes, has adopted the amendments to Rules 25-6.0436, 25-7.045, 25-24.470, 25-24.511, 25-24.512, 25-24.567, 25-24.569, 25-24.720, 25-24.730, 25-24.810, 25-24.815, 25-30.032, 25-30.140, and 25-30.565, Florida Administrative Code, relating to a reduction of copies of filings in various proceedings and an update of the website location of forms, without changes.

The rule amendments were filed with the Department of State on May 9, 2008 and will be effective on May 29, 2008. A copy of the rules as filed with the Department is attached to this Notice.

DOCUMENT NUMBER DATE

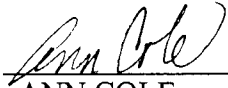
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FPSC-COMMISSION CLERK

ORDER NO. PSC-08-0306-FOF-OT  
DOCKET NO. 080052-OT  
PAGE 2

This docket is closed upon issuance of this notice.

By ORDER of the Florida Public Service Commission this 12th day of May, 2008.



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ANN COLE  
Commission Clerk

( S E A L )

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**25-6.0436 Depreciation.**

(1) For the purposes of this part, the following definitions shall apply:

(a) Category or Category of Depreciable Plant – A grouping of plant for which a depreciation rate is prescribed. At a minimum it should include each plant account prescribed in subsection 25-6.014(1), F.A.C.

(b) Embedded Vintage – A vintage of plant in service as of the date of study or implementation of proposed rates.

(c) Mortality Data – Historical data by study category showing plant balances, additions, adjustments and retirements, used in analyses for life indications or calculations of realized life. Preferably, this is aged data in accord with the following:

1. The number of plant items or equivalent units (usually expressed in dollars) added each calendar year.

2. The number of plant items retired (usually expressed in dollars) each year and the distribution by years of placing of such retirements.

3. The net increase or decrease resulting from purchases, sales or adjustments and the distribution by years of placing of such amounts.

4. The number that remains in service (usually expressed in dollars) at the end of each year and the distribution by years of placing of such amounts.

(d) Net Book Value – The book cost of an asset or group of assets minus the accumulated depreciation or amortization reserve associated with those assets.

(e) Remaining Life Method – The method of calculating a depreciation rate based on the unrecovered plant balance, less average future net salvage and the average remaining life. The formula for calculating a Remaining Life Rate is:

$$\text{Remaining Life Rate} = \frac{100\% - \text{Reserve \%} - \text{Average Future Net Salvage \%}}{\text{Average Remaining Life in Years}}$$

(f) Reserve (Accumulated Depreciation) – The amount of depreciation/amortization expense, salvage, cost of removal, adjustments, transfers, and reclassifications accumulated to date.

(g) Reserve Data – Historical data by study category showing reserve balances, debits and credits such as booked depreciation, expense, salvage and cost of removal and adjustments to the reserve utilized in monitoring reserve activity and position.

(h) Reserve Deficiency – An inadequacy in the reserve of a category as evidenced by a comparison of that reserve indicated as necessary under current projections of life and salvage with that reserve historically accrued. The latter figure may be available from the utility's records or may require retrospective calculation.

(i) Reserve Surplus – An excess in the reserve of a category as evidenced by a comparison of that reserve indicated as necessary under current projections of life and salvage with that reserve historically accrued. The latter figure may be available from the utility's records or may require retrospective calculation.

(j) Salvage Data – Historical data by study category showing bookings of retirements, gross salvage and cost of removal used in analysis of trends in gross salvage and cost of removal or for calculations of realized salvage.

(k) Theoretical Reserve or Prospective Theoretical Reserve – A calculated reserve based on components of the proposed rate using the formula:

$$\text{Theoretical Reserve} = \text{Book Investment} - \text{Future Accruals} - \text{Future Net Salvage}$$

(l) Vintage – The year of placement of a group of plant items or investment under study.

(m) Whole Life Method – The method of calculating a depreciation rate based on the Whole Life (Average Service Life) and the Average Net Salvage. Both life and salvage components are the estimated or calculated composite of realized experience and expected activity. The formula is:

$$\text{Whole Life Rate} = \frac{100\% - \text{Average Net Salvage \%}}{\text{Average Service Life in Years}}$$

(2)(a) No utility shall change any existing depreciation rate or initiate any new depreciation rate without prior Commission approval.

(b) No utility shall reallocate accumulated depreciation reserves among any primary accounts and sub-accounts without prior Commission approval.

(c) When plant investment is booked as a transfer from a regulated utility depreciable account to another or from a regulated company to an affiliate, an appropriate reserve amount shall also be booked as a transfer. When plant investment is sold from one regulated utility to an affiliate, an appropriate associated reserve amount shall also be determined to calculate the net book value of the utility investment being sold. Appropriate methods for determining the appropriate reserve amount associated with plant transferred or sold are as follows:

1. Where vintage reserves are not maintained, synthesization using the currently prescribed curve shape may be required. The same reserve percent associated with the original placement vintage of the related investment shall then be used in determining the appropriate amount of reserve to transfer.

2. Where the original placement vintage of the investment being transferred is unknown, the reserve percent applicable to the account in which the investment being transferred resides may be assumed as appropriate for determining the reserve amount to transfer.

3. Where the age of the investment being transferred is known and a history of the prescribed depreciation rates is known, a reserve can be determined by multiplying the age times the investment times the applicable depreciation rate(s).

4. The Commission shall consider any additional methods submitted by the utilities for determining the appropriate reserve amounts to transfer.

(3)(a) Each utility shall maintain depreciation rates and accumulated depreciation reserves in accounts or subaccounts as prescribed by subsection 25-6.014(1), F.A.C. Utilities may maintain further sub-categorization.

(b) Upon establishing a new account or subaccount classification, each utility shall request Commission approval of a depreciation rate for the new plant category.

(4) A utility filing a depreciation study, regardless if a change in rates is being requested or not, shall submit to the Office of Commission Clerk ~~six~~<sup>fifteen</sup> copies of the information required by paragraphs (6)(a) through (f) and (h) of this rule and at least three copies of the information required by paragraph (6)(g).

(5) Upon Commission approval by order establishing an effective date, the utility shall reflect on its books and records the implementation of the proposed rates, subject to adjustment when final depreciation rates are approved.

(6) A depreciation study shall include:

(a) A comparison of current and proposed depreciation rates and components for each category of depreciable plant. Current rates shall be identified as to the effective date and proposed rates as to the proposed effective date.

(b) A comparison of annual depreciation expense as of the proposed effective date, resulting from current rates with those produced by the proposed rates for each category of

depreciable plant. The plant balances may involve estimates. Submitted data including plant and reserve balances or company planning involving estimates shall be brought to the effective date of the proposed rates.

(c) Each recovery and amortization schedule currently in effect should be included with any new filing showing total amount amortized, effective date, length of schedule, annual amount amortized and reason for the schedule.

(d) A comparison of the accumulated book reserve to the prospective theoretical reserve based on proposed rates and components for each category of depreciable plant to which depreciation rates are to be applied.

(e) A general narrative describing the service environment of the applicant company and the factors, e.g., growth, technology, physical conditions, necessitating a revision in rates.

(f) An explanation and justification for each study category of depreciable plant defining the specific factors that justify the life and salvage components and rates being proposed. Each explanation and justification shall include substantiating factors utilized by the utility in the design of depreciation rates for the specific category, e.g., company planning, growth, technology, physical conditions, trends. The explanation and justification shall discuss any proposed transfers of reserve between categories or accounts intended to correct deficient or surplus reserve balances. It should also state any statistical or mathematical methods of analysis or calculation used in design of the category rate.

(g) The filing shall contain all calculations, analysis and numerical basic data used in the design of the depreciation rate for each category of depreciable plant. Numerical data shall include plant activity (gross additions, adjustments, retirements, and plant balance at end of year) as well as reserve activity (retirements, accruals for depreciation expense, salvage, cost of

removal, adjustments, transfers and reclassifications and reserve balance at end of year) for each year of activity from the date of the last submitted study to the date of the present study. To the degree possible, data involving retirements should be aged.

(h) The mortality and salvage data used by the company in the depreciation rate design must agree with activity booked by the utility. Unusual transactions not included in life or salvage studies, e.g., sales or extraordinary retirements, must be specifically enumerated and explained.

(7)(a) Utilities shall provide calculations of depreciation rates using both the whole life method and the remaining life method. The use of these methods is required for all depreciable categories. Utilities may submit additional studies or methods for consideration by the Commission.

(b) The possibility of corrective reserve transfers shall be investigated by the Commission prior to changing depreciation rates.

(8)(a) Each company shall file a study for each category of depreciable property for Commission review at least once every four years from the submission date of the previous study unless otherwise required by the Commission.

(b) A utility proposing an effective date of the beginning of its fiscal year shall submit its depreciation study no later than the mid-point of that fiscal year.

(c) A utility proposing an effective date coinciding with the expected date of additional revenues initiated through a rate case proceeding shall submit its depreciation study no later than the filing date of its Minimum Filing Requirements.

(9) As part of the filing of the annual report pursuant to Rule 25-6.135, F.A.C., each utility shall include an annual status report. The report shall include booked plant activity (plant



balance at the beginning of the year, additions, adjustments, transfers, reclassifications, retirements and plant balance at year end) and reserve activity (reserve balance at the beginning of the year, retirements, accruals, salvage, cost of removal, adjustments, transfers, reclassifications and reserve balance at end of year) for each category of investment for which a depreciation rate, amortization, or capital recovery schedule has been approved. The report shall indicate for each category that:

(a) There has been no change of plans or utility experience requiring a revision of rates, amortization or capital recovery schedules; or

(b) There has been a change requiring a revision of rates, amortization or capital recovery schedules.

(10) For any category where current conditions indicate a need for revision of depreciation rates, amortization or capital recovery schedules and no revision is sought, the report shall explain why no revision is requested.

(a) Prior to the date of retirement of major installations, the Commission shall approve capital recovery schedules to correct associated calculated deficiencies where a utility demonstrates that (1) replacement of an installation or group of installations is prudent and (2) the associated investment will not be recovered by the time of retirement through the normal depreciation process.

(b) The Commission shall approve a special capital recovery schedule when an installation is designed for a specific purpose or for a limited duration.

(c) Associated plant and reserve activity, balances and the annual capital recovery schedule expense must be maintained as subsidiary records.

Specific Authority 350.127(2), 366.05(1) FS.

Law Implemented 350.115, 366.04(2)(f), 366.06(1) FS.

History--New 11-11-82, Amended 1-6-85, Formerly 25-6.436, Amended 4-27-88, 12-12-91, 12-11-00.

**25-7.045 Depreciation.**

(1) For the purpose of this part, the following definitions shall apply:

(a) Category or Category of Depreciable Plant – A grouping of plant for which a depreciation rate is prescribed. At a minimum it should include each plant account prescribed in Rule 25-7.046, F.A.C.

(b) Embedded Vintage – A vintage of plant in service as of the date of study or implementation of proposed rates.

(c) Mortality Data – Historical data by study category showing plant balances, additions, adjustments and retirements, used in analyses for life indications or for calculations of realized life. Preferably this is aged data in accord with the following:

1. The number of plant items or equivalent units (usually expressed in dollars) added each calendar year.

2. The number of plant items retired (usually expressed in dollars) each year and the distribution by years of placing of such retirements.

3. The net increase or decrease resulting from purchases, sales or adjustments and the distribution by years of placing of such amounts.

4. The number that remains in service (usually expressed in dollars) at the end of each year and the distribution by years of placing of such amounts.

(d) Remaining Life Method – The method of calculating a depreciation rate based on the

unrecovered plant balance, less average future net salvage and the average remaining life. The formula for calculating a Remaining Life Rate is:

$$\text{Remaining Life Rate} = \frac{100\% - \text{Reserve \%} - \text{Average Future Net Salvage \%}}{\text{Average Remaining Life in Years}}$$

(e) Reserve Data – Historical data by study category showing reserve balances, debits and credits, such as booked depreciation expense, salvage and cost of removal, and adjustments to the reserve utilized in monitoring reserve activity and position.

(f) Reserve Deficiency – An inadequacy in the reserve of a category as evidenced by a comparison of that reserve indicated as necessary under current projections of life and salvage with that reserve historically accrued. The latter figure may be available from the utility's records or may require retrospective calculation.

(g) Reserve Surplus – An excess in the reserve of a category as evidenced by a comparison of that reserve indicated as necessary under current projections of life and salvage with that reserve historically accrued. The latter figure may be available from the utility's records or may require retrospective calculation.

(h) Salvage Data – Historical data by study category showing bookings of retirements, gross salvage and cost of removal used in analysis of trends in gross salvage and cost of removal or for calculations of realized salvage.

(i) Theoretical Reserve or Prospective Theoretical Reserve – A calculated reserve based on components of the proposed rate using the formula:

$$\text{Theoretical Reserve} = \text{Book Investment} - \text{Future Accruals} - \text{Future Net Salvage.}$$

(j) Vintage – The year of placement of a group of plant items or investment under study.

(k) Whole Life Method – The method of calculating a depreciation rate based on the

Whole Life (Average Service Life) and the Average Net Salvage. Both life and salvage components are the estimated or calculated composite of realized experience and expected activity. The formula is:

$$\text{Whole Life Rate} = \frac{100\% - \text{Average Net Salvage \%}}{\text{Average Service Life in Years}}$$

(2)(a) No utility may change any existing depreciation rate or initiate any new depreciation rate without prior Commission approval.

(b) No utility may reallocate accumulated depreciation reserves among any primary accounts and sub-accounts without prior Commission approval.

(3)(a) Each utility shall maintain depreciation rates and accumulated depreciation reserves in accounts or subaccounts as prescribed by Rule 25-7.046, F.A.C. Utilities may maintain further sub-categorization.

(b) Upon establishing a new account or subaccount classification, each utility shall request Commission approval of a depreciation rate for the new plant category.

(4) A utility filing a depreciation study, regardless if a change in rates is being requested or not, shall submit to the Office of Commission Clerk office ~~six~~<sup>fifteen</sup> copies of the information required by paragraphs (6)(a) through (f) and (h) of this rule and at least three copies of the information required by paragraph (6)(g).

(5) Upon Commission approval by order establishing an effective date, the utility may reflect on its books and records the implementation of the proposed rates, subject to adjustment when final depreciation rates are approved.

(6) A depreciation study shall include:

(a) A comparison of current and proposed depreciation rates and components for each

category of depreciable plant. Current rates shall be identified as to the effective date and proposed rates as to the proposed effective date.

(b) A comparison of annual depreciation expense resulting from current rates with those produced by the proposed rates for each category of depreciable plant. The plant balances may involve estimates. Submitted data including plant and reserve balances or company planning involving estimates should be brought to the effective date of the proposed rates.

(c) Each recovery and amortization schedule currently in effect should be included with any new filing showing total amount amortized, effective date, length of schedule, annual amount amortized and reason for the schedule.

(d) A comparison of the accumulated book reserve to the prospective theoretical reserve based on proposed rates and components for each category of depreciable plant to which depreciation rates are to be applied.

(e) A general narrative describing the service environment of the applicant company and the factors, e.g., growth, technology, physical conditions, leading to the present application for a revision in rates.

(f) An explanation and justification for each study category of depreciable plant defining the specific factors that justify the life and salvage components and rates being proposed. Each explanation and justification shall include substantiating factors utilized by the utility in the design of the depreciation rates for the specific category, e.g., company planning, growth, technology, physical conditions, trends. The explanation and justification shall discuss any proposed transfers of reserve between categories or accounts intended to correct deficient or surplus reserve balances. It should also state any statistical or mathematical methods of analysis or calculation used in design of the category rate.

(g) The filing shall contain all calculations, analysis and numerical basic data used in the design of the depreciation rate for each category of depreciable plant. Numerical data shall include plant activity (gross additions, adjustments, retirements, and plant balance at end of year) as well as reserve activity (retirements, accruals for depreciation expense, salvage, cost of removal, adjustments, transfers and reclassifications and reserve balance at end of year) for each year of activity from the date of the last submitted study to the date of the present study. To the degree possible, data involving retirements should be aged.

(h) The mortality and salvage data used by the company in the depreciation rate design must agree with activity booked by the utility. Unusual transactions not included in life or salvage studies, e.g., sales or extraordinary retirements, must be specifically enumerated and explained.

(7)(a) Utilities shall provide calculations of depreciation rates using both the whole life and the remaining life method. The use of these methods is required for all depreciable categories. Utilities may submit additional studies or methods for consideration by the Commission.

(b) The possibility of corrective reserve transfers shall be investigated by the Commission prior to changing depreciation rates.

(8)(a) Each company shall file a study for each category of depreciable property for Commission review at least once every five years from the submission date of the previous study unless otherwise required by the Commission.

(b) A utility proposing an effective date of the beginning of its fiscal year shall submit its depreciation study no later than the mid-point of that fiscal year.

(c) A utility proposing an effective date coinciding with the expected date of additional

revenues initiated through a rate case proceeding shall submit its depreciation study no later than the filing date of its Minimum Filing Requirements.

(9) As part of the filing of the annual report under subsection 25-7.014(3), F.A.C., each utility shall include an annual status report. The report shall include booked plant activity (plant balance at the beginning of the year, additions, adjustments, transfers, reclassifications, retirements and plant balance at year end) and reserve activity (reserve balance at the beginning of the year, retirements, accruals, salvage, cost of removal, adjustments, transfers, reclassifications and reserve balance at end of year) for each category of investment for which a depreciation rate, amortization schedule, or capital recovery schedule has been approved. The report shall indicate for each category that:

(a) There has been no change of plans or utility experience requiring a revision of the rates, amortization, or capital recovery schedules; or

(b) There has been a change requiring a revision of rates, amortization, or capital recovery schedules. For any category where current conditions indicate a need for revision of depreciation rates, amortization, or capital recovery schedules and no revision is sought, the report shall explain why no revision is requested.

(10)(a) Prior to the date of retirement of major installations, the Commission may approve capital recovery schedules to correct associated calculated deficiencies where a utility demonstrates that (1) replacement of an installation or group of installations is prudent, and (2) the associated investment will not be recovered by the time of retirement through the normal depreciation process.

(b) The Commission may approve a special capital recovery schedule when an installation is designed for a specific purpose or for a limited duration.

(c) Associated plant and reserve activity, balances and the annual capital recovery schedule expense must be maintained as subsidiary records.

Specific Authority 350.127(2), 366.05(1) FS.

Law Implemented 350.115 FS.

History—New 11-11-82, Amended 1-6-85, Formerly 25-7.45, Amended 4-27-88, 12-12-91.

**25-24.470 Registration Required.**

(1) No person shall provide intrastate interexchange telephone service without first filing an initial tariff containing the rates, terms, and conditions of service and providing the company's current contact information with the Office of Commission Clerk.

(2) An original and ~~two(2)three (3)~~ copies of the company's initial tariff shall be filed. The tariff filing shall conform to the requirements of Rule 25-24.485, F.A.C.

(3) The company's contact information shall be provided using Form PSC/CMP 31 (08/05), entitled "IXC Registration Form" which is hereby incorporated into these rules. A copy of the form may be obtained from the Commission's website, at [www.floridapsc.com/utilities/telecomm/](http://www.floridapsc.com/utilities/telecomm/) or by contacting the Commission's Division of Competitive Markets and Enforcement.

(4) Each IXC shall file and update, within 10 days after any change, the following contact information with the Office of Commission Clerk:

(a) Official company name, including any fictitious names, as filed with the Department of State, Division of Corporations; and

(b) Mailing address, including street name and address and post office box, city, state, and zip code.



(c) Name, address, telephone number, and e-mail address and FAX number, where applicable, of the individual who is to serve as primary liaison with the Commission in regard to ongoing operations of the company within the state.

Specific Authority 350.127(2) FS.

Law Implemented 364.02, 364.04 FS.

History—New 2-23-87, Amended 8-25-05.

**25-24.511 Application for Certificate.**

(1) Any person desiring to provide pay telephone services must have a pay telephone service certificate.

(2) An applicant shall submit an application on Form PSC/CMP 32 (~~xx/xx+06~~), entitled “Application Form for Authority to Provide Pay Telephone Service Within the State of Florida,” which is incorporated into this rule by reference and may be obtained from the Commission’s website at [www.floridapsc.com/utilities/telecom/](http://www.floridapsc.com/utilities/telecom/) or from the Division of Competitive Markets and Enforcement. A non-refundable application fee of \$250.00 must accompany the filing of all applications.

(3) An original and one copy~~two copies~~ of the application shall be filed with the Office of Commission Clerk.

(4) Any pay telephone service authority previously granted or granted hereafter is subject to the following:

(a) Authority granted is statewide.

(b) Authority is to provide both local and intrastate toll pay telephone service. A certificate to provide pay telephone service does not carry with it the authority to provide local exchange or interexchange service. A separate application must be made for such authority.

Specific Authority 350.127(2) FS.

Law Implemented 364.32, 364.33, 364.335, 364.337, 364.3375, 364.345 FS.

History—New 1-5-87, Amended 9-28-89, 4-7-91, 11-20-91, 12-21-92, 2-1-99, 1-5-06.

**25-24.512 Application for Approval of Sale, Assignment or Transfer of Certificate.**

(1) Certificates of public convenience and necessity authorizing pay telephone service shall not be sold, assigned or transferred by the holder without prior Commission approval.

(2) A person seeking to obtain a certificate by sale, assignment or transfer from the holder shall submit an application jointly with the certificate holder on Commission Form PSC/CMP 32 (~~xx/xx1/06~~), entitled “Application Form for Authority to Provide Pay Telephone Service Within the State of Florida”. The application form may be obtained from the Commission’s website at [www.floridapsc.com/utilities/telecomm/](http://www.floridapsc.com/utilities/telecomm/) or from the Division of Competitive Markets and Enforcement. A nonrefundable application fee of \$250.00 must accompany the filing of all applications to cover processing costs. The Commission’s acceptance of the application fee does not imply that the application for sale, assignment or transfer of a certificate will be granted.

(3) An original and ~~one copy~~ two copies of the application shall be filed with the Office of Commission Clerk.

(4) An application for sale, assignment or transfer of a certificate will be granted if the Commission determines that such approval is in the public interest.

(5) A certificate may be sold, assigned or transferred only as a whole.

Specific Authority 350.127(2) FS.

Law Implemented 364.32, 364.33, 364.335, 364.337, 364.3375, 364.345 FS.

History—New 1-5-87, Amended 5-15-89, 1-5-06.

**25-24.567 Application for Certificate.**

(1) An applicant desiring to provide shared tenant service shall submit an application on Commission Form PSC/CMP 37 (~~xx/xx1/06~~), which is incorporated into this rule by reference. Form PSC/CMP 37 (~~xx/xx1/06~~), entitled "Application Form for Authority to Provide Shared Tenant Service Within the State of Florida," may be obtained from the Commission's website at [www.floridapsc.com/utilities/telecomm/](http://www.floridapsc.com/utilities/telecomm/) or by contacting the Commission's Division of Competitive Markets and Enforcement. A non-refundable application fee of \$250.00 must accompany the filing of all applications.

(2) An original and ~~one copy~~~~two copies~~ of the application shall be filed with the Office of Commission Clerk.

(3) A certificate will be granted if the Commission determines that such approval is in the public interest.

(4) Any shared tenant service authority granted hereafter is subject to the following:

(a) Shared tenant authority granted to all companies is on a statewide basis and is restricted to tenants as defined in subsection 25-24.560(10), F.A.C.

(b) Each shared tenant service applicant shall:

1. Advise all customers of its current rates and conditions for resold local exchange service and its quality of service standards.

2. Inform each customer in advance of agreement to provide service, that the Florida Public Service Commission will not set rates or regulate the service quality standards.

(c) A certificate to provide shared tenant service does not carry with it the authority to provide competitive local exchange telecommunication, alternative access vendor, interexchange or pay telephone service. A separate application must be made for such authority.

Specific Authority 350.127(2) FS.

Law Implemented 364.33, 364.335, 364.339, 364.345 FS.

History—New 1-28-91, Amended 5-8-91, 11-20-91, 7-29-97, 1-5-06.

**25-24.569 Application for Approval of Sale, Assignment or Transfer of Certificate.**

(1) A company desiring to obtain a certificate by sale, assignment or transfer from the holder thereof shall submit an application jointly with the certificate holder on Commission Form PSC/CMP 37 (~~xx/xx1/06~~), which is incorporated into this rule by reference. Form PSC/CMP 37 (~~xx/xx1/06~~) is entitled “Application Form for Authority to Provide Shared Tenant Service Within the State of Florida.” The application form may be obtained from the Commission’s website at [www.floridapsc.com/utilities/telecomm/](http://www.floridapsc.com/utilities/telecomm/) or by contacting the Commission’s Division of Competitive Markets and Enforcement. A nonrefundable application fee of \$250.00 must accompany each application. The Commission’s acceptance of the application fee does not imply that the application for sale, assignment or transfer of a certificate will be granted.

(2) An original and ~~one copy~~~~two copies~~ of the application shall be filed with the Office of Commission Clerk.

(3) An application for sale, assignment or transfer of a certificate will be granted if the Commission determines that such approval is in the public interest.

(4) A certificate may be sold, assigned or transferred only as a whole.

Specific Authority 350.127(2) FS.

Law Implemented 364.32, 364.33, 364.335, 364.337, 364.339, 364.345 FS.

History—New 1-28-91, Amended 11-20-91, 7-29-97, 1-5-06.

**25-24.720 Application for Certificate.**

(1) An applicant seeking to provide Alternative Access Vendor service shall submit an

application on Commission Form PSC/CMP 43 (~~xx/xx1/06~~), entitled “Application Form for Authority to Provide Alternative Access Vendor Service within the State of Florida,” which is incorporated into this rule by reference. The form may be obtained from the Commission’s website at [www.floridapsc.com/utilities/telecomm/](http://www.floridapsc.com/utilities/telecomm/) or by contacting the Division of Competitive Markets and Enforcement. A nonrefundable application fee of \$250.00 must accompany each application to cover processing costs. The Commission’s acceptance of the application fee does not imply that a certificate will be granted.

(2) An original and ~~one copy~~~~two copies~~ of the application shall be filed with the Office of Commission Clerk.

(3) A certificate will be granted if the Commission determines that such approval is in the public interest.

Specific Authority 350.127(2) FS.

Law Implemented 364.33, 364.335, 364.337, 364.345 FS.

History—New 1-8-95, Amended 1-5-06.

### **25-24.730 Application for Approval of Sale, Assignment, or Transfer of Certificate.**

(1) A person seeking to obtain a certificate by sale, assignment or transfer from the holder shall submit an application jointly with the certificate holder on Commission Form PSC/CMP 43 (~~xx/xx1/06~~) (entitled “Application Form for Authority to Provide Alternative Access Vendor Service within the State of Florida”). The application form may be obtained from the Commission’s website at [www.floridapsc.com/utilities/telecomm/](http://www.floridapsc.com/utilities/telecomm/) or the Division of Competitive Markets and Enforcement. A nonrefundable application fee of \$250.00 must accompany each application to cover processing costs. The Commission’s acceptance of the application fee does not imply that the application for sale, assignment or transfer of a certificate will be granted.

(2) An original and ~~one copy~~~~two copies~~ of the application shall be filed with the Office of Commission Clerk.

(3) An application for sale, assignment or transfer of a certificate will be granted if the Commission determines that such approval is in the public interest.

(4) A certificate may be sold, assigned or transferred only as a whole.

Specific Authority 350.127(2) FS.

Law Implemented 364.32, 364.33, 364.335, 364.337, 364.345 FS.

History—New 1-8-95, Amended 1-5-06.

**25-24.810 Application for Certificate.**

(1) An applicant for a certificate shall submit an application on Form PSC/CMP 8-T (~~xx/xx1/06~~), which is incorporated into this rule by reference. Form PSC/CMP 8-T (~~xx/xx1/06~~), entitled “Application Form for Authority to Provide Competitive Local Exchange Service Within the State of Florida”, may be obtained from the Commission’s website at [www.floridapsc.com/utilities/telecomm/](http://www.floridapsc.com/utilities/telecomm/) or by contacting the Commission’s Division of Competitive Markets and Enforcement. A non-refundable application fee of \$400.00 must accompany the filing of each application.

(2) An original and ~~one copy~~~~two copies~~ of the application shall be filed with the Office of Commission Clerk.

Specific Authority 350.127(2) FS.

Law Implemented 364.335 FS.

History—New 12-27-95, Amended 1-5-06.

**25-24.815 Application for Approval of Sale, Assignment or Transfer of Certificate.**

(1) A person obtaining a certificate by sale, assignment or transfer from the holder

thereof shall submit jointly with the certificate holder an application on Form PSC/CMP 8-T (~~xx/xx1/06~~), which is incorporated into this rule by reference. Form PSC/CMP 8-T (~~xx/xx1/06~~), entitled "Application Form for Authority to Provide Competitive Local Exchange Service Within the State of Florida", may be obtained from the Commission's website at [www.floridapsc.com/utilities/telecomm/](http://www.floridapsc.com/utilities/telecomm/) or by contacting the Commission's Division of Competitive Markets and Enforcement. A non-refundable application fee of \$400.00 must accompany the filing of each application.

(2) An original and ~~one copy~~~~two copies~~ of the application shall be filed with the Office of Commission Clerk.

(3) An application for sale, assignment or transfer of a certificate will be granted if the Commission determines that such approval is in the public interest.

(4) A certificate may be sold, assigned or transferred only as a whole.

(5) In the case of sale, assignment or transfer where the assignor and assignee or transferor or transferee are all currently certificated by the Commission and there are no pending actions against them, a sale, assignment or transfer shall be considered effective upon filing. Any party protesting the sale, assignment or transfer shall be required to prove why the sale, assignment or transfer is not in the public interest.

Specific Authority 350.127(2) FS.

Law Implemented 364.335, 364.345(2) FS.

History—New 12-27-95, Amended 1-5-06.

### **25-30.032 Applications.**

(1) Each utility subject to regulation by the Commission shall apply for an initial

certificate of authorization, amendment to an existing certificate of authorization, transfer, or name change by filing a completed application and ~~six~~<sup>12</sup> copies, in accordance with either Rule 25-30.033, 25-30.034, 25-30.035, 25-30.036, subsection 25-30.037(1) or (2), or Rule 25-30.039, F.A.C. However, a utility shall apply for a transfer to a governmental authority by filing a completed application and two copies, in accordance with subsections 25-30.037(3) and (4), F.A.C. The application shall be filed with the ~~Director~~, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850. Sample application forms may be obtained from the Division of Economic Regulation, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.

(2) A utility may file combined applications if it is applying for certificates of authorization or any amendments thereto for both water and wastewater systems; however, the utility shall remit a separate application fee for each service. The Commission will treat a combined application as if a separate application had been filed for each service.

(3) The official filing date of an application for an original certificate, any amendment to an existing certificate, or any transfer shall be the date a completed application is filed with the Office of Commission Clerk, except that the noticing requirements set forth in Rule 25-30.030, F.A.C., do not need to be completed at that time. If, however, the utility has not completed the noticing within the time limits prescribed by Rule 25-30.030, F.A.C., the official filing date shall be the date the noticing is complete.

Specific Authority 350.127(2), 367.121 FS.

Law Implemented 367.031, 367.045, 367.071, 367.083 FS.

History—New 1-27-91, Amended 11-30-93.



**25-30.140 Depreciation.**

(1) For the purpose of the rule, the following definitions apply:

(a) Account – Water and wastewater plant accounts are defined in the NARUC Uniform System of Accounts adopted by Rule 25-30.115, F.A.C.

(b) Amortization – The gradual extinguishment of an amount in an account by distributing such amount over a fixed period.

(c) Asset – Any owned physical object (tangible) or right (intangible) having economic value to its owner.

(d) Average Remaining Life – The future expected service in years of the surviving plant at a given age.

(e) Average Service Life – The period of service that can be reasonably expected from the plant type in question. It is measured by the period of time the subject plant and its associated investment is included on the company's books as in service to the public. The average service life will typically be less than the potential physical life due to factors such as governmental requirements, growth or adverse operating conditions.

(f) Average Service Life Depreciation Rate - The depreciation rate based on the expected average service to be experienced by the investment or account in question.

$$\text{A.S.L. Rate} = \frac{100\% - \text{Average Net Salvage \%}}{\text{Average Service Life}}$$

(g) Capitalization – Measures of the propriety of capitalization versus expensing as follows:

1. The addition of any retirement unit, or
2. Any replacement with a retirement unit that materially enhances the value, use, life

expectancy, strength or capacity of the asset prior to replacement shall be capitalized.

3. The cost of incidental repairs that neither materially add to the value of the property nor appreciably prolong its life and that were made to keep the property in an ordinary efficient operating condition shall be accounted for as a maintenance expense.

(h) Cost of removal – The cost of demolishing, dismantling, tearing down or otherwise removing utility plant, including the cost of transportation and handling incidental thereto.

(i) Continuing Property Record (CPR) – A perpetual collection of records required by the NARUC Uniform System of Accounts showing the detailed original costs, quantities, and locations of plant in service. Generally, a CPR should contain 1) an inventory of property record units which can be readily checked for proof of physical existence, 2) the association of costs with such property record units to ensure accurate accounting for retirements, and 3) the dates of installation and removal of plant to provide data for use in connection with depreciation studies.

(j) Depreciation – As applied to depreciable utility plant, the loss in service value not restored by current maintenance incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes that are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities. The intent of depreciation per this rule is to provide for recovery of invested capital and to match this recovery as nearly as possible to the useful life of the depreciable investment.

(k) Depreciation Accounting – The process of charging the book cost of depreciable property, adjusted for net salvage, to operations over the associated useful life.

(l) Depreciation Expense – The periodic charge to expense to allocate the original cost of

a depreciable group of assets over the life of those assets.

(m) Depreciable Group – A homogeneous grouping of assets expected to experience similar life and salvage patterns. Unless otherwise ordered by the Commission, depreciable groups are the accounts defined in the NARUC Uniform System of Accounts adopted by Rule 25-30.115, F.A.C.

(n) Function – defined as follows:

Water	Wastewater
Source of Supply (Accounts 304 to 311 and 339)	Collection Plant (Accounts 354, 355 and 360 to 367)
	Pumping Plant (Accounts 354, 355, 370, 371)
Water Treatment Plant (Accounts 304, 310, 311, 320, and 339)	Treatment & Disposal Plant (Accounts 354 and 380 to 389)
	Reclaimed Water Treatment Plant (Accounts 354, 355, 371, 374, 380, 381, 389)
Transmission & Distribution Plant (Accounts 304, 310, 311 and 330 to 339)	Reclaimed Water Distribution Plant
General Plant (Accounts 304 and 340 to 348)	(Accounts 354, 355, 366, 367, 371, 375, 389)
	General Plant (Accounts 354 and 390 to 398)

(o) Group Depreciation – An accounting procedure under which depreciation charges are accrued on the basis of the original cost of all property included in each depreciable group. Under the group concept, no attempt is made to keep track of the accumulated provision for

depreciation applicable to individual assets of property, in view of the many items making up a utility system. The group approach recognizes that some assets within the group may live longer or shorter than the average life of the group but the group is expected to live the average service life. Every item in the group is assumed to be fully depreciated at retirement.

(p) Mortality Data – See plant activity data.

(q) Net Salvage – The salvage value of property retired less the cost of removal. This is expressed as a percent of retirements in the depreciation rate formula.

(r) Original Cost – The cost of acquiring an asset and placing it into service for first utility use. This includes the direct costs of acquiring the asset and the cost of labor, materials, and associated costs of installation to prepare the asset for first utility use. The cost is used in the computation of depreciation expense. In the event that an asset is acquired that is already in public service, the original historic cost of the asset should be recorded in plant in service, and the historic accumulated depreciation should be charged to the accumulated depreciation account. In the event the historic cost of an asset that is already in utility service cannot be determined, an independent engineer's evaluation based on an original cost study may be used.

(s) Plant Activity Data – Annual additions, retirements, adjustments or transfers, sales or purchases, and investment balances at end of year.

(t) Property Retired – As applied to utility plant, property that has been removed, sold, abandoned, destroyed or which has been withdrawn from service for any cause.

(u) Remaining Life Depreciation Rate – The depreciation rate based on the average remaining portion of the service life expected to be experienced by the investment or account in question and on the net unrecovered capital for that investment or account.

$$\text{R.L. Rate} = \frac{100\% - \text{Accumulated Reserve \%} - \text{Future Net Salvage \%}}{\text{Average Remaining Life}}$$

The average remaining life for an account or sub-account is a function of known planned retirement or of the average age of that account and its appropriate mortality table.

(v) Replacing or Replacement – The construction or installation of utility plant in place of property retired, together with the removal of the property retired.

(w) Reserve – The accumulated provision for depreciation. The accumulated depreciation reserve is the net of depreciation accruals (expenses) and retired investment with related gross salvage and cost of removal as well as any appropriate adjustments or transfers.

(x) Reserve Activity Data – Annual depreciation expense, retirements, transfers or adjustments, gross salvage realized, cost of removal, and end of year balance for the accumulated provision for depreciation.

(y) Retirement Units – Those items of utility plant which, when retired with or without replacement, are accounted for by crediting the book cost to the utility plant account in which it is included.

(z) Salvage Value – The amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale or, if retained, the amount at which the material recoverable is chargeable to materials and supplies or other appropriate account.

(aa) Straight-Line Method – A depreciation method by which the service value of a depreciable group is charged to depreciation expense (or a clearing account) and credited to the accumulated provision for depreciation account through equal annual charges over the service life of the group.

(bb) Unit Depreciation – An accounting procedure under which the original cost,

depreciation expense, and accumulated provision for depreciation, and all associated activity are maintained for each individual asset. Service life and salvage parameters are estimated for each individual asset with a depreciation rate designed to recover each asset’s original cost over its related life. If the asset lives longer than its expected life, depreciation expense stops accruing when the asset is fully recovered. If the asset retires earlier than its expected service life, the associated unrecovered amount is immediately written-off as a loss.

(cc) Unrecovered Amount – Original cost less the accumulated provision for depreciation less expected net salvage.

(2) The average service life and salvage components for each class of utility are as follows:

(a) Water System Guideline Average Service Lives.

Account	Description	Large	Small	Small	Net Salvage % <sup>4</sup>
		Utility (Class A&B)	Utility (Class C)	Utility (Class Composite <sup>3</sup> )	
1. Intangible Plant					
351	Organization	40	40		
352	Franchise Cost	40 <sup>5</sup>	40 <sup>5</sup>		
2. Source of Supply					
304	Structures & Improvements	32 <sup>1</sup>	27 <sup>1</sup>	28	
	Wood	28	25		
	Masonry	30	27		
	Reinforced Concrete	40	37		

	Steel Building	40	35
	Tanks or Sheds	25	20
	Fiberglass	20	18
305	Collecting and Impounding	50	40
	Reservoirs		
306	Lake, River and Other Intakes	40	40
307	Wells and Springs		
	Drilled & Cased Well	30	27
	(Floridian or Non-Corrosive)		
	Shallow Well (Sand	20	18
	Aquifer or Corrosive		
	Water)		
308	Infiltration Galleries		
	and Tunnels	40	N/A
309	Supply Mains	35	32
310	Power Generation Equipment	20	17
311	Pumping Equipment	20 <sup>1</sup>	17 <sup>1</sup>
	Pumping Equipment Electric	20	15
	Pumping Equipment Chemical	8	6
339	Other Miscellaneous Equipment	18	15
3. Water Treatment Plant			21
304	Structures and		
	Improvements (see		

	“Source of Supply”		
	for subcategory lives)	32 <sup>1</sup>	27 <sup>1</sup>
310	Power Generation Equipment	20	17
311	Pumping Equipment	20 <sup>1</sup>	17 <sup>1</sup>
	Pumping Equipment-Electric	20	15
	Pumping Equipment-Chemical	8	6
320	Water Treatment Equipment	22 <sup>1</sup>	17 <sup>1</sup>
	Chlorination Equipment	10	7
	Membrane Elements	5	5
	Other Mechanical Equipment	25	20
339	Other Miscellaneous Equipment	18	15
4. Transmission & Distribution Plant			36
304	Structures & Improvements (See “Source of Supply” for subcategory lives)	32 <sup>1</sup>	27 <sup>1</sup>
310	Power Generation Equipment	20	17
311	Pumping Equipment	20 <sup>1</sup>	17 <sup>1</sup>
	Pumping Equipment – Electric	20	15
	Pumping Equipment – Chemical	8	6
330	Distribution Reservoirs & Stand		



	Pipes	37 <sup>1</sup>	33 <sup>1</sup>
	Steel Pneumatic Tank	35	30
	Concrete Ground		
	Storage Reservoir	40	37
331	Transmission & Distribution	43 <sup>1</sup>	38 <sup>1</sup>
	Mains		
	Galvanized Steel pipe		
	& Fittings	35	33
	Black Steel Pipe	20	18
	Plastic Pipe <sup>2</sup>	45	40
	Asbestos – Cement	40	35
	Cast Iron or Ductile Iron	40	35
	Valves & Valve Boxes	25	20
	Fire Mains	33	30
333	Services <sup>2</sup>	40	35
334	Meters and Meter Installations	20	17
335	Hydrants	45	40
336	Backflow Prevention Devices	15	10
339	Other Plant and Miscellaneous		
	Equipment	25	20
5. General Plant			
304	Structures & Improvements	40 <sup>1</sup>	35 <sup>1</sup>
	Wood Building	35	30

	Masonry Building	40	35	
	Reinforced Concrete Building	40	37	
	Steel Building	40	35	
	Tanks or Sheds	25	20	
340	Office Furniture & Equipment	15	15	
	Computers	6	6	
341	Transportation Equipment	6	6	10
342	Stores Equipment	18	N/A	14 (composite of 342-348)
343	Tools, Shop & Garage Equipment	16	15	
344	Laboratory Equipment	15	N/A	
345	Power Operated Equipment	12	10	5
346	Communication Equipment	10	N/A	10
347	Miscellaneous Equipment	15	N/A	
348	Other Tangible Plant	10	10	

(b) Wastewater System Guideline Average Services Lives.

Account	Description	Large Utility (Class A&B)	Small Utility (Class C)	Small Utility Function Composite <sup>3</sup>	Net Salvage % <sup>4</sup>
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1. Intangible Plant

351	Organization	40	40	
352	Franchise Cost	40 <sup>5</sup>	40 <sup>5</sup>	
2. Collection System				35
354	Structures & Improvements Above Grade	32 <sup>1</sup>	27 <sup>1</sup>	
	Wood	28	25	
	Masonry	30	27	
	Reinforced Concrete	38	35	
	Steel Below Grade	25	22	
	Concrete	35	32	
	Steel	22	20	
	Lift Stations	25	22	
355	Power Generation Equipment	20	17	
360	Collection Sewers-Force <sup>2</sup>	30 <sup>1</sup>	27 <sup>1</sup>	
361	Collection Sewers-Gravity <sup>2</sup>	45	40	
	Manholes	30	27	
362	Special Collecting Structures	40	37	
363	Services to Customers <sup>2</sup>	38	35	
364	Flow Measuring Devices	5	5	
365	Flow Measuring Installations	38	35	
389	Other Miscellaneous Equipment	18	15	

3. Pumping Plant			18
354	Structures & Improvements	32 <sup>1</sup>	27 <sup>1</sup>
355	Power Generating Equipment	20	17
370	Receiving Wells	30	25
371	Pumping Equipment	18	15
	Pumping Equipment – Electric	18	15
	Pumping Equipment – Chemical	7	5
389	Other Miscellaneous Equipment	18	15
4. Treatment and Disposal Plant			18
354	Structures & Improvements (see “Collection System” for subcategory lives)	32 <sup>1</sup>	27 <sup>1</sup>
355	Power Generating Equipment	20	17
371	Pumping Equipment	18 <sup>1</sup>	15 <sup>1</sup>
	Pumping Equipment – Electric	18	15
	Pumping Equipment – Chemical	7	5
380	Treatment & Disposal Equipment Blowers, Motors, Pumps Electric Controls Chlorination Equipment	18 <sup>1</sup>	15 <sup>1</sup>
		15	12
		10	7

	Other Mechanical Equipment	23	18	
381	Plant Sewers	35	32	
382	Outfall Sewer Lines	30	30	
389	Other Plant and Miscellaneous			
	Equipment	18	15	
5. Reclaimed Water				21
Treatment Plant				
354	Structures & Improvements (see “Collection System” for subcategory lives)	32 <sup>1</sup>	27 <sup>1</sup>	
355	Power Generating Equipment	20	17	
371	Pumping Equipment	18 <sup>1</sup>	15 <sup>1</sup>	
	Pumping Equipment – Electric	18	15	
	Pumping Equipment – Chemical	7	5	
374	Reuse Distribution			
	Reservoirs	37 <sup>1</sup>	33 <sup>1</sup>	
	Steel Pneumatic Tank	35	30	
	Concrete Ground Storage	40	37	
	Reservoir			
380	Treatment & Disposal Equipment	18 <sup>1</sup>	15 <sup>1</sup>	
	Blowers, Motors, Pumps, Electric	15	12	
	Controls			
	Chlorination Equipment	10	7	

	Other Mechanical Equipment	23	18
381	Plant Sewers	35	32
389	Other Plant and Miscellaneous Equipment	18	15
6. Reclaimed Water			36
Distribution Plant			
354	Structures & Improvements (see “Collection System” for subcategory lives)	32 <sup>1</sup>	27 <sup>1</sup>
355	Power Generating Equipment	20	17
366	Reuse Services	40	35
367	Reuse Meters and Meter Installation	20	17
371	Pumping Equipment	18 <sup>1</sup>	15 <sup>1</sup>
	Pumping Equipment – Electric	18 <sup>1</sup>	15
	Pumping Equipment – Chemical	7	5
375	Reuse Transmission & Distribution System	43 <sup>1</sup>	38 <sup>1</sup>
	Plastic Pipe <sup>2</sup>	45	40
	Valves & Valve Boxes	25	20
	Fire Mains	33	30
389	Other Plant and Miscellaneous Equipment	18	15

7. General Plant

354	Structures & Improvements	40 <sup>1</sup>	35 <sup>1</sup>	
	Reinforced Concrete Building	45	40	
	Masonry Building	40	35	
	Wood Building	35	30	
	Steel Building	40	35	
	Tanks or Sheds	25	20	
390	Office Furniture & Equipment	15	15	
	Computers	6	6	
391	Transportation Equipment	6	6	10
392	Stores Equipment	18	N/A	14 (composite of 392-398)
393	Tools, Shop & Garage Equipment	16	15	
394	Laboratory Equipment	15	N/A	
395	Power Operated Equipment	12	10	5
396	Communication Equipment	10	N/A	10
397	Miscellaneous Equipment	15	N/A	
398	Other Tangible Plant	10	10	

(c) For the purposes of paragraphs (2)(a) and (b), the following apply:

1. <sup>1</sup> Denotes composite life.

2. <sup>2</sup> Plastic pipe footnote – assumes use of AWWA standard pipe only. Assumes AWWA

DR18 used for all mains of 6" or more.

3. <sup>3</sup> To be used only when acceptable company plant balances are not available for developing composites using account lives.

4. <sup>4</sup> Net Salvage zero except as indicated.

5. <sup>5</sup> Franchise costs shall be amortized over a period of 40 years unless a specific time period is designated in the utility franchise agreement.

(3)(a) Average service life depreciation rates based on guideline lives and salvages shall be used in any Commission proceeding in which depreciation rates are addressed, except for those utilities using depreciation rates in accordance with the requirements listed in subsections (6) and (7) of this rule. A utility shall also implement the applicable guideline rates for any new plant to be placed in service.

(b) A utility may implement applicable guideline rates without specific approval by the Commission. Guideline rates, if implemented for any account, must be implemented for all accounts. If a utility implements applicable guideline rates outside of a rate proceeding, the utility shall provide written notification to the Director of Economic Regulation within 30 days of such implementation.

(c) If guideline depreciation rates have been implemented, the rates shall not be changed unless approved by the Commission.

(4)(a) All Class A and B utilities shall maintain depreciation rates and reserve activity data by account as prescribed by this Commission.

(b) All Class C utilities shall maintain depreciation rates and reserve activity data by total depreciable plant, function or account as prescribed by this Commission.

(5) Computation of depreciation expense. Regulatory book depreciation expense shall be



computed on a monthly basis in conformity with group depreciation accounting procedures.

(6)(a) At the time a utility applies for a change in its revenue rates and charges, it may also petition for average service life depreciation rates different from those in the above schedule if it can justify the service lives that the utility is proposing in lieu of the guideline lives. That justification should be in the form of historic data, technical information or utility planning for the affected accounts or sub-accounts. Common causes of need for different depreciation rates include composition of account, adverse environmental conditions, high growth or regulatory changes.

(b) A utility filing for such a revision of depreciation rates shall submit ~~sixteen~~ sixteen copies of the filing to the office of the Office of Commission Clerk.

(c) For each account or function of depreciable plant addressed in the filing, the following shall be included:

1. A comparison of current and proposed depreciation rates and service lives. The proposed effective date of the new rates shall be identified.

2. A comparison of depreciation expenses resulting from current rates with those produced by the proposed rates. Plant balances used in this calculation shall be those as of the effective date of the proposed rates.

3. A general narrative defining the service environment of the applicant utility and the factors (e.g., composition of account, growth, environmental conditions, regulatory changes) leading to the present application for a revision in rates in the affected accounts.

4. Any statistics, data, analyses or calculations used in the development of the proposed average service lives.

(7)(a) A Class A, B, or C utility may apply for guidelines for a proposal for

implementation of remaining life depreciation rates if the utility has maintained both plant activity data by account and accumulated provision for depreciation (reserve) data by account, function or total depreciable plant generally in accord with the Uniform System of Accounts for either at least ten years or since the inception of the utility, whichever is less.

(b) To provide time for study development, any application for remaining life guidelines should be submitted at least six months before the filing for a test year in connection with a request for a revenue rate increase.

(8) Prior to the date of retirement of major installations, the Commission may approve capital recovery schedules to correct associated calculated deficiencies in recovery where a utility demonstrates that retirement of the installation or group of installations is prudent and the associated investment will not be recovered by the time of retirement through the normal depreciation process.

(9)(a) Beginning with the year ending December 31, 2003, all Class A and B utilities shall maintain separate sub-accounts for: (1) each type of Contributions-in-Aid-of-Construction (CIAC) charge collected including, but not limited to, plant capacity, meter installation, main extension or system capacity; (2) contributed plant; (3) contributed lines; and (4) other contributed plant not mentioned previously. Establishing balances for each new sub-account may require an allocation based upon historical balances. Each CIAC sub-account shall be amortized in the same manner that the related contributed plant is depreciated. Separate sub-accounts for accumulated amortization of CIAC shall be maintained to correspond to each sub-account for CIAC.

(b) Beginning with the year ending December 31, 2003, for Class C utilities, where adequate CIAC records are maintained in sub-accounts, by type of charge or contributed plant,

CIAC amortization rates shall be applied separately to each sub-account. Where CIAC records are not kept by sub-account, a composite depreciation rate for total plant, excluding general plant, shall be applied to the entire CIAC account.

(c) Any composite rate used shall be recalculated each year based on the applicable plant balances and depreciation rates.

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

Law Implemented 350.115, 367.081(2), 367.121(1) FS.

History—New 3-22-84, Formerly 25-10.32, 25-10.032, Amended 11-10-86, 5-8-88, 11-21-95, 12-4-03.

**25-30.565 Application for Approval of New or Revised Service Availability Policy or Charges.**

(1) Each application for a service availability policy or charges shall be filed in original and ~~six~~<sup>12</sup> copies.

(2) Upon filing an application for a new or revised service availability charge or policy, the utility shall provide notice pursuant to Rule 25-30.4345, F.A.C.

(3) A filing fee as required in Rule 25-30.020, F.A.C., shall be submitted at the time of application.

(4) Each application shall include the following, if applicable:

(a) A statement describing how the notice provisions have been complied with, including a copy of the actual notice(s).

(b) The name of the applicant, the applicant's principal place of business and each local office from which company operations are conducted. The applicant's name shall be as it appears on the certificate issued by the Commission if one has been issued.

(c) The number of the Commission order, if any, which previously considered the charges or service availability policy for the system involved.

(d) A statement explaining the basis for the requested changes in charges and conditions.

(e) A schedule showing the original cost of any existing treatment plants, the water transmission and distribution system, and the sewage collection system, by Uniform System of Accounting account numbers as required by Rule 25-30.115, F.A.C., and the related capacity of each system as of 90 days prior to application.

(f) A detailed statement of accumulated depreciation for the plant listed in paragraph (e) above as of 90 days prior to application.

(g) A schedule showing the number of active customers on line 90 days prior to the time of application by meter size, by customer class, and the related equivalent residential connections (ERC) as defined in subsection 25-30.515(8), F.A.C. Describe the method by which an ERC is defined.

(h) A detailed statement defining the capacity of the treatment facilities in terms of ERCs as used in developing the proposed service availability charges.

(i) A detailed statement defining the capacity of the distribution or collection system in terms of ERCs as used in developing the proposed service availability charges.

(j) Provide a list of outstanding developer agreements.

(k) For each developer agreement state whether the agreement is designed to result in contributed property, other than the approved system capacity charge, within the next 24 months; an estimate of the value of the contributed property to be added to the utility's books; and a description of the property.

(l) A schedule showing total collections of contributions-in-aid-of-construction (CIAC)

as of 90 days prior to the date of application. Detail any prepaid CIAC by amount, the related reserved ERCs, and the anticipated connection date. Reference any appropriate developer agreements.

(m) A detailed statement of accumulated amortization of CIAC as listed in (l) above as of 90 days prior to application.

(n) Copies of approvals or permits for construction and operation of treatment facilities.

(o) A detailed statement by a registered professional engineer showing the cost, by Uniform System of Accounting account numbers, and capacity of proposed plant expansion, and a timetable showing projected construction time.

(p) A detailed statement by a registered professional engineer showing how the proposed construction will affect the capacity of the existing systems.

(q) If the expansion or plant upgrading is being undertaken to comply with the mandates of local, state or federal regulatory authorities, copies of the order(s) or correspondence directing the expansion or upgrading.

(r) A schedule showing the projected growth rate for utilization of the existing plant and line capacity and future plant and line capacity.

(s) A summary schedule of how the proposed service availability charge was calculated.

(t) A schedule showing, by meter size, the cost of meters, connecting fittings, meter boxes or enclosures and also showing sufficient data on labor and any other applicable costs to allow the determination of an average cost for meter installation by type.

(u) A statement of the existing and proposed on-site and off-site main installation charges or policy.

(v) The company's present capital structure, including the cost of debt in the present

capitalization. The availability and cost of other sources of financing the proposed expansion or upgrading of the system also shall be given.

(w) An original and three copies of the proposed tariff sheets.

(5) Upon filing of the application and supporting exhibits, the utility shall place copies thereof at its local office of the utility serving the area affected by the charges and conditions, and such copies shall be made available for public inspection.

(6) Each utility shall demonstrate the appropriateness of the requested service availability charges and conditions.

Specific Authority 367.121(1), 367.101 FS.

Law Implemented 367.101 FS.

History—New 6-14-83, Amended 11-10-86, 11-30-93.