

STATE OF FLORIDA

Commissioners:
JOE GARCIA, CHAIRMAN
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DIVISION OF APPEALS
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ORIGINAL

Public Service Commission
January 4, 2000

RECEIVED-FPSC
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RECORDS AND REPORTING

Mr. Carroll Webb
Joint Administrative Procedures
Committee
Room 120 Holland Building
Tallahassee, Florida 32399

Re: DOCKET NO. 980569-PU - PROPOSED AMENDMENTS TO RULE 25-4.141, MINIMUM FILING REQUIREMENTS FOR RATE OF RETURN REGULATED LOCAL EXCHANGE COMPANIES; COMMISSION DESIGNEE; 25-4.202, CONSTRUCTION AND WAIVERS; 25-24.555, SCOPE AND WAIVER; 25-6.002, APPLICATION AND SCOPE; 25-6.043, INVESTOR-OWNED ELECTRIC UTILITY MINIMUM FILING REQUIREMENTS; COMMISSION DESIGNEE; 25-6.0438, NON-FIRM ELECTRIC SERVICE - TERMS AND CONDITIONS; 25-17.087, INTERCONNECTION AND STANDARDS; 25-30.010, RULES FOR GENERAL APPLICATION; 25-30.011, APPLICATION AND SCOPE; 25-30.436, GENERAL INFORMATION AND INSTRUCTIONS REQUIRED OF CLASS A AND B WATER AND WASTEWATER UTILITIES IN AN APPLICATION FOR RATE INCREASE; 25-30.450, BURDEN OF PROOF AND AUDIT PROVISIONS; 25-30.455, STAFF ASSISTANCE IN RATE CASES; 25-30.456, STAFF ASSISTANCE IN ALTERNATIVE RATE SETTING; 25-30.570, IMPUTATION OF CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION; AND 25-30.580, GUIDELINES FOR DESIGNING SERVICE AVAILABILITY.

Dear Mr. Webb:

The Commission has approved the adoption of Rules 25-4.141, 25-4.202, 25-6.002, 25-6.043, 25-6.0438, 25-17.087, 25-24.555, 25-30.010, 25-30.011, 25-30.436, 25-30.450, 25-30.455, 25-30.456, 25-30.570, 25-30.580, without changes.

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FPSC-RECORDS/REPORTING

Mr. Carroll Webb
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We plan to file the rule for adoption on January 11, 2000.

Sincerely,

A handwritten signature in cursive script that reads "Christiana T. Moore".

Christiana T. Moore
Associate General Counsel

ADT4002.CTM
Enclosure
cc: Division of Records & Reporting

1 25-4.141 Minimum Filing Requirements for Rate-of-Return
2 Regulated Local Exchange Companies; Commission Designee.

3 (1) General Filing Instructions.

4 (a) Each petition under Section 364.05 or 364.055, Florida
5 Statutes, for adjustment of rates must include or be accompanied
6 by:

- 7 1. The information required by Commission Form PSC/CMU 20
8 (3/96), which is incorporated into this rule by
9 reference. Form PSC/CMU 20, entitled "Minimum Filing
10 Requirements," may be obtained from the Commission's
11 Division of Communications;
- 12 2. The exact name of the applicant and the address of the
13 applicant's principal place of business;
- 14 3. Copies of prepared direct testimony and exhibits for
15 each witness testifying on behalf of the company; and
- 16 4. Proposed tariff sheets.

17 (b) In compiling the required schedules, a company shall
18 follow the policies, procedures, and guidelines prescribed by the
19 Commission in relevant rules and in the company's last rate case
20 or in a more recent rate case involving a comparable utility. A
21 company may also provide separate, comparable information on a
22 different basis of its own choice, such as, year-end versus
23 average rate base, as long as it reconciles for each schedule the
24 differences in the required basis and the company basis. Such
25 added filing shall be made on the same date as the required

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1 filing. These additional schedules shall be identified
2 appropriately; for example, Schedule B-1 would be designated
3 Company Schedule B-1 - company basis.

4 (c) Each schedule shall be cross-referenced to identify
5 related schedules as either supporting schedules or recap
6 schedules.

7 (d) Each page of the filing shall be numbered and on 8 ½ x
8 11 inch paper. Each witness' prefiled testimony shall be double-
9 spaced with 25 numbered lines on numbered pages. ~~and Exhibits~~
10 shall be on numbered pages and all exhibits shall be attached to
11 the proponent's testimony ~~and shall also comply with Rule 25-~~
12 ~~22.048, Evidence.~~ Each set of the filing, consisting of the
13 petition and its supporting attachments, testimony, and exhibits,
14 shall be bound in order of appearance in this rule in standard
15 three ring binders, with each schedule indexed and tabbed.

16 (e) Except for handwritten official company records, all
17 data in the petition, testimony, exhibits, and minimum filing
18 requirements shall be typed.

19 (f) Each schedule shall indicate the name of the witness
20 responsible for its presentation.

21 (g) All schedules involving investment data shall be
22 completed on an average investment basis. Unless a specific
23 schedule requests otherwise, average is defined as the average of
24 12 monthly average balances.

25 (h) Whenever the company proposes any corrections, updates

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1 or other changes to the originally filed data, 20 copies shall be
2 filed with the Director of Records and Reporting with copies also
3 served on all parties at the same time.

4 (i) The company shall file 20 copies of the entire filing
5 with the Division of Records and Reporting.

6 (2) Projected Test Year. When a partially or fully
7 projected test year is used, the company shall provide on Form
8 PSC/CMU 20, in addition to the other requirements of this rule:

9 (a) The most currently available historical data (for a
10 time period equal to the period requested in the schedule)
11 immediately preceding the test year, in addition to test year
12 data. The historical data schedules shall be indexed and tabbed
13 separately from the test year schedules.

14 (b) A full description of supporting forecast information
15 and methodology including detailed input data requirements,
16 sources of input, and equations employed.

17 (3) Commission Designee. The Director of the Division of
18 Communications shall be the designee of the Commission for
19 purposes of determining whether the company has met the minimum
20 filing requirements imposed by this rule.

21 ~~(4) Waiver of MFR Requirements. The Commission may grant a~~
22 ~~waiver with respect to specific data or the number of copies~~
23 ~~required by this rule upon a showing that production of the data~~
24 ~~would be impractical or impose an excessive economic burden upon~~
25 ~~the company.~~

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1 Specific Authority: 350.127(2), F.S.

2 Law Implemented: 364.05(4), F.S.

3 History: New 5/4/81, Amended 7/29/85, 6/11/86, 2/3/88, 3/10/96,

4 _____.

5 **25-4.202 Construction ~~and Waivers~~**

6 (1) The intent of this Part is to minimize the regulation
7 of small LECs with respect to audits, investigations, service
8 standards, cost studies, periodic reports, evaluations, and
9 discovery. Where the rules contained in this Part conflict with
10 other provisions in Chapter 25, Florida Administrative Code, the
11 conflicting rules shall be construed so that the less burdensome
12 requirement will apply.

13 (2) When determining whether regulatory requirements should
14 be imposed on small local exchange companies, the Commission and
15 its staff shall weigh the requirement's benefits against the cost
16 of compliance by considering factors such as the amount of data
17 and resources available, the relative amount of precision needed,
18 and whether the use of outside consultants is necessary.

19 ~~(3) When compliance with a Commission imposed requirement~~
20 ~~would result in unreasonable hardship on a small local exchange~~
21 ~~company, would not be cost effective, or would not be in the~~
22 ~~public interest, the small local exchange company may apply for a~~
23 ~~temporary rule waiver pursuant to Rule 25 4.002(2), petition the~~
24 ~~Commission to amend or repeal its rule pursuant to Rule 25-~~
25 ~~22.012, or seek similar relief as appropriate.~~

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1 Specific Authority: 350.127(2), F.S.

2 Law Implemented: 364.052, F.S.

3 History: New 3/10/96, Amended_____.

4 25-6.002 Application and Scope.

5 (1) These rules and regulations shall apply to all electric
6 public utilities operating under the jurisdiction of the Florida
7 Public Service Commission. They are intended to define and
8 promote good utility practices and procedures, adequate and
9 efficient services to the public at reasonable costs, and to
10 establish the rights and responsibilities of both the utility and
11 the customer.

12 ~~(2) In any case where compliance with any of these rules~~
13 ~~introduces unusual hardship, or if unreasonable difficulty is~~
14 ~~involved in immediate compliance with any particular rule,~~
15 ~~application may be made to the Commission for modification of the~~
16 ~~rule or for temporary exemption from its requirements, provided~~
17 ~~that the utility shall submit with such application a full and~~
18 ~~complete statement of reason thereafter.~~

19 (2)(3) No deviation from these rules shall be permitted
20 unless authorized in writing by the Commission.

21 ~~(4) The adoption of these rules shall in no way preclude~~
22 ~~the Commission, upon complaint, upon its own motion, or upon the~~
23 ~~application of any utility from altering or amending them, in~~
24 ~~whole or in part, or from requiring any other or additional~~
25 ~~service, equipment, facility or standard, or from making such~~

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1 ~~modification with respect to their application as may be found~~
2 ~~necessary to meet exceptional conditions.~~

3 (3) ~~(5)~~ The adoption of these rules shall not in any way
4 relieve any utility from any of its duties under the Laws of the
5 State.

6 Specific Authority: 366.05(1), F.S.

7 Law Implemented: 366.05(1), F.S.

8 History: New 7/29/69, formerly 25-6.02, Amended.

9 25-6.043 Investor-Owned Electric Utility Minimum Filing
10 Requirements; Commission Designee.

11 (1) General Filing Instructions

12 (a) The petition under Section 366.06 and Section 366.071,
13 Florida Statutes, for adjustment of rates must include or be
14 accompanied by:

- 15 1. The information required by Commission Form
16 PSC/EAG/11 (3/90), entitled "Minimum Filing
17 Requirements for Investor-Owned Electric
18 Utilities" which is incorporated into this rule by
19 reference. The form may be obtained from the
20 Commission's Division of Electric and Gas.
- 21 2. The exact name of the applicant and the address of
22 the applicant's principal place of business.
- 23 3. Copies of prepared direct testimony and exhibits
24 for each witness testifying on behalf of the
25 Company.

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1 (b) In compiling the required schedules, a company shall
2 follow the policies, procedures and guidelines prescribed by the
3 Commission in relevant rules and in the company's last rate case
4 or in a more recent rate case involving a comparable utility.
5 These schedules shall be identified appropriately (e.g., Schedule
6 B-1 would be designated Company Schedule B-1 - Company basis).

7 (c) Each schedule shall be cross-referenced to identify
8 related schedules as either supporting schedules and/or recap
9 schedules.

10 (d) Each page of the filing shall be numbered on 8 ½ x 11
11 inch paper. Each witness' prefiled testimony and exhibits shall
12 be on numbered pages and all exhibits shall be attached to the
13 proponent's testimony.

14 (e) Except for handwritten official company records, all
15 data in the petition, testimony, exhibits and minimum filing
16 requirements shall be typed.

17 (f) Each schedule shall indicate the name of the witness
18 responsible for its presentation.

19 (g) All schedules involving investment data shall be
20 completed on an average investment basis. Unless a specific
21 schedule requests otherwise, average is defined as the average of
22 thirteen (13) monthly balances.

23 (h) Twenty-one (21) copies of the filing, consisting of the
24 petition and its supporting attachments, testimony, and exhibits,
25 shall be filed with the Division of Records and Reporting.

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1 (i) Whenever the company proposes any corrections, updates
2 or other changes to the originally filed data, twenty-one (21)
3 copies shall be filed with the Division of Records and Reporting
4 with copies also served on all parties at the same time.

5 (2) Commission Designee: The Director of the Division of
6 Electric and Gas shall be the designee of the Commission for
7 purposes of determining whether the utility has met the minimum
8 filing requirements imposed by this rule.

9 ~~(3) Waiver of Minimum Filing Requirements. The Commission~~
10 ~~may grant a waiver with respect to specific data required by this~~
11 ~~rule upon a showing that production of the data would be~~
12 ~~impractical or impose an excessive economic burden upon the~~
13 ~~company.~~

14 Specific Authority: 366.05(1), (2), 366.06(3), F.S.

15 Law Implemented: 366.06(1), (2), (3), (4), 366.04(2)(f), 366.071,
16 F.S.

17 History: New 5/27/81, formerly 25-6.43, Amended 7/5/90,
18 .

19 **25-6.0438 Non-Firm Electric Service - Terms and Conditions.**

20 (1) Applicability. This rule shall apply to all
21 investor-owned electric utilities.

22 (2) Purpose. The purposes of this rule are: to define the
23 character of non-firm electric service and various types thereof;
24 to require a procedure for determining a utility's maximum level
25 of non-firm load; and to establish other minimum terms and

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1 conditions for the provision of non-firm electric service.

2 (3) Definitions.

3 (a) "Non-firm electric service" means electric service
4 that, in accordance with terms and conditions specified in the
5 applicable tariff, can be limited or interrupted. Non-firm
6 service includes interruptible, curtailable, load management, and
7 other types of non-firm electric service offered by the utilities
8 pursuant to tariffs approved by the Florida Public Service
9 Commission.

10 (b) "Interruptible electric service" means electric service
11 that can be limited or interrupted, either automatically or
12 manually, solely at the option of the utility.

13 (c) "Cost effective" in the context of non-firm service
14 shall be based on avoided costs. It shall be defined as the net
15 economic deferral or avoidance of additional production plant
16 construction by the utility or in other measurable economic
17 benefits in excess of all relevant costs accruing to the
18 utility's general body of ratepayers.

19 (d) "Curtailable electric service" means electric service
20 that can be reduced or interrupted upon request of a utility but
21 solely at the discretion of the customer.

22 (e) "Load management service" means electric service
23 provided under an applicable firm rate schedule whereby electric
24 service to specified components of the customer's electric load
25 may be interrupted at the discretion of the utility in accordance

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1 with conditions specified in the utility's tariffs.

2 (4) Availability of Service.

3 (a) A utility may offer non-firm electric service to any
4 customer or class of customers pursuant to tariffs or contracts
5 approved by the Commission. Each utility that currently offers
6 or proposes to offer non-firm electric service shall demonstrate,
7 no later than its next rate case, that providing such service is
8 cost effective.

9 (b) Each utility shall state in its tariff the terms and
10 conditions under which non-firm electric service will be offered.
11 If a utility believes that providing interruptible service or
12 another type of non-firm service to a specific customer who
13 otherwise qualifies for such service under the utility's tariff
14 will not result in benefits accruing to its general body of
15 ratepayers, that utility shall apply to the Commission for
16 authorization to refuse non-firm service to that customer. The
17 provision of non-firm service for standby and supplemental
18 purposes shall be consistent with the Federal Energy Regulatory
19 Commission rule, 18 C.F.R. Sec. 292.305.

20 (c) When a utility proposes to make a change in any of its
21 non-firm electric service offerings, it must provide written
22 notice to each customer who may be affected by the proposal.

23 (5) Methods of for Determining Maximum Levels of Non-Firm
24 Load. Each utility offering non-firm electric service shall have
25 on file with the Commission a methodology approved by the

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1 Commission for determining the cost effectiveness of non-firm
2 load over its generation planning horizon, pursuant to the
3 definition of "cost effective" in Paragraph (3)(c). Specific
4 consideration must be given to each type of non-firm electric
5 service offered. A utility may petition the Commission to revise
6 their methodology at any time.

7 (6) Maximum Levels of Non-Firm Load. Each utility shall
8 attempt to maintain its subscribed non-firm loads at or below
9 their maximum cost-effective levels, as determined by the
10 utility's approved methodology utilizing its most current system
11 expansion plans and approved rates. If, during a revenue or rate
12 review, the Commission finds that a utility's efforts to maintain
13 its subscribed non-firm loads at or below the maximum cost-
14 effective level have not been prudent, the Commission may impute
15 revenues at otherwise applicable rates for the amount of non-firm
16 load in excess of cost effective levels.

17 (7) Reporting Requirements. Each utility offering non-firm
18 electric service shall submit to the Commission on January 1 and
19 July 1 of each year a report detailing the type of non-firm
20 service offered and showing the amount of non-firm load on the
21 utility's system as of the month ending one month prior to the
22 reporting date. In addition, the report shall state the cost-
23 effective levels of non-firm load determined by the utility's
24 approved methodology.

25 (8) Minimum Notice to Transfer from Non-Firm to Firm

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1 Service. Each utility that offers non-firm service shall include
2 a specific provision in its tariff that requires a customer to
3 provide the utility with at least five years advance written
4 notice in order for the customer to be eligible to transfer from
5 interruptible to firm service. A utility may apply to the
6 Commission for approval of a different minimum notice requirement
7 if it can demonstrate that a different notice requirement is
8 necessary or appropriate, either for all or any individual
9 non-firm service offerings.

10 ~~(9) The Commission may waive any provision of this rule if~~
11 ~~it determines that such waiver is consistent with the purpose and~~
12 ~~intent of this rule after notice to all affected customers.~~

13 Specific Authority: 350.127(2), 366.05(1), F.S.

14 Law Implemented: 366.03, 366.04, 366.041, 366.05, F.S.

15 History: New 8/21/86, Amended 9/4/91, .

16 25-17.087 Interconnection and Standards.

17 (1) Each utility shall interconnect with any qualifying
18 facility which:

- 19 (a) is in its service area;
- 20 (b) requests interconnection;
- 21 (c) agrees to meet system standards specified in this rule;
- 22 (d) agrees to pay the cost of interconnection; and
- 23 (e) signs an interconnection agreement.

24 ~~(2) Nothing in this rule shall be construed to preclude a~~
25 ~~utility from evaluating each request for interconnection on its~~

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1 ~~own merits and modifying the general standards specified in this~~
2 ~~rule to reflect the result of such an evaluation.~~

3 (2)~~(3)~~ Where a utility refuses to interconnect with a
4 qualifying facility or attempts to impose unreasonable standards
5 ~~pursuant to subsection (2) of this rule~~, the qualifying facility
6 may petition the Commission for relief. The utility shall have
7 the burden of demonstrating to the Commission why interconnection
8 with the qualifying facility should not be required or that the
9 standards the utility seeks to impose on the qualifying facility
10 ~~pursuant to subsection (2)~~ are reasonable.

11 (3)~~(4)~~ Upon a showing of credit worthiness, the
12 qualifying facility shall have the option of making monthly
13 installment payments over a period no longer than 36 months
14 toward the full cost of interconnection. However, where the
15 qualifying facility exercises that option the utility shall
16 charge interest on the amount owing. The utility shall charge
17 such interest at the 30-day commercial paper rate. In any event,
18 no utility may bear the cost of interconnection.

19 (4)~~(5)~~ Application for Interconnection. A qualifying
20 facility shall not operate electric generating equipment in
21 parallel with the utility's electric system without the prior
22 written consent of the utility. Formal application for
23 interconnection shall be made by the qualifying facility prior to
24 the installation of any generation related equipment. This
25 application shall be accompanied by the following:

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1 (a) Physical layout drawings, including dimensions;
2 (b) All associated equipment specifications and
3 characteristics including technical parameters, ratings, basic
4 impulse levels, electrical main one-line diagrams, schematic
5 diagrams, system protections, frequency, voltage, current and
6 interconnection distance;

7 (c) Functional and logic diagrams, control and meter
8 diagrams, conductor sizes and length, and any other relevant data
9 which might be necessary to understand the proposed system and to
10 be able to make a coordinated system;

11 (d) Power requirements in watts and vars;

12 (e) Expected radio-noise, harmonic generation and telephone
13 interference factor;

14 (f) Synchronizing methods; and

15 (g) Operating/instruction manuals.

16 Any subsequent change in the system must also be submitted
17 for review and written approval prior to actual modification.

18 The above mentioned review, recommendations and approval by the
19 utility do not relieve the qualifying facility from complete
20 responsibility for the adequate engineering design, construction
21 and operation of the qualifying facility equipment and for any
22 liability for injuries to property or persons associated with any
23 failure to perform in a proper and safe manner for any reason.

24 (5) ~~(6)~~ Personnel Safety. Adequate protection and safe
25 operational procedures must be developed and followed by the

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1 joint system. These operating procedures must be approved by
2 both the utility and the qualifying facility. The qualifying
3 facility shall be required to furnish, install, operate and
4 maintain in good order and repair, and be solely responsible for,
5 without cost to the utility, all facilities required for the safe
6 operation of the generation system in parallel with the utility's
7 system.

8 The qualifying facility shall permit the utility's employees
9 to enter upon its property at any reasonable time for the purpose
10 of inspection and/or testing the qualifying facility's equipment,
11 facilities, or apparatus. Such inspections shall not relieve the
12 qualifying facility from its obligation to maintain its equipment
13 in safe and satisfactory operating condition.

14 The utility's approval of isolating devices used by the
15 qualifying facility will be required to ensure that these will
16 comply with the utility's switching and tagging procedure for
17 safe working clearances.

18 (a) Disconnect Switch. A manual disconnect switch, of the
19 visible load break type, to provide a separation point between
20 the qualifying facility's generation system and the utility's
21 system, shall be required. The utility will specify the location
22 of the disconnect switch. The switch shall be mounted separate
23 from the meter socket and shall be readily accessible to the
24 utility and be capable of being locked in the open position with
25 a utility padlock. The utility may reserve the right to open the

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1 switch (i.e. isolating the qualifying facility's generation
2 system) without prior notice to the qualifying facility. To the
3 extent practicable, however, prior notice shall be given.

4 Any of the following conditions shall be cause for
5 disconnection:

6 1. Utility system emergencies and/or maintenance
7 requirements;

8 2. Hazardous conditions existing on the qualifying
9 facility's generating or protective equipment as determined by
10 the utility;

11 3. Adverse effects of the qualifying facility's generation
12 to the utility's other electric consumers and/or system as
13 determined by the utility;

14 4. Failure of the qualifying facility to maintain any
15 required insurance; or

16 5. Failure of the qualifying facility to comply with any
17 existing or future regulations, rules; orders or decisions of any
18 governmental or regulatory authority having jurisdiction over the
19 qualifying facility's electric generating equipment or the
20 operation of such equipment.

21 (b) Responsibility and Liability. The utility and the
22 qualifying facility shall each be responsible for its own
23 facilities. The utility and the qualifying facility shall each
24 be responsible for ensuring adequate safeguards for other utility
25 customers, utility and qualifying facility personnel and

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1 equipment, and for the protection of its own generating system.

2 The utility and the qualifying facility shall each indemnify and
3 save the other harmless from any and all claims, demands, costs,
4 or expense for loss, damage, or injury to persons or property of
5 the other caused by, arising out of, or resulting from:

6 1. Any act or omission by a party or that party's
7 contractors, agents, servants and employees in connection with
8 the installation or operation of that party's generation system
9 or the operation thereof in connection with the other party's
10 system;

11 2. Any defect in, failure of, or fault related to a
12 party's generation system;

13 3. The negligence of a party or negligence of that party's
14 contractors, agents, servants or employees; or

15 4. Any other event or act that is the result of, or
16 proximately caused by, a party.

17 For the purposes of this paragraph, the term party shall
18 mean either utility or qualifying facility, as the case may be.

19 (c) Insurance.

20 The qualifying facility shall deliver to the utility, at
21 least fifteen days prior to the start of any interconnection
22 work, a certificate of insurance certifying the qualifying
23 facility's coverage under a liability insurance policy issued by
24 a reputable insurance company authorized to do business in the
25 State of Florida naming the qualifying facility as named insured,

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1 and the utility as an additional named insured, which policy
2 shall contain a broad form contractual endorsement specifically
3 covering the liabilities accepted under this agreement arising
4 out of the interconnection to the qualifying facility, or caused
5 by operation of any of the qualifying facility's equipment or by
6 the qualifying facility's failure to maintain the qualifying
7 facility's equipment in satisfactory and safe operating
8 condition.

9 1. The policy providing such coverage for a standard offer
10 contract shall provide public liability insurance, including
11 property damage, in the amount of \$1,000,000 for each occurrence.

12 2. The policy providing such coverage for a negotiated
13 contract shall provide public liability insurance, including
14 property damage, in an amount not less than \$1,000,000 for each
15 occurrence. The parties may negotiate the amount of insurance
16 over \$1,000,000.

17 3. The above required policy shall be endorsed with a
18 provision requiring the insurance company to notify the utility
19 thirty days prior to the effective date of cancellation or
20 material change in the policy.

21 4. The qualifying facility shall pay all premiums and
22 other charges due on said policy and keep said policy in force
23 during the entire period of interconnection with the utility.

24 (6)-(7) Protection and Operation. It will be the
25 responsibility of the qualifying facility to provide all devices

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1 necessary to protect the qualifying facility's equipment from
2 damage by the abnormal conditions and operations which occur on
3 the utility system that result in interruptions and restorations
4 of service by the utility's equipment and personnel. The
5 qualifying facility shall protect its generator and associated
6 equipment from overvoltage, undervoltage, overload, short
7 circuits (including ground fault condition), open circuits, phase
8 unbalance and reversal, over or under frequency condition, and
9 other injurious electrical conditions that may arise on the
10 utility's system and any reclose attempt by the utility.

11 The utility may reserve the right to perform such tests as
12 it deems necessary to ensure safe and efficient protection and
13 operation of the qualifying facility's equipment.

14 (a) Loss of Source: The qualifying facility shall provide,
15 or the utility will provide at the qualifying facility's expense,
16 approved protective equipment necessary to immediately,
17 completely, and automatically disconnect the qualifying
18 facility's generation from the utility's system in the event of a
19 fault on the qualifying facility's system, a fault of the
20 utility's system, or loss of source on the utility's system.
21 Disconnection must be completed within the time specified by the
22 utility in its standard operating procedure for its electric
23 system for loss of a source on the utility's system.

24 This automatic disconnecting device may be of the manual or
25 automatic reclose type and shall not be capable of reclosing

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1 until after service is restored by the utility. The type and
2 size of the device shall be approved by the utility depending
3 upon the installation. Adequate test data or technical proof
4 that the device meets the above criteria must be supplied by the
5 qualifying facility to the utility. The utility shall approve a
6 device that will perform the above functions at minimal capital
7 and operating costs to the qualifying facility.

8 (b) Coordination and Synchronization. The qualifying
9 facility shall be responsible for coordination and
10 synchronization of the qualifying facility's equipment with the
11 utility's electrical system, and assumes all responsibility for
12 damage that may occur from improper coordination or
13 synchronization of the generator with the utility's system.

14 (c) Electrical Characteristics. Single phase generator
15 interconnections with the utility are permitted at power levels
16 up to 20 KW. For power levels exceeding 20 KW, a three phase
17 balanced interconnection will normally be required. For the
18 purpose of calculating connected generation, 1 horsepower equals
19 1 kilowatt. The qualifying facility shall interconnect with the
20 utility at the voltage of the available distribution or the
21 transmission line of the utility for the locality of the
22 interconnection, and shall utilize one of the standard
23 connections (single phase, three phase, wye, delta) as approved
24 by the utility.

25 The utility may reserve the right to require a separate

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1 transformation and/or service for a qualifying facility's
2 generation system, at the qualifying facility's expense. The
3 qualifying facility shall bond all neutrals of the qualifying
4 facility's system to the utility's neutral, and shall install a
5 separate driven ground with a resistance value which shall be
6 determined by the utility and bond this ground to the qualifying
7 facility's system neutral.

8 (d) Exceptions. A qualifying facility's generator having a
9 capacity rating that can:

10 1. produce power in excess of 1/2 of the minimum utility
11 customer requirements of the interconnected distribution or
12 transmission circuit; or

13 2. produce power flows approaching or exceeding the
14 thermal capacity of the connected utility distribution or
15 transmission lines or transformers; or

16 3. adversely affect the operation of the utility or other
17 utility customer's voltage, frequency or overcurrent control and
18 protection devices; or

19 4. adversely affect the quality of service to other
20 utility customers; or

21 5. interconnect at voltage levels greater than
22 distribution voltages, will require more complex interconnection
23 facilities as deemed necessary by the utility.

24 ~~(7)-(8)~~ Quality of Service. The qualifying facility's
25 generated electricity shall meet the following minimum

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1 guidelines:

2 (a) Frequency. The governor control on the prime mover
3 shall be capable of maintaining the generator output frequency
4 within limits for loads from no-load up to rated output. The
5 limits for frequency shall be 60 hertz (cycles per second), plus
6 or minus an instantaneous variation of less than 1%.

7 (b) Voltage. The regulator control shall be capable of
8 maintaining the generator output voltage within limits for loads
9 from no-load up to rated output. The limits for voltage shall be
10 the nominal operating voltage level, plus or minus 5%.

11 (c) Harmonics. The output sine wave distortion shall be
12 deemed acceptable when it does not have a higher content (root
13 mean square) of harmonics than the utility's normal harmonic
14 content at the interconnection point.

15 (d) Power Factor. The qualifying facility's generation
16 system shall be designed, operated and controlled to provide
17 reactive power requirements from 0.85 lagging to 0.85 leading
18 power factor. Induction generators shall have static capacitors
19 that provide at least 85% of the magnetizing current requirements
20 of the induction generator field. (Capacitors shall not be so
21 large as to permit self-excitation of the qualifying facility's
22 generator field).

23 (e) DC Generators. Direct current generators may be
24 operated in parallel with the utility's system through a
25 synchronous inverter. The inverter must meet all criteria in

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1 these rules.

2 (8)~~(9)~~ Metering. The actual metering equipment required,
3 its voltage rating, number of phases, size, current transformers,
4 potential transformers, number of inputs and associated memory is
5 dependent on the type, size and location of the electric service
6 provided. In situations where power may flow both in and out of
7 the qualifying facility's system, power flowing into the
8 qualifying facility's system will be measured separately from
9 power flowing out of the qualifying facility's system.

10 The utility will provide, at no additional cost to the
11 qualifying facility, the metering equipment necessary to measure
12 capacity and energy deliveries to the qualifying facility. The
13 utility will provide, at the qualifying facility's expense, the
14 necessary additional metering equipment to measure energy
15 deliveries by the qualifying facility to the utility.

16 (9)~~(10)~~ Cost Responsibility. The qualifying facility is
17 required to bear all costs associated with the change-out,
18 upgrading or addition of protective devices, transformers, lines,
19 services, meters, switches, and associated equipment and devices
20 beyond that which would be required to provide normal service to
21 the qualifying facility if the qualifying facility were a
22 non-generating customer. These costs shall be paid by the
23 qualifying facility to the utility for all material and labor
24 that is required. Prior to any work being done by the utility,
25 the utility shall supply the qualifying facility with a written

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1 cost estimate of all its required materials and labor and an
2 estimate of the date by which construction of the interconnection
3 will be completed. This estimate shall be provided to the
4 qualifying facility within 60 days after the qualifying facility
5 supplies the utility with its final electrical plans. The
6 utility shall also provide project timing and feasibility
7 information to the qualifying facility.

8 (10)~~(11)~~ Each utility shall submit to the Commission, a
9 standard agreement for interconnection by qualifying facilities
10 as part of their standard offer contract or contracts required by
11 Rule 25-17.0832(3).

12 Specific Authority: 366.051, 350.127(2), F.S.

13 Law Implemented: 366.04(2)(c)&(5), 366.051, F.S.

14 History: New 9/4/83, formerly 25-17.87, Amended 10/25/90,
15 5/6/93, .

16 25-24.555 Scope and Waiver.

17 (1) This part applies to persons or companies who provide
18 for sharing or resale of local telecommunications service as
19 defined in 25-24.560(10), F.A.C.

20 (2) To the extent these rules are inconsistent with
21 provisions of Chapter 364, Florida Statutes, regarding shared
22 tenant service, companies subject to this Part are exempted from
23 such provisions or are subject to different requirements than
24 otherwise prescribed for telecommunications companies under the
25 authority of section 364.339, Florida Statutes.

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1 (3) A shared tenant service company may petition for
2 exemption from applicable portions of Chapter 364, Florida
3 Statutes, or for application of different requirements than
4 otherwise prescribed for telecommunications companies by Chapter
5 364, Florida Statutes, under the authority of section 364.339,
6 Florida Statutes.

7 ~~(4) A shared tenant service company may petition for a~~
8 ~~waiver of any provision of this part. The Commission may grant a~~
9 ~~waiver to the extent that it determines that it is in the public~~
10 ~~interest to do so. The Commission may grant the petition in~~
11 ~~whole or part and may impose reasonable alternative regulatory~~
12 ~~requirements on the petitioning company. In disposing of a~~
13 ~~petition, the Commission shall consider:~~

14 ~~_____ (a) The factors enumerated in section 364.339(4), Florida~~
15 ~~Statutes;~~

16 ~~_____ (b) The extent to which competitive forces may serve the~~
17 ~~same function as, or prevent the necessity for, the provision~~
18 ~~sought to be waived; and~~

19 ~~_____ (c) Alternative regulatory requirements for the company~~
20 ~~which may serve the purposes of this part.~~

21 ~~_____ (5) Any statutory exemptions granted or rule waivers~~
22 ~~granted prior to the adoption of this rule are void, and to the~~
23 ~~extent not covered in this rule, must be renewed.~~

24 Specific Authority: 350.127(2) F.S.

25 Law Implemented: 364.01, 364.339 F.S.

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1 History--New 1-28-91, Amended 7-29-97, .

2 25-30.010 Rules for General Application. The rules hereinafter
3 set forth are for general application and are subject to such
4 changes and modifications, permitted by law, as the Commission
5 from time to time may determine advisable. ~~The rules are subject~~
6 ~~to such exceptions as the Commission may consider just and~~
7 ~~reasonable in individual cases.~~ The rules are supplementary to
8 the Water and Wastewater System Regulatory Law, Chapter 367,
9 Florida Statutes.

10 Specific Authority: 367.121, F.S.

11 Law Implemented: 367.121, F.S.

12 History: Amended 2/3/70, 9/12/74, formerly 25-10.01, Transferred
13 from 25-10.001 11/9/86, Amended .

14 25-30.011 Application and Scope.

15 (1) These rules and regulations shall, as appropriate,
16 apply to all water systems and/or wastewater systems which are
17 now, or may hereafter be, subject to the jurisdiction of the
18 Florida Public Service Commission. They are intended to define
19 and promote good utility practices, adequate and efficient
20 service to the public at reasonable cost, and to establish the
21 rights and responsibilities of both the utility and the customer.

22 ~~(2) In any case where compliance with any of these rules~~
23 ~~introduces unusual hardship, or if unreasonable difficulty is~~
24 ~~involved in immediate compliance with any particular rule,~~
25 ~~application may be made to the Commission for modification of the~~

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1 ~~rule or for temporary exemption from its requirements, provided~~
2 ~~that the utility shall submit with such application a full and~~
3 ~~complete statement of reason therefor.~~

4 (2)~~(3)~~ No deviation from these rules shall be permitted
5 unless authorized in writing by the Commission.

6 ~~(4)~~ The adoption of these rules shall in no way preclude
7 the Commission, upon complaint, upon its own motion or upon the
8 application of any utility, from altering or amending them, in
9 whole or in part, or from requiring any other or additional
10 service, equipment, facility or standard, or from making such
11 modification with respect to their application as may be found
12 necessary to meet exceptional conditions.

13 (3)~~(5)~~ It is not intended that any rule or regulation
14 contained herein shall supersede or conflict with an applicable
15 regulation of the Department of Health and Rehabilitative
16 Services (DHRS) or the Department of Environmental Protection
17 Regulation (DEPR). Compliance by a utility with the regulations
18 of the DHRS or DEPR on a particular subject matter shall
19 constitute compliance with such of these rules as relate to the
20 same subject matter except as otherwise ordered by the
21 Commission.

22 (4)~~(6)~~ The adoption of these rules shall not in any way
23 relieve any utility from any of its duties under the laws of this
24 State.

25 Specific Authority: 367.121, F.S.

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1 Law Implemented: 367.121(1), F.S.

2 History: Amended 9/12/74, formerly 25-10.14, Transferred from
3 25-10.014 and Amended 11/9/86, .

4 25-30.436 General Information and Instructions Required of Class
5 A and B Water and Wastewater Utilities in an Application for Rate
6 Increase.

7 (1) Each applicant for a rate increase shall provide the
8 following general information to the Commission:

9 (a) The name of the applicant as it appears on the
10 applicant's certificate and the address of the applicant's
11 principal place of business;

12 (b) The type of business organization under which the
13 applicant's operations are conducted; if the applicant is a
14 corporation, the date of incorporation; the names and addresses
15 of all persons who own 5 percent or more of the applicant's stock
16 or the names and addresses of the owners of the business.

17 (c) The number of the Commission order, if any, which
18 previously considered the applicant's rates for the system(s)
19 involved.

20 (d) The address within the service area where the
21 application is available for customer inspection during the time
22 the rate application is pending.

23 (e) Where the utility requests rates which generate less
24 than a fair rate of return, it must provide a statement of
25 assurance that its quality of service will not suffer.

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1 (f) An affidavit signed by an officer of the utility that
2 states that the utility will comply with Rule 25-22.0407, F.A.C.

3 (g) A statement whether the applicant requests to have the
4 case processed using the proposed agency action procedure
5 outlined in section 367.081(8), F.S.

6 (2) The applicant's petition for rate relief will not be
7 deemed filed until the appropriate filing fee has been paid and
8 all minimum filing requirements have been met, including filing
9 of the applicant's prepared direct testimony unless the applicant
10 has filed its petition pursuant to section 367.081(8), F.S. At a
11 minimum, the direct testimony shall explain why the rate increase
12 is necessary and address those areas anticipated at the time of
13 filing to be at issue.

14 (3) The applicant shall state any known deviation from the
15 policies, procedures and guidelines prescribed by the Commission
16 in relevant rules or in the company's last rate case.

17 (4) In the rate case application:

18 (a) Each schedule shall be cross-referenced to identify
19 related schedules as either supporting schedules or recap
20 schedules.

21 (b) Each page of the filing shall be consecutively numbered
22 on 8 1/2 x 11-inch paper.

23 (c) Except for handwritten official company records, all
24 data in the petition, exhibits and minimum filing requirements
25 shall be typed.

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1 (d) Sixteen copies shall to be filed with the Commission's
2 Division of Records and Reporting, except as specifically
3 identified in (4) (h) below or in Rule 25-30.437, 25-30.4385 or
4 25-30.440, F.A.C.

5 (e) Whenever the applicant proposes any corrections,
6 updates or other changes to the originally filed data, 20 copies
7 shall be filed with the Division of Records and Reporting with
8 copies also served on all parties of record at the same time.

9 (f) If the capital structure contains zero or negative
10 equity, a return on equity shall be requested, which shall be the
11 maximum of the return of the current equity leverage formula
12 established by order of this Commission pursuant to section
13 367.081(4), F.S.

14 (g) The provisions of Rule 25-30.433 shall be followed in
15 preparing the utility's application.

16 (h) Any system that has costs allocated or charged to it
17 from a parent, affiliate or related party, in addition to those
18 costs reported on Schedule B-12 of Commission Form PSC/WAW 19 for
19 a Class A utility, or PSC/WAW 20 for a Class B utility,
20 (incorporated by reference in Rule 25-30.437) shall file three
21 copies of additional schedules that show the following
22 information:

23 1. The total costs being allocated or charged prior to any
24 allocation or charging as well as the name of the entity from
25 which the costs are being allocated or charged and its

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1 relationship to the utility.

2 2. For costs allocated or charged to the utility in excess
3 of one percent of test year revenues:

4 a. a detailed description and itemization; and

5 b. the amount of each itemized cost.

6 3. The allocation or direct charging method used and the
7 bases for using that method.

8 4. The workpapers used to develop the allocation method,
9 including but not limited to the numerator and denominator of
10 each allocation factor.

11 5. The workpapers used to develop, where applicable, the
12 basis for the direct charging method.

13 6. An organizational chart of the relationship between the
14 utility and its parent and affiliated companies and the
15 relationship of any related parties.

16 7. A copy of any contracts or agreements between the
17 utility and its parent or affiliated companies for services
18 rendered between or among them.

19 (i) For any land recorded on the utility's books since rate
20 base was last established, the utility shall file copies of the
21 documents that demonstrate that the utility owns the land upon
22 which the utility treatment facilities are located, or that
23 provides for the continued use of the land, such as a 99-year
24 lease. The Commission may consider a written easement or other
25 cost-effective alternative.

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1 (5) Commission Designee. The Director of the Division of
2 Water and Wastewater shall be the designee of the Commission for
3 purposes of determining whether the applicant has met the minimum
4 filing requirements imposed by this rule.

5 ~~(6) Waiver of MFR Requirements. The Commission may grant a~~
6 ~~waiver with respect to specific data required by this rule upon a~~
7 ~~showing that the production of the data would be impractical or~~
8 ~~impose an excessive economic burden upon the applicant. All~~
9 ~~requests for waiver of specific portions of the minimum filing~~
10 ~~requirements shall be made as early as practicable.~~

11 (6)~~(7)~~ Within 60 days after the issuance of a final order
12 entered in response to an application for increased rates, or, if
13 applicable, within 60 days after the issuance of an order entered
14 in response to a motion for reconsideration of the final order,
15 each utility shall submit a breakdown of actual rate case expense
16 incurred, in total, in a manner consistent with Schedule No. B-10
17 (PSC/WAW Form 19 or 20, whichever is applicable, as described in
18 Rule 25-30.437). If the deadline prescribed above cannot be met,
19 an extension shall be granted by the Director of the Division of
20 Water and Wastewater for good cause shown.

21 Specific Authority: 350.127(2), 367.121, F.S.

22 Law Implemented: 367.081, 367.083, 367.121, F.S.

23 History: New 11/9/86, Amended 6/25/90, 11/30/93, _____.

24 25-30.450 Burden of Proof and Audit Provisions. In each
25 instance, the utility must be able to support any schedule

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1 submitted, as well as any adjustments or allocations relied on by
2 the utility. The work sheets, etc. supporting the schedules and
3 data submitted must be organized in a systematic and rational
4 manner so as to enable Commission personnel to verify the
5 schedules in an expedient manner and minimum amount of time. The
6 supporting work sheets, etc., shall list all reference sources
7 necessary to enable Commission personnel to track to original
8 source of entry into the financial and accounting system and, in
9 addition, verify amounts to the appropriate schedules. ~~Utilities~~
10 ~~may request a waiver of specific parts of the above rule from the~~
11 ~~Commission by submitting a written statement setting forth the~~
12 ~~reason, in detail, why the waiver should be granted.~~

13 Specific Authority: 367.121, F.S.

14 Law Implemented: 367.081, F.S.

15 History: New 6/10/75, Transferred from 25-10.177 11/9/86,

16 Amended _____.

17 **25-30.455 Staff Assistance in Rate Cases.**

18 (1) Water and wastewater utilities whose total gross annual
19 operating revenues are \$150,000 or less for water service or
20 \$150,000 or less for wastewater service, or \$300,000 or less on a
21 combined basis, may petition the Commission for staff assistance
22 in rate applications by submitting a completed staff assisted
23 rate case application. In accordance with section 367.0814(4),
24 F.S., a utility that requests staff assistance waives its right
25 to protest by agreeing to accept the final rates and charges

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1 approved by the Commission unless the final rates and charges
2 would produce less revenue than the existing rates and charges.
3 If a utility that chooses to utilize the staff assistance option
4 employs outside experts to assist in developing information for
5 staff or to assist in evaluating staff's schedules and
6 conclusions, the reasonable and prudent expense will be
7 recoverable through the rates developed by staff. A utility that
8 chooses not to exercise the option of staff assistance may file
9 for a rate increase under the provisions of Rule 25-30.443,
10 F.A.C.

11 (2) Upon request, the Division of Water and Wastewater
12 shall provide the potential applicant with the appropriate
13 application form, Commission Form PSC/WAS 2 (Rev. 11/86),
14 "Application for Staff Assisted Rate Case", which is incorporated
15 by reference in this rule, and a copy of Rule 25-30.455, F.A.C.,
16 governing staff assisted rate cases. The form may be obtained
17 from the Commission's Division of Water and Wastewater, 2540
18 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.

19 (3) Upon completion of the form, the petitioner may return
20 it to the Director of Records and Reporting, Florida Public
21 Service Commission, 2540 Shumard Oak Boulevard, Tallahassee,
22 Florida 32399-0870.

23 (4) Upon receipt of a completed application, the Director
24 of Records and Reporting shall acknowledge its receipt, assign a
25 docket number for identification, and shall forward the

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1 application to a committee comprised of one member each of the
2 Commission's Divisions of Water and Wastewater, Auditing and
3 Financial Analysis, and Legal Services.

4 (5) Within 30 days of receipt of the completed application,
5 the committee shall evaluate the application and determine the
6 petitioner's eligibility for staff assistance.

7 (a) If the Commission has received four or more
8 applications in the previous 30 days; or, if the Commission has
9 20 or more docketed staff assisted rate cases in active status on
10 the date the application is received, the Commission shall deny
11 initial evaluation of an application for staff assistance and
12 close the docket. When an application is denied under the
13 provisions of this subsection, the applicant shall be notified of
14 the date on which the application may be resubmitted.

15 (b) Initially, determinations of eligibility may be
16 conditional, pending an actual examination of the condition of
17 petitioner's books and records. After an initial determination
18 of eligibility, the Division of Auditing and Financial Analysis
19 committee shall examine the books and records of the utility
20 before making a final determination of eligibility.

21 (c) All recommendations of ineligibility shall be in
22 writing and shall state the deficiencies in the application with
23 reference to guidelines set out in subsection (8) of this rule ~~or~~
24 ~~with reference to subsection (11) of this rule.~~

25 (6) Upon reaching a decision to officially accept or deny

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1 the application, the Director of the Division of Water and
2 Wastewater shall notify the petitioner by letter and initiate
3 staff assistance for the accepted applicant.

4 (7) The official date of filing will be 30 days after the
5 date of the letter notifying the applicant of the official
6 acceptance of the application by the Commission.

7 (8) In arriving at a recommendation whether to grant or
8 deny the petition, the following shall be considered:

9 (a) Whether the petitioner qualifies for staff assistance
10 pursuant to subsection (1) of this rule;

11 (b) Whether the petitioner's books and records are
12 organized consistent with Rule 25-30.110, F.A.C., so as to allow
13 commission personnel to verify costs and other relevant factors
14 within the 30-day time frame set out in this rule;

15 (c) Whether the petitioner has filed annual reports;

16 (d) Whether the petitioner has paid applicable regulatory
17 assessment fees;

18 (e) Whether the petitioner has at least 1 year's actual
19 experience in utility operation;

20 (f) Whether the petitioner has filed additional relevant
21 information in support of eligibility, together with reasons why
22 the information should be considered;

23 (g) Whether the petitioner has complied in a timely manner
24 with all Commission decisions and requests affecting water and
25 wastewater utilities for 2-years prior to the filing of the

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1 application under review;

2 (h) Whether the utility has applied for a staff assisted
3 rate case within the 2 year period prior to the receipt of the
4 application under review.

5 (9) The Commission will deny the application if a utility
6 does not remit the fee as provided by section 367.145, Florida
7 Statutes, and Rule 25-30.020(2)(f), F.A.C., within 30 days after
8 official acceptance.

9 (10) An aggrieved petitioner may request reconsideration
10 which shall be decided by the full Commission.

11 ~~(11) A petitioner may request a waiver of any of the~~
12 ~~guidelines set out in subsection (8) of this rule.~~

13 (11)~~(12)~~ A substantially affected person may file a
14 petition to protest the Commission's proposed agency action in a
15 staff assisted rate case within 21 days of issuance of the Notice
16 of Proposed Agency Action as set forth in Rule 25-22.036, F.A.C.

17 (12)~~(13)~~ In the event of a protest of the Commission's
18 Notice of Proposed Agency Action (PAA Order) in a staff assisted
19 rate case, the utility shall:

20 (a) Provide prefiled direct testimony in accordance with
21 the procedural order in the case. At a minimum, that testimony
22 shall adopt the Commission's PAA Order in the case;

23 (b) Sponsor a witness to support source documentation
24 provided to the Commission staff in its preparation of the staff
25 audit, the staff engineering and accounting report and the staff

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1 PAA recommendation in the case;

2 (c) Include in its testimony the necessary factual
3 information to support its position on any issue that it chooses
4 to take a position different than that contained in the
5 Commission's PAA Order;

6 (d) Meet all other requirements of the order establishing
7 procedures.

8 (13)~~(14)~~ Failure to comply with the dates established in
9 the procedural order, or to file timely a request for extension
10 of time for good cause shown, may result in dismissal of the
11 staff assisted rate case and closure of the docket.

12 (14)~~(15)~~ In the event of a protest of the Commission's PAA
13 Order in a staff assisted rate case the Commission staff shall:

14 (a) File prefiled direct testimony to explain its analysis
15 in the PAA recommendation. In the event the staff wishes to
16 alter its PAA position on any issue, it shall provide factual
17 testimony to support its changed position.

18 (b) Meet all other requirements of the order establishing
19 procedures;

20 (c) Provide to the utility materials to assist the utility
21 in the preparation of its testimony and exhibits. This material
22 shall consist of an example of testimony filed by a utility in
23 another case, an example of testimony that would support the PAA
24 Order in this case, an example of an exhibit filed in another
25 case, and examples of prehearing statements and briefs filed in

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1 other cases.

2 Specific Authority: 367.0814, 367.121, F.S.

3 Law Implemented: 367.0814, F.S.

4 History: New 12/8/80, Transferred from 25-10.180 and Amended
5 11/9/86, 8/26/91, 11/30/93, _____.

6 **25-30.456 Staff Assistance in Alternative Rate Setting.**

7 (1) As an alternative to a staff assisted rate case as
8 described in Rule 25-30.455, F.A.C., water and wastewater
9 utilities whose total gross annual operating revenues are
10 \$150,000 or less for water service or \$150,000 or less for
11 wastewater service, or \$300,000 or less on a combined basis, may
12 petition the Commission for staff assistance in alternative rate
13 setting by submitting a completed staff assisted application for
14 alternative rate setting.

15 (2) Upon request, the Division of Water and Wastewater
16 shall provide the potential applicant with the application form,
17 PSC/WAS 25 (11/93), titled "Application for Staff Assistance for
18 Alternative Rate Setting" which is incorporated by reference in
19 this rule, and a copy of the rules governing Staff Assistance in
20 Alternative Rate Setting. The form may be obtained from the
21 Commission's Division of Water and Wastewater, 2540 Shumard Oak
22 Boulevard, Tallahassee, Florida 32399-0850.

23 (3) Upon completion of the form, the applicant may return
24 it to the Director of Records and Reporting, Florida Public
25 Service Commission, 2540 Shumard Oak Boulevard, Tallahassee,

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1 Florida 32399-0870.

2 (4) Upon receipt of an application, the Director of Records
3 and Reporting shall acknowledge its receipt, assign a docket
4 number for identification, and shall forward the application to
5 the Commission's Division of Water and Wastewater.

6 (5) Within 30 days of receipt of the completed application,
7 the Division of Water and Wastewater shall evaluate the
8 application and determine the petitioner's eligibility for staff
9 assistance.

10 (a) If the Commission has received four or more alternative
11 rate setting applications in the previous 30 days; or, if the
12 Commission has 20 or more docketed staff assisted rate cases in
13 active status on the date the application is received, the
14 Commission shall deny initial evaluation of an application for
15 staff assistance and close the docket. When an application is
16 denied under the provisions of this subsection, the applicant
17 shall be notified of the date on which the application may be
18 resubmitted.

19 (b) Determinations of eligibility may be conditional,
20 pending an actual examination of the condition of petitioner's
21 books and records.

22 (c) All recommendations of ineligibility shall be in
23 writing and shall state the deficiencies in the application with
24 reference to guidelines set out in subsection (8) of this rule ~~or~~
25 ~~with reference to subsection (11) of this rule.~~

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1 (6) Upon reaching a decision to officially accept or deny
2 the application, the Director of the Division of Water and
3 Wastewater shall notify the applicant by letter and initiate
4 staff assistance for the accepted applicant.

5 (7) The official date of filing will be 30 days after
6 official acceptance of the application by the Commission.

7 (8) In deciding whether to grant or deny the application,
8 the following shall be considered:

9 (a) Whether the applicant qualifies for staff assistance
10 pursuant to subsection (1) of this rule;

11 (b) Whether the applicant has filed annual reports;

12 (c) Whether the applicant has paid applicable regulatory
13 assessment fees;

14 (d) Whether the applicant has at least 1 year's actual
15 experience in utility operation;

16 (e) Whether the applicant has filed additional relevant
17 information in support of eligibility, together with reasons why
18 the information should be considered;

19 (f) Whether the applicant has made a good faith effort in a
20 timely manner to comply with all Commission decisions and
21 requests affecting water and wastewater utilities for 2-years
22 prior to the filing of the application under review;

23 (g) Whether the utility has been granted a staff assisted
24 rate case or alternative rate setting within the 2-year period
25 prior to the receipt of the application under review.

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1 (9) The Commission shall deny the application if a utility
2 does not remit the fee, as provided by section 367.145, F.S., and
3 Rule 25-30.020(2)(f), F.A.C., within 30 days after official
4 acceptance.

5 (10) An aggrieved applicant may request reconsideration
6 which shall be decided by the full Commission.

7 ~~(11) An applicant may request a waiver of any of the~~
8 ~~guidelines set out in subsection (8) of this rule.~~

9 (11)~~(12)~~ The Commission shall, for the purposes of
10 determining the amount of rate increase, if any, compare the
11 operation and maintenance expenses (O & M) of the utility to test
12 year operating revenues. The Commission shall consider an
13 allowance for return on working capital using the one-eighth of O
14 & M formula approach.

15 (12)~~(13)~~ The Commission shall limit the maximum increase in
16 operating revenues to 50 percent of test year operating revenues.

17 (13)~~(14)~~ The Commission shall vote on a proposed agency
18 action (PAA) recommendation establishing rates no later than 90
19 days from the official filing date as established in Rule 25-
20 30.455(7), F.A.C.

21 (14)~~(15)~~ A substantially affected person may file a
22 petition to protest the Commission's PAA Order regarding a staff
23 assisted alternative rate setting application within 21 days of
24 issuance of the Notice of Proposed Agency Action as set forth in
25 Rules 25-22.036 and 28-106.201, F.A.C.

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1 ~~(15)-(16)~~ In the event of protest of the PAA Order by a
2 substantially affected party, the rates established in the PAA
3 Order may be implemented on a temporary basis. At that time the
4 utility may elect to pursue rates set pursuant to the rate base
5 determination provisions of Rule 25-30.455, F.A.C.

6 ~~(16)-(17)~~ In the event of a protest the maximum increase
7 established in (13) above shall no longer apply.

8 ~~(17)-(18)~~ In the event of a protest of the Commission's PAA
9 Order in a staff assisted alternative rate setting application,
10 the utility shall:

11 (a) Provide prefiled direct testimony in accordance with
12 the procedural order in the case. At a minimum, that testimony
13 shall adopt the Commission's PAA Order in the case;

14 (b) Sponsor a witness to support source documentation
15 provided to the Commission staff in its preparation of the staff
16 engineering and accounting analysis and the staff PAA
17 recommendation in the case;

18 (c) Include in its testimony the necessary factual
19 information to support its position on any issue that it chooses
20 to take a position different than that contained in the
21 Commission's PAA Order;

22 (d) Meet all other requirements of the order establishing
23 procedures.

24 ~~(18)-(19)~~ Failure to comply with the dates established in
25 the procedural order, or to timely file a request for extension

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1 of time for good cause shown, may result in dismissal of the
2 staff assisted alternative rate setting application and closure
3 of the docket.

4 ~~(19)-(20)~~ In the event of protest of the Commission's PAA
5 Order in a staff assisted alternative rate setting application
6 the Commission staff shall:

7 (a) File prefiled direct testimony to explain its analysis
8 in the PAA recommendation. In the event the staff wishes to alter
9 its PAA position on any issue it shall provide factual testimony
10 to support its changed position.

11 (b) Meet all other requirements of the order establishing
12 procedures;

13 (c) Provide to the utility materials to assist the utility
14 in the preparation of its testimony and exhibits. This material
15 shall consist of an example of testimony filed by a utility in
16 another case, a sample of testimony that would support the PAA
17 Order in this case, an example of an exhibit filed in another
18 case, and examples of prehearing statements and briefs filed in
19 other cases.

20 Specific Authority: 367.0814, 367.121, F.S.

21 Law Implemented: 367.0814, F.S.

22 History: New 11/30/93, Amended.

23 25-30.570 Imputation of Contributions-in-Aid-of-Construction.

24 ~~(1)~~ If the amount of CIAC has not been recorded on the
25 utility's books and the utility does not submit competent

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1 substantial evidence as to the amount of CIAC, the amount of CIAC
2 shall be imputed to be the amount of plant costs charged to the
3 cost of land sales for tax purposes if available, or the
4 proportion of the cost of the facilities and plant attributable
5 to the water transmission and distribution system and the sewage
6 collection system.

7 ~~(2) In any case where the provisions of subsection (1)~~
8 ~~introduces unusual hardship or unreasonable difficulty, and the~~
9 ~~Commission, utility or interested party shows that it is not in~~
10 ~~the best interests of the customers of the utility, the~~
11 ~~Commission may waive the applicability of the rule to the~~
12 ~~utility.~~

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

14 Law Implemented: 367.101, F.S.

15 History: New 6/14/83, formerly 25-30.57, Amended .

16 25-30.580 Guidelines for Designing Service Availability Policy.

17 ~~(1)~~ A utility's service availability policy shall be
18 designed in accordance with the following guidelines:

19 (1)(a) The maximum amount of contributions-in-aid-of-
20 construction, net of amortization, should not exceed 75% of the
21 total original cost, net of accumulated depreciation, of the
22 utility's facilities and plant when the facilities and plant are
23 at their designed capacity; and

24 (2)(b) The minimum amount of contributions-in-aid-of-
25 construction should not be less than the percentage of such

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1 facilities and plant that is represented by the water
2 transmission and distribution and sewage collection systems.

3 ~~(2) In any case where compliance with the guidelines of~~
4 ~~subsection (1) introduces unusual hardship or unreasonable~~
5 ~~difficulty, and the Commission, utility, or interested party~~
6 ~~shows that it is not in the best interests of the customers of~~
7 ~~the utility to require compliance, the Commission may exempt the~~
8 ~~utility from the guidelines.~~

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

10 Law Implemented: 367.101, F.S.

11 History: New 6/14/83, formerly 25-30.58, Amended.

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