

REQUEST TO ESTABLISH DOCKET  
(PLEASE TYPE)

Date 9/28/00

Docket No. 001502-WS

1. Division Name/Staff Name Appeals/C. Moore *CTM*
2. OPR Christiana Moore (APP)
3. OCR Marshall Willis (ECR), John Mann (PAI), Craig Hewitt (ECR) Jennifer Brubaker (LEG) Billie Messer (RGO), Christine Romig (ECR)

4. Suggested Docket Title Proposed Rule 25-30.371, Acquisition Adjustment

5. Suggested Docket Mailing List (attach separate sheet if necessary)

- A. Provide NAMES ONLY for regulated companies or ACRONYMS ONLY regulated industries, as shown in Rule 25-22.104, F.A.C.  
B. Provide COMPLETE name and address for all others. (Match representatives to clients.)

1. Parties and their representatives (if any)

<u>WS</u>	<u>Stephen C. Burgess, Office of Public Counsel</u>
<u>Florida Cities Water Company</u>	<u>Florida Waterworks Association</u>
<u>Florida Water Services Company</u>	
<u>Kenneth Hoffman, Esq.</u>	
<u>Martin Friedman, Esq.</u>	
<u>AquaSource</u>	

2. Interested Persons and their representatives (if any)


6. Check one:  
 Documentation is attached.  
 Documentation will be provided with recommendation.

DOCUMENT NUMBER-DATE  
12360 SEP 28 00  
PSC-RECORDS/REPORTING

1 25-30.0371 Acquisition Adjustment

2 (1) For the purpose of this rule, an acquisition adjustment is  
3 defined as the difference between the purchase price of utility  
4 system assets to an acquiring utility and the net book value of the  
5 utility assets. A positive acquisition adjustment exists when the  
6 purchase price is greater than the net book value. A negative  
7 acquisition adjustment exists when the net book value is greater  
8 than the purchase price.

9 (2) An acquisition adjustment shall not be included in rate  
10 base absent proof of extraordinary circumstances.

11 (3) Any entity that believes a full or partial positive  
12 acquisition adjustment should be made has the burden to prove the  
13 existence of those extraordinary circumstances. In determining  
14 whether extraordinary circumstances have been demonstrated, the  
15 Commission will consider evidence provided to the Commission such  
16 as anticipated improvements in quality of service, anticipated  
17 compliance with regulatory mandates, anticipated rate reductions,  
18 and anticipated cost efficiencies.

19 (4) Any entity that believes a full or partial negative  
20 acquisition adjustment should be made has the burden to prove the  
21 existence of those extraordinary circumstances. In determining  
22 whether extraordinary circumstances have been demonstrated, the  
23 Commission will consider evidence provided to the Commission such  
24 as the anticipated retirement of the acquired assets and the  
25 condition of the assets acquired.

CODING: Words underlined are additions; words in ~~struck~~  
~~through~~ type are deletions from existing law.

1 | (5) Any full or partial acquisition adjustment, once made by  
2 | the Commission, may be subsequently modified if the extraordinary  
3 | circumstances do not materialize, subsequently are eliminated or  
4 | changed within five years of the date of the order approving the  
5 | acquisition adjustment.

6 | Specific Authority: 350.167(2), 367.121(1)(f), FS.

7 | Law Implemented: 367.071(5), 367.081(2)(a), FS.

8 | History: New \_\_\_\_\_ .

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