

ORIGINAL

GISTRO INC.  
A FLORIDA CORPORATION

P.o.box 110 131  
Naples FL.34108  
(239)495 8089 voice  
(239)495 8089 fax

June 27, 2002

Timothy Devlin, Director

020640-SU

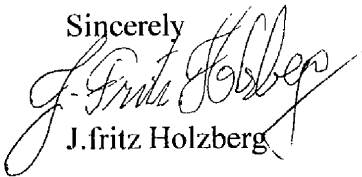
Florida Public Service Commission

Dear Sir

I have been advised by Miss Patti Daniel to mail my application for a wastewater certificate to your address.

I hope the F.B.S.C and its staff will give this matter its best consideration and help for which I thank now.

Sincerely



J.fritz Holzberg

Filing fee included  
check number 465  
\$ 750.00

Check received with filing and forwarded to Fiscal for deposit.  
Fiscal to forward a copy of check to RAR with proof of deposit.

Initials of person who forwarded check:



02 JUL -1 AM 9:05

DISTRIBUTION CENTER

DOCUMENT NUMBER-DATE

06817 JUL-18

FPSC-COMMISSION CLERK

ORIGINAL

020640-S4

FLORIDA PUBLIC SERVICE COMMISSION

INSTRUCTIONS FOR COMPLETING  
APPLICATION FOR ORIGINAL CERTIFICATE  
FOR A PROPOSED OR EXISTING SYSTEM REQUESTING  
INITIAL RATES AND CHARGES

(Section 367.045, Florida Statutes)

02 JUL 14 11:03:52  
DIVISION OF REGULATORY OVERSIGHT

General Information

The attached form has been prepared by the Florida Public Service Commission to aid utilities under its jurisdiction to file information required by Chapter 367, Florida Statutes, and Chapter 25-30, Florida Administrative Code. Any questions regarding this form should be directed to the Division of Regulatory Oversight, Bureau of Certification (850) 413-6480.

Instructions

1. Fill out the attached application form completely and accurately.
2. Complete all the items that apply to your utility. If an item is not applicable, mark it "N.A.". Do not leave any items blank.
3. Notarize the completed application form.
4. Remit the proper filing fee pursuant to Rule 25-30.020, Florida Administrative Code, with the application.
5. The **original and five copies** of the completed application and attached exhibits; **one copy** of each territory and system map; the **original and two copies** of the proposed tariff(s); and the proper **filing fee** should be mailed to:

Director, Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

DOCUMENT NUMBER-DATE

06817 JUL-18

FPSC-COMMISSION CLERK

**APPLICATION FOR ORIGINAL CERTIFICATE  
FOR A PROPOSED OR EXISTING SYSTEM REQUESTING  
INITIAL RATES AND CHARGES  
(Pursuant to Section 367.045, Florida Statutes)**

To: **Director, Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850**

The undersigned hereby makes application for original certificate(s) to operate a water \_\_\_\_\_ and/or wastewater XX utility in Lee County, Florida, and submits the following information:

**PART I APPLICANT INFORMATION**

- A) The full name (as it appears on the certificate), address and telephone number of the applicant:  
Gistro, Inc. Corporation 26510 S. Pines Dr. (941) 495-8089

Name of utility  
(941) 495-8089 (941) 495-8089  
Phone No. Fax No.  
26510 Southern Pines Dr.

Office street address  
Bonita Springs FL 34135

City State Zip Code  
P.O. Box 366-762 Bonita Springs, FL 34136

Mailing address if different from street address  
\_\_\_\_\_

Internet address if applicable HLZBRG @ C S . C O M

- B) The name, address and telephone number of the person to contact concerning this application:

J. Fritz Holzberg (941) 495-8089

Name Phone No.  
26510 Southern Pines Dr.

Street address  
Bonita Springs FL 34135

City State Zip Code

(THIS PAGE INTENTIONALLY LEFT BLANK)

C) Indicate the organizational character of the applicant: (circle one)

Corporation                      Partnership                      Sole Proprietorship  
Other \_\_\_\_\_  
(Specify)

D) If the applicant is a corporation, indicate whether it has made an election under Internal Revenue Code Section 1362 to be an S Corporation:

Yes X      No \_\_\_\_\_

E) If the applicant is a corporation, list names, titles and addresses of corporate officers, directors, partners, or any other person(s) or entities owning an interest in the applicant's business organization. (Use additional sheet if necessary).

Fritz Holzberg, President  
\_\_\_\_\_  
\_\_\_\_\_

F) If the applicant is not a corporation, list names and addresses of all persons or entities owning an interest in the organization. (Use additional sheet if necessary.)

N/A  
\_\_\_\_\_  
\_\_\_\_\_

**PART II      NEED FOR SERVICE**

A) Exhibit 1 - A statement regarding the need for service in the proposed territory, such as anticipated (or actual) development in the area. Identify any other utilities within the area proposed to be served which could potentially provide such service in the area and the steps the applicant took to ascertain whether such other service is available.

B) Exhibit 2 - A statement that to the best of the applicant's knowledge, the provision of service will be consistent with the water and wastewater sections of the local comprehensive plan, as approved by the Department of Community Affairs at the time the application is filed. If the provision of service is inconsistent with such plan, provide a statement demonstrating why granting the certificate would be in the public interest.

PART II

A) EXHIBIT 1

This system has been built since 1984 when Bonita Springs did not have city sewer. We are serving the community from the time the development began to operate.

Our plant has been turned off since 1992.

As of this date BSU is only treating our sewage but collecting all the fees illegal.

# FOREST MERE SUBDIVISION SANITARY SEWER COST

LIFTSTATIONS	2 EA \$ 54.600	\$ 109.200
4" FORCE MAIN	1314 LF 6.80	8.935
8" PVC	7488 LF 15.85	118.843.30
4 MANHOLE	27 EA 2.050	55.350
6" PVC LATERAL	4590 LF 11.90	54.621
6" CLEANOUT	? 271 EA 230.00	62.330
BLASTING	1 LS	15.000
ENGINEER PLANNING		60.000
PERMITS AND DOCS		10.000
LAND CLEARING AND PREP.		14.000
LAND FOR PLANT	1 ACRE	20.000
SEWAGE TREATMENT PLANT		240.000
6 LOTS FOR PERCULATION POND		240.000
DEVALUATION OF 8 LOTS AROUND PLANT		120.000
FLUDDING DURING CONSTRUCTION OF PHASE 2		\$ 23.000
FLUDDING DURING CONSTRUCTION OF PHASE 3		\$ 38.000
MAINTENANCE COST FOR 5 YEARS		\$ 60.000
MAINTENANCE COST THE LAST 10 YEARS		\$ 60.000
REPAIRS AND PART REPLACEMENT		\$ 25.000
LEGAL COST		\$ 25.000
MANAGEMENT COST		\$ 30.000
INTEREST COST ON TOTAL FOR 16 YEARS		\$ 1.008.000
INTEREST ON INTEREST		
ADDITIONAL COST ,FLOODING PHASE 2		\$ 25.000
ADDITIONAL COST FLOODING PHASE 3 .ING MISTAKE		<u>\$ 25.000</u>
		\$.2.447.279

PART II

B) EXHIBIT II

The owner did not have a choice, he had to build for this development a sewer facility. A substantial investment was made. He is entitled to recoup his investment with a normal return.

Without this installation no home could have been built.



**PART III      SYSTEM INFORMATION**

**A)      WATER**

- (1) Exhibit N/A - A statement describing the proposed type(s) of water service to be provided (i.e., potable, non-potable or both).
- (2) Exhibit N/A - The number of equivalent residential connections (ERCs) proposed to be served, by meter size and customer class. If development will be in phases, separate this information by phase. In addition, if the utility is in operation, provide the current number of ERCs by meter size and customer class.
- (3) Description of the types of customers anticipated (i.e., single family, mobile homes, clubhouse, commercial, etc.):

N/A  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (4) In the case of an existing utility, provide the permit number and the date of approval of facilities by the Department of Environmental Protection (DEP) or the agency designated by DEP to issue permits:

N/A  
\_\_\_\_\_

- (5) Indicate the design capacity of the treatment plant in terms of equivalent residential connections (ERCs) and gallons per day (gpd). If development will be in phases, separate this information by phase.

N/A (ERCs)      \_\_\_\_\_ (GPD)

- (6) Indicate the type of treatment: \_\_\_\_\_

- (7) Indicate the design capacity of the transmission and distribution lines in terms of ERCs and gpd. If development will be in phases, separate this information by phase.

N/A  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (8) Provide the date the applicant began or plans to begin serving customers:

N/A  
\_\_\_\_\_

EXHIBIT B (1)

TOTAL PROJECT

159 Single Family \* 350 = 55650

118 Multi Family \* 250 = 29500

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277 85150

= 243 ERU

EXISTING HOMES

60 Single Family \* 350 21000

44 Multi Family \* 250 11000

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32000 = 91 ERU

- (9) Exhibit N/A - Evidence, in the form of a warranty deed, that the utility owns the land where the water facilities are or will be located. If the utility does not own the land, a copy of the agreement which provides for the long term continuous use of the land, such as a 99-year lease. The Commission may consider a written easement or other cost-effective alternative.

The applicant may submit a contract for the purchase and sale of land with an unexecuted copy of the warranty deed provided the applicant files an executed and recorded copy of the deed, or executed copy of the lease, within thirty days after the order granting the certificate.

B) WASTEWATER

- (1) Exhibit \_\_\_\_\_ - The number of equivalent residential connections (ERCs) proposed to be served, by meter size and customer class. If development will be in phases, separate this information by phase. In addition, if the utility is in operation, provide the current number of ERCs by meter size and customer class.

- (2) Description of the types of customers anticipated (i.e., single family, mobile homes, clubhouse, commercial, etc.):

159 Single Family and 118 Multi-Family

- (3) In the case of an existing utility, provide the permit number and the date of approval of facilities by the Department of Environmental Protection (DEP) or the agency designated by DEP to issue permits:

- (4) Indicate separately the design capacity of the treatment plant and effluent disposal system in terms of equivalent residential connections (ERCs) and gallons per day (GPD). If development will be in phases, separate this information by phase.

N/A Currently treatment by BSUS

- (5) Indicate the method of treatment and disposal (percolation pond, spray field, etc.):

N/A Currently treatment by BSUS

- (6) Exhibit N/A - If the applicant does not propose to use reuse as a means of effluent disposal, provide a statement that describes, with particularity, the reasons for not using reuse.
- (7) Indicate the design capacity of the collection lines in terms of ERCs and GDP. If development will be in phases, separate this information by phase.

85150 GPD + 243 ERU+

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- (8) Provide the date the applicant began or plans to begin serving customers:  
Service existing since 1994
- (9) Exhibit N/A - Evidence, in the form of a warranty deed, that the utility owns the land where the utility treatment facilities are or will be located. If the utility does not own the land, a copy of the agreement which provides for the long term continuous use of the land, such as a 99-year lease.

The Commission may consider a written easement or other cost-effective alternative. The applicant may submit a contract for the purchase and sale of land with an unexecuted copy of the warranty deed, provided the applicant files an executed and recorded copy of the deed, or executed copy of the lease, within thirty days after the order granting the certificate.

**PART IV      FINANCIAL AND TECHNICAL INFORMATION**

- A) Exhibit 1 - A statement regarding the financial and technical ability of the applicant to provide reasonably sufficient and efficient service.
- B) Exhibit 2 - A detailed financial statement (balance sheet and income statement), certified if available, of the financial condition of the applicant, showing all assets and liabilities of every kind and character. The income statement shall be for the preceding calendar or fiscal year. If an applicant has not operated for a full year, then the income statement shall be for the lesser period. The financial statement shall be prepared in accordance with Rule 25-30.115, Florida Administrative Code. If available, a statement of the source and application of funds shall also be provided.
- C) Exhibit N/A - A list of all entities, including affiliates, upon which the applicant is relying to provide funding to the utility, and an explanation of the manner and amount of such funding, which shall include their financial statements and any financial agreements with the utility. This requirement shall not apply to any person or entity holding less than 10 percent ownership interest in the utility.

PART IV

A) EXHIBIT 1

Owner is operating the facility since 1984 without collecting fees from the homeowners. All operating expenses until this day are being paid by the owner using his own funds. Construction costs were also paid by the owner. The facility is free and clear.

After receiving the certificate the owner for the first time since operation began will be able to collect fees.

For the last 18 years the owner never had problems maintaining the facility.

PART IV

B) EXHIBIT 2

The owner of the system did not collect fees from the homeowners from the first day of operation of the system and therefore did not file a tax return. The system is totally owned by the company and maintained out of private funds. There are no mortgages or other debts on the total sewer facility.

PART IV

C) N/A

- D) Exhibit 3 - A schedule showing the projected cost of the proposed system (or actual cost of the existing system) by uniform system of accounts (USOA) account numbers pursuant to Rule 25-30.115, F.A.C. In addition, provide the capacity of each component of the system in ERCs and gallons per day. If the utility will be built in phases, this schedule shall apply to the design capacity of the first phase only. Provide a separate exhibit for the water and sewer systems.
- E) Exhibit 4 - A schedule showing the projected operating expenses of the proposed system by USOA account numbers when 80 percent of the designed capacity of the system is being utilized. If the utility will be built in phases, this schedule shall apply to the design capacity of the first phase only. In addition, if the utility has been in existence for at least one year, provide actual operating expenses for the most recent twelve months. Provide a separate exhibit for the water and sewer systems.
- F) Exhibit 5 - A schedule showing the projected capital structure, including the methods of financing the construction and operation of the utility until the utility reaches 80 percent of the designed capacity of the system(s).
- G) Exhibit 6 - A cost study, including customer growth projections, which supports the proposed rates, miscellaneous service charges, customer deposits and service availability charges. A sample cost study is enclosed with the application package. Provide a separate cost study for the water and sewer systems.
- H) Exhibit 7 - If the base facility and usage rate structure (as defined in Rule 25-30.437(6), F.A.C.) is not utilized for metered service, provide an alternative rate structure and a statement supporting why the alternative is appropriate.
- I) Exhibit 8 - If a different return on common equity other than the current equity leverage formula established by order of the Public Service Commission pursuant to Section 367.081(4), F.S. is utilized, provide competent substantial evidence supporting the use of a different return on common equity. Information on the current equity leverage formula may be obtained by contacting the accounting section at the listed number.

**PART V ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC)**

Please note the following:

- A) Utilities obtaining initial certificates pursuant to Rule 25-30.033, F.A.C., are authorized to accrue AFUDC for projects found eligible pursuant to Rule 25-30.116(1), F.A.C.
- B) A discounted monthly AFUDC rate calculated in accordance with Rule 25-



WASTEWATER

D) EXHIBIT 3

WASTEWATER

B) EXHIBIT 4

E)	\$3600/YR	Maintenance Company
	\$1800/YR	FPL
	\$ 00/YR	BILLING
	\$ 00/YR	STAFF

WASTEWATER

G) EXHIBIT 5

Capital & financing cost

Added maintenance required by partial build-out

WASTEWATER

H) EXHIBIT 6

Cost Breakdown

WASTEWATER

1) EXHIBIT 7

30.116(3), F.A.C., shall be used to insure that the annual AFUDC charged does not exceed authorized levels.

- C) The date the utility shall begin to charge the AFUDC rate shall be the date the certificate of authorization is issued to the utility so that such rate can apply to initial construction of the utility facilities.

**PART VI TERRITORY DESCRIPTION AND MAPS**

**A) TERRITORY DESCRIPTION**

Exhibit 1 - An accurate description, using township, range and section references as specified in Rule 25-30.030(2), Florida Administrative Code. If the water and wastewater service territories are different, provide separate descriptions.

**B) TERRITORY MAPS**

Exhibit 2 - One copy of an official county tax assessment map or other map showing township, range and section with a scale such as 1"=200' or 1"=400' on which the proposed territory is plotted by use of metes and bounds or quarter sections and with a defined reference point of beginning. If the water and wastewater service territories are different, provide separate maps.

**C) SYSTEM MAPS**

Exhibit 3 - One copy of detailed map(s) showing proposed lines, facilities and the territory proposed. **Additionally, identify any existing lines and facilities.** Map(s) should be of sufficient scale and detail to enable correlation with a description of the territory to be served. Provide separate maps for water and wastewater systems.

**PART VII NOTICE OF ACTUAL APPLICATION**

- A) Exhibit \_\_\_\_\_ - An affidavit that the notice of actual application was given in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, by regular mail to the following:

- (1) the governing body of the municipality, county, or counties in which the system or the territory proposed to be served is located;
- (2) the privately owned water and wastewater utilities that hold a certificate

granted by the Public Service Commission and that are located within the county in which the utility or the territory proposed to be served is located;

- (3) if any portion of the proposed territory is within one mile of a county boundary, the utility shall notice the privately owned utilities located in the bordering counties and holding a certificate granted by the Commission;
- (4) the regional planning council;
- (5) the Office of Public Counsel;
- (6) the Public Service Commission's Director of Records and Reporting;
- (7) the appropriate regional office of the Department of Environmental Protection;
- (8) and the appropriate water management district.

Copies of the Notice and a list of entities noticed shall accompany the affidavit.  
THIS MAY BE A LATE-FILED EXHIBIT

- B) Exhibit \_\_\_\_\_ - An affidavit that the notice of actual application was given in accordance with Rule 25-30.030, Florida Administrative Code, by regular mail or personal delivery to each customer of the system. A copy of the notice shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.
- C) Exhibit \_\_\_\_\_ - Immediately upon completion of publication, an affidavit that the notice of actual application was published once in a newspaper of general circulation in the territory in accordance with Rule 25-30.030, Florida Administrative Code. A copy of the proof of publication shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.

#### **PART VIII     FILING FEE**

Indicate the filing fee enclosed with the application:

\$ N/A (for water) and \$ 750 (for wastewater).

Note: Pursuant to Rule 25-30.020, Florida Administrative Code, the amount of the filing fee as follows:

- (1) For applications in which the utility has the capacity to serve up to 500 ERC's, the filing fee shall be **\$750**.

- (2) For applications in which the utility has the capacity to serve from 501 to 2,000 ERC's the filing fee shall be **\$1,500**.
- (3) For applications in which the utility has the capacity to serve from 2,001 ERC's to 4,000 ERC's the filing fee shall be **\$2,250**.
- (4) For applications in which the utility has the capacity to serve more than 4,000 ERC's the filing fee shall be **\$3,000**.

**PART IX     TARIFF**

Exhibit \_\_\_\_\_ - The original and two copies of water and/or wastewater tariff(s) containing all rates, classifications, charges, rules and regulations. Sample tariffs are enclosed with the application package.



**PART X AFFIDAVIT**

I J. Fritz Holzberg (applicant) do solemnly swear or affirm that the facts stated in the forgoing application and all exhibits attached thereto are true and correct and that said statements of fact thereto constitutes a complete statement of the matter to which it relates.

BY: J. Fritz Holzberg  
Applicant's Signature  
J. Fritz Holzberg  
Applicant's Name (Typed)  
President  
Applicant's Title \*

Subscribed and sworn to before me this 21<sup>st</sup> day of May month in the year of 2002 by J. Fritz Holzberg who is personally known to me  or produced identification N/A.

Type of Identification Produced  
Debbie K. Lloyd  
Notary Public's Signature  
**Debbie K. Lloyd**  
Commission # DD 055835  
Expires Oct. 15, 2005  
Print, or Stamp, Name of Notary Public  
Atlantic Bonding Co., Inc.

\* If applicant is a corporation, the affidavit must be made by the president or other officer authorized by the by-laws of the corporation to act for it. If applicant is a partnership or association, a member of the organization authorized to make such affidavit shall execute same.

**FLORIDA PUBLIC SERVICE COMMISSION**

**APPLICATION FOR ORIGINAL CERTIFICATE**

**INSTRUCTIONS FOR COMPLETING ACCOUNTING INFORMATION**

The following information will be used to determine the appropriate rate structure, rates, and charges for the applicant utility. Rule 25-30.115, Florida Administrative Code, requires that water and wastewater utilities use the uniform system of accounts adopted by the National Association of Regulatory Utility Commissioners (NARUC). Information may be obtained from NARUC, Post Office Box 684, Washington, D.C. 20044-0684, (202) 898-2200. Note that NARUC publishes separate uniform systems of accounts for each class of water and wastewater utilities. The classes are based on the amount of annual water or wastewater operating revenues as follows:

→	Class A	Operating Revenues	Greater than or equal to \$1,000,000
	Class B	Operating Revenues	From \$200,000 to \$1,499,999
	Class C	Operating Revenues	Less than \$200,000

All inquiries related to the interpretation of the NARUC's uniform systems of accounts should be submitted in writing to:

**Director, Division of Water and Wastewater  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850**

**APPLICATION FOR ORIGINAL CERTIFICATE**  
**INSTRUCTIONS FOR COMPLETING ACCOUNTING INFORMATION**

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— Schedule 2.	Pro Forma Balance Sheet based on projections at 100% of design capacity.	
Schedule 3A.	Pro Forma Expenses for Water Utility based on projections at 80% of design capacity.	
— Schedule 3B.	Pro Forma Expenses for Wastewater Utility based on projections at 80% of design capacity.	
— Schedule 4.	Service Availability Charge Analysis.	(Optional)
Schedule 5.	Cost justification for Meter Installation Fees.	
— Schedule 6.	Cost justification for Miscel. Service Charges.	
— Schedule 7.	Revenue Proof (Water and Wastewater).	
— Schedule 8.	Questionnaire.	

Sample Utilities, Inc.  
Pro Forma Water Utility Plant  
FYE 12/31/XXXX

N/A

Acct. No.		
301.	Organization	\$ 25,000
302.	Franchises	3,000
303.	Land and Land Rights	10,000
304.	Structures and Improvements	3,500
307.	Wells and Springs	27,000
311.	Pumping Equipment	60,000
320.	Water Treatment Equipment	70,415
331.	Transmission and Distribution Mains	150,000
340.	Office Furniture and Equipment	<u>4,500</u>
	Total Water Utility Plant	<u>\$353,415</u>

Treatment Capacity	140,000 GPD	400 ERCs
Line Capacity		400 ERCs

ERC = 350 GPD

Company \_\_\_\_\_

Pro Forma Water Utility Plant

Date \_\_\_\_\_

N/A

Acct. No.		\$ _____
301.	Organization	\$ _____
302.	Franchises	\$ _____
303.	Land and Land Rights	\$ _____
304.	Structures and Improvements	\$ _____
305.	Collecting and Impounding Reservoirs	\$ _____
306.	Lake, River and Other Intakes	\$ _____
307.	Wells and Springs	\$ _____
309.	Supply Mains	\$ _____
310.	Power Generation Equipment	\$ _____
311.	Pumping Equipment	\$ _____
320.	Water Treatment Equipment	\$ _____
330.	Distribution Reservoirs and Standpipes	\$ _____
331.	Transmission and Distribution Mains	\$ _____
333.	Services	\$ _____
334.	Meters and Meter Installation	\$ _____
335.	Hydrants	\$ _____
339.	Other Plant and Miscellaneous Equipment	\$ _____
340.	Office Furniture and Equipment	\$ _____
341.	Transportation Equipment	\$ _____
343.	Tools, Shop and Garage Equipment	\$ _____
345.	Power Operated Equipment	\$ _____
348.	Other Tangible Plant	\$ _____
		\$ _____

Treatment Capacity \_\_\_\_\_ GPD \_\_\_\_\_ ERCs

Line Capacity \_\_\_\_\_ ERCs

ERC = \_\_\_\_\_ GPD

Sample Utilities, Inc.  
Pro Forma Wastewater Utility Plant  
FYE 12/31/XXXX

Acct. No.		
351.	Organization	\$ 25,000
352.	Franchises	3,000
353.	Land and Land Rights	10,000
354.	Structures and Improvements	15,000
360.	Collection Wastewater - Force	196,524
370.	Receiving Wells	75,000
380.	Treatment & Disposal Equipment	125,000
390.	Office Furniture and Equipment	<u>4,500</u>

Total Wastewater Utility Plant \$454,024

Treatment Capacity                      112,000 GPD  
Line Capacity

400 ERCs  
400 ERCs  
ERC = 280 GPD

Schedule 1B

Company \_\_\_\_\_

Pro Forma Wastewater Utility Plant

Date \_\_\_\_\_

Acct.  
No.

351. Organization	\$ _____
352. Franchises	\$ _____
353. Land and Land Rights	\$ _____
354. Structures and Improvements	\$ _____
360. Collection Wastewater - Force	\$ _____
361. Collection Wastewater - Gravity	\$ _____
362. Special Collecting Structures	\$ _____
363. Services to Customers	\$ _____
364. Flow Measuring Devices	\$ _____
365. Flow Measuring Installations	\$ _____
370. Receiving Wells	\$ _____
380. Treatment and Disposal Equipment	\$ _____
381. Plant Wastewater	\$ _____
382. Outfall Wastewater Lines	\$ _____
389. Other Plant and Miscellaneous Equipment	\$ _____
390. Office Furniture and Equipment	\$ _____
391. Transportation Equipment	\$ _____
393. Tools, Shop and Garage Equipment	\$ _____
395. Power Operated Equipment	\$ _____
398. Other Tangible Plant	\$ _____
	\$ _____

Treatment Capacity \_\_\_\_\_ GPD \_\_\_\_\_ ERCs

Line Capacity \_\_\_\_\_ ERCs

ERC = \_\_\_\_\_ GPD

**Sample Utilities, Inc.**  
**Pro Forma Balance Sheet (at 100% of Design Capacity)**  
**FYE 12/31/XXXX**

**Assets**

<u>Acct.</u> <u>No.</u>		
101.	Utility Plant in Service	\$ 807,439 <sup>1/</sup>
108.	Accumulated Depreciation	( 128,284) <sup>2/</sup>
131.	Cash	<u>11,967</u>
	Total Assets	<u>\$691,122</u>

**Equity and Liabilities**

201.	Stock or Equity	\$ 200,000
215.	Retained Earnings	826
232.	Notes Payable	20,000
235.	Customer Deposits	3,000
271.	Contributions in Aid of Construction (CIAC)	509,000
272.	Accumulated Amortization of CIAC	( 41,704)
	Total Equity and Liabilities	<u>\$691,122</u>

<sup>1/</sup> Schedule 1A, \$353,415 + Schedule 1B, \$454,024

<sup>2/</sup> The composite depreciation rates were determined using Rule 25-30.140, F.A.C.



Company \_\_\_\_\_

**Pro Forma Balance Sheet**

Date \_\_\_\_\_

**Assets and Other Debits**

<u>Acct. No.</u>		
101.	Utility Plant In Service	\$ _____
103.	Property Held For Future Use	\$ _____
104.	Utility Plant Purchased or Sold	\$ _____
105.	Construction Work in Progress	\$ _____
108.	Accumulated Depreciation and Amortization of Utility Plant in Service	\$ _____
114.	Utility Plant Acquisition Adjustments	\$ _____
115.	Accumulated Amortization of Utility Plant Acquisition Adjustments	\$ _____
121.	Nonutility Property	\$ _____
122.	Accumulated Depreciation and Amortization of Nonutility Property	\$ _____
124.	Utility Investments	\$ _____
131.	Cash	\$ _____
132.	Special Deposits	\$ _____
141.	Customer Accounts Receivable	\$ _____
143.	Accumulated Provision of Uncollectible Accounts--CR	\$ _____
151.	Plant Material and Supplies	\$ _____
174.	Miscellaneous Current and Accrued Assets	\$ _____
186.	Miscellaneous Deferred Debits	\$ _____
190.	Accumulated Deferred Income Taxes	\$ _____
	<b>Total Assets and Other Debits</b>	<b>\$ _____</b>

## Pro Forma Balance Sheet, continued

Equity Capital

Acct. <u>No.</u>		
201.	Common Stock Issued	\$ _____
204.	Preferred Stock Issued	\$ _____
211.	Other Paid In Capital	\$ _____
215.	Retained Earnings	\$ _____
218.	Proprietary Capital	\$ _____

Liabilities and Other Credits

224.	Long Term Debt	\$ _____
231.	Accounts Payable	\$ _____
232.	Notes Payable	\$ _____
235.	Customer Deposits	\$ _____
236.	Accrued Taxes	\$ _____
237.	Accrued Interest	\$ _____
241.	Miscellaneous Current and Accrued Liab.	\$ _____
252.	Advances for Construction	\$ _____
253.	Other Deferred Credits	\$ _____
255.	Accumulated Deferred Investment Tax Credits	\$ _____
265.	Miscellaneous Operating Reserves	\$ _____
271.	Contributions in Aid of Construction (CIAC)	\$ _____
272.	Accumulated Amortization of CIAC	\$ _____
281.	Accumulated Deferred Income Taxes - Accelerated Amortization	\$ _____
282.	Accumulated Deferred Income Taxes - Liberalized Depreciation	\$ _____
283.	Accumulated Deferred Income Taxes - Other	\$ _____
	Total Equity, Liabilities and Other Credits	\$ _____

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**Sample Utilities, Inc.**  
**Pro Forma Schedule of Expenses for Water Utility**  
**FYE 12/31/XXXX**

NIA

<u>Acct.</u> <u>No.</u>		
601.	Salaries and Wages - Employees	\$ 3,000
603.	Salaries and Wages - Other	15,000
604.	Employees Pensions and Benefits	1,200
615.	Purchased Power	3,000
618.	Chemicals	4,000
620.	Materials and Supplies	1,200
630.	Contractual Services	4,000
650.	Transportation Expense	900
655.	Insurance Expense	3,500
675.	Miscellaneous Expense	100
403.	Depreciation Expense	14,455
407.	Amortization Expense - Other	(3,000)
408.	Taxes Other Than Income	<u>4,000</u>
	Total Expenses	<u>\$ 51,355</u>
	Average cost per customer per month	<u>\$ 13.37</u>

**Note:**

These expenses should reflect the cost of operating the utility at 80% of design capacity.  
 (400 x 80% = 320)

Actual rates to be calculated by Commission staff using the base facility charge rate structure.

A return on investment will be determined and added to these expenses for rate making.

Schedule 3A

Company \_\_\_\_\_  
 Pro Forma Schedule of Expenses for Water Utility  
 Date \_\_\_\_\_

Acct. No.		
601.	Salaries and Wages - Employees	\$ _____
603.	Salaries and Wages - Other	\$ _____
604.	Employees Pensions and Benefits	\$ _____
610.	Purchased Water	\$ _____
615.	Purchased Power	\$ _____
616.	Fuel for Power Production	\$ _____
618.	Chemicals	\$ _____
620.	Materials and Supplies	\$ _____
630.	Contractual Services	\$ _____
640.	Rents	\$ _____
650.	Transportation Expense	\$ _____
655.	Insurance Expense	\$ _____
665.	Regulatory Commission Expense	\$ _____
670.	Bad Debt Expense	\$ _____
675.	Miscellaneous Expense	\$ _____
403.	Depreciation Expense	\$ _____
407.	Amortization Expense - Other	\$ _____
408.	Taxes Other Than Income	\$ _____
409.	Income Taxes	\$ _____
	Total Expenses	\$ _____
	Average cost per customer per month	\$ _____

**Sample Utilities, Inc.**  
**Pro Forma Schedule of Expenses for Wastewater Utility**  
**FYE 12/31/XXXX**

<u>Acct. No.</u>		
701.	Salaries and Wages - Employees	\$ 3,000
703.	Salaries and Wages - Other	15,000
704.	Employees Pensions and Benefits	1,200
711.	Sludge Removal Expense	1,200
715.	Purchased Power	3,000
718.	Chemicals	4,000
720.	Materials and Supplies	1,500
730.	Contractual Services	4,000
750.	Transportation Expense	1,000
755.	Insurance Expense	3,000
775.	Miscellaneous Expense	200
403.	Depreciation Expense	17,616
407.	Amortization Expense	(4,000)
408.	Taxes Other Than Income	<u>3,500</u>
	Total Expenses	<u>\$ 54,216</u>
	Average cost per customer per month	<u>\$ 14.12</u>

**Note:**

These expenses should reflect the cost of operating the utility at 80% of design capacity.  
 (400 x 80% = 320)

Actual rates to be calculated by Commission staff using the base facility charge rate structure.

A return on investment will be determined and added to these expenses for rate making.

Schedule 3B

Company \_\_\_\_\_

Pro Forma Schedule of Expenses for Wastewater Utility

Date \_\_\_\_\_

Acct. No.		
701.	Salaries and Wages - Employees	\$ _____
703.	Salaries and Wages - Other	\$ _____
704.	Employees Pensions and Benefits	\$ _____
710.	Purchased Wastewater Treatment	\$ _____
711.	Sludge Removal Expense	\$ _____
715.	Purchased Power	\$ _____
716.	Fuel for Power Production	\$ _____
718.	Chemicals	\$ _____
720.	Materials and Supplies	\$ _____
730.	Contractual Services	\$ _____
740.	Rents	\$ _____
750.	Transportation Expense	\$ _____
755.	Insurance Expense	\$ _____
765.	Regulatory Commission Expense	\$ _____
770.	Bad Debt Expense	\$ _____
775.	Miscellaneous Expense	\$ _____
403.	Depreciation Expense	\$ _____
407.	Amortization Expense	\$ _____
408.	Taxes Other Than Income	\$ _____
409.	Income Taxes	\$ _____
	Total Expenses	\$ _____
	Average cost per customer per month	\$ _____

### Service Availability Charge(s) Analysis

Pursuant to Rule 25-30.580, F.A.C., the maximum amount of contribution in aid of construction (CIAC), net of amortization, should not exceed 75% of the total original cost, net of accumulated depreciation, of the utility's facilities and plant when the facilities and plant are at their designed capacity. The utility must make some projection as to when it anticipates reaching the capacity of the system and determine the depreciated value of the facilities at that point. The depreciation guidelines are provided in Rule 25-30.140, F.A.C.

The minimum amount of CIAC should not be less than the percentage of such facilities and plant that is represented by the water transmission and distribution and wastewater collection systems. This a gross to gross valuation.

If the utility has any gross inequities in the capacity of the facilities, this should be adjusted in setting the minimum or maximum level of CIAC. For example, a utility might have the capacity for 20,000 ERCs in transmission and distribution lines, but the treatment capacity for only 2,000 ERCs. Because the service availability charge is designed so that customers pay a portion of the investment in plant, in the above example the first 2,000 ERCs (connections) should not be expected to pay for 20,000 ERCs of lines.

These minimum and maximum levels of CIAC include all contributions, cash and property. Once the utility has determined the desired level of CIAC, within the prescribed range, the charge itself must be set based on several factors.

Staff has tried to recognize that utility customers connect to the system sporadically. A very general formula is utilized in an attempt to emulated this flow.

The following examples should give you an idea of the type of analysis we perform. We look to levels or percentages as well as dollar amounts to determine appropriate service availability policies.

In the first example, we assume that the utility has no contributed property. In the second example, we assume that all the transmission and distribution lines were contributed to the utility.

The schedule following the examples is somewhat complex but may be completed at the option of the applicant. If you choose to have staff set the service availability charge(s), you will want to indicate the desired level of CIAC as allowed by Rule 25-30.580, F.A.C., or staff will analyze a proposed service availability policy.



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## Sample Utilities, Inc.

Example 1  
(no contributed property)

## Service Availability Charge Analysis for Water Utility

Symbol

A = Gross Book Value	\$353,415
B = Land	\$ 10,000
C = Depreciable Assets	\$343,415
D = Accumulated Depreciation to Date	\$ 0
E = Accumulated Depreciation at Design Capacity	\$ 56,183
F = Net Plant at Design Capacity (includes land)	\$297,232 <u>1/</u>
G = Transmission/Distribution/Collection Lines	\$150,000
H = Minimum Level of CIAC (A/G x 100%)	42.44% <u>2/</u>
I = CIAC to Date	\$ 0.00
J = Accumulated Amortization of CIAC to Date	\$ 0.00
K = Accumulated Amortization of CIAC at Design Capacity	\$ 0.00 <u>3/</u>
L = Future Customers (ERC) to be Connected	400
M = Composite Depreciation Rate	4.09%
N = Number of Years to Design Capacity	4.00
O = Existing Service Availability Charge per ERC	\$ 0.00
P = Level of CIAC at Design Capacity	0.00%
Q = Requested Service Availability Charge per ERC	\$ 500.00
R = Level of CIAC at Design Capacity	61.67% <u>4/</u>
S = Minimum Service Availability Charge per ERC	\$ 344.12 <u>5/</u>
T = Level of CIAC at Design Capacity	42.44% <u>2/</u>
U = Maximum Service Availability Charge per ERC	\$ 608.09 <u>6/</u>
V = Level of CIAC at Design Capacity	75.00% <u>7/</u>

**Sample Utilities, Inc.**  
**Example 1, continued**  
**Service Availability Charge Analysis for Water Utility**

1/  $A - D - (C \times M \times N) = F$

2/  $G / A = H$

Rule 25-30.580(1)(b), F.A.C.

3/  $J + (I \times M \times N) = K$

4/ Net CIAC / Net Plant = R;  
 Net CIAC =  $I - K + (Q \times L) - (Q \times Z)$   
 $Z = [M/12] [L/(N \times 12)] [(N \times 12) \times ((N \times 12) + 1) / 2]$   
 Net Plant = F

5/  $F \times H = I - K + (S \times L) - (S \times Z)$   
 S = Minimum Service Availability Charge per ERC  
 $Z = [M/12] [L/(N \times 12)] [(N \times 12) \times ((N \times 12) + 1) / 2]$

6/  $F \times 75.00\% = I - K + (U \times L) - (U \times Z)$   
 U = Maximum Service Availability Charge per ERC  
 $Z = [M/12] [L/(N \times 12)] [(N \times 12) \times ((N \times 12) + 1) / 2]$

7/ Rule 25-30.580(1)(a), Florida Administrative Code

## Sample Utilities, Inc.

**Example 2**  
**(all transmission and distribution**  
**property contributed)**

**Service Availability Charge Analysis for Water Utility**

Symbol

A = Gross Book Value	\$353,415
B = Land	\$ 10,000
C = Depreciable Assets	\$343,415
D = Accumulated Depreciation to Date	\$ 0
E = Accumulated Depreciation at Design Capacity	\$ 56,183
F = Net Plant at Design Capacity (includes land)	\$297,232 <u>1/</u>
G = Transmission/Distribution/Collection Lines	\$150,000
H = Minimum Level of CIAC (A/G x 100%)	42.44% <u>2/</u>
I = CIAC to Date	\$150,000
J = Accumulated Amortization of CIAC to Date	\$ 0
K = Accumulated Amortization of CIAC at Design Capacity	\$ 24,540 <u>3/</u>
L = Future Customers (ERC) to be Connected	400
M = Composite Depreciation Rate	4.09%
N = Number of Years to Design Capacity	4.00
O = Existing Service Availability Charge per ERC	\$ 0.00
P = Level of CIAC at Design Capacity	0.00%
Q = Requested Service Availability Charge per ERC	\$ 500.00
R = Level of CIAC at Design Capacity	103.88% <u>4/</u>
S = Minimum Service Availability Charge per ERC	\$ 0.00 <u>5/</u>
T = Level of CIAC at Design Capacity	42.44% <u>2/</u>
U = Maximum Service Availability Charge per ERC	\$ 265.86 <u>6/</u>
V = Level of CIAC at Design Capacity	75.00% <u>7/</u>

**Sample Utilities, Inc.**  
**Example 2, continued**  
**Service Availability Charge Analysis for Water Utility**

1/  $A - D - (C \times M \times N) = F$

2/  $G / A = H$

Rule 25-30.580(1)(b), F.A.C.

3/  $J + (I \times M \times N) = K$

4/ Net CICA / Net Plant = R;  
 Net CIAC =  $I - K + (Q \times L) - (Q \times Z)$   
 $Z = [M/12] [L/(N \times 12)] [(N \times 12) \times ((N \times 12) + 1) / 2]$   
 Net Plant = F

5/  $F \times H = I - K + (S \times L) - (S \times Z)$   
 S = Minimum Service Availability Charge per ERC  
 $Z = [M/12] [L/(N \times 12)] [(N \times 12) \times ((N \times 12) + 1) / 2]$

6/  $F \times 75.00\% = I - K + (U \times L) - (U \times Z)$   
 U = Maximum Service Availability Charge per ERC  
 $Z = [M/12] [L/(N \times 12)] [(N \times 12) \times ((N \times 12) + 1) / 2]$

7/ Rule 25-30.580(1)(a), Florida Administrative Code

(Optional)  
 Service Availability Charge(s) Analysis

Gross Book Value	\$ _____
Land	\$ _____
Depreciable Assets	\$ _____
Accumulated Depreciation to Date	\$ _____
Accumulated Depreciation at Design Capacity	\$ _____
Net Plant at Design Capacity	\$ _____
Transmission/Distribution/Collection Lines	\$ _____
Minimum Level of CIAC	_____ %
CIAC to Date	\$ _____
Accumulated Amortization of CIAC to Date	\$ _____
Accumulated Amortization of CIAC at Design Capacity	\$ _____
Future Customers to be Connected	_____ ERCs
Composite Depreciation Rate	_____ %
Number of Years to Design Capacity	_____
Existing Charge per ERC	\$ _____
Level of CIAC at Design Capacity	_____ %
Requested Charge per ERC	\$ _____
Level of CIAC at Design Capacity	_____ %
Minimum Service Availability Charge per ERC	\$ _____
Level of CIAC at Design Capacity	_____ %
Maximum Service Availability Charge per ERC	\$ _____
Level of CIAC at Design Capacity	<u>75.00</u> %

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N/A

Cost Justification for Meter Installation Fees

	5/8 x 3/4"	1"	1-1/2"	Other
Meter	\$ _____	\$ _____	\$ _____	\$ _____
Meter Box	_____	_____	_____	_____
Fitting and Curb Stop	_____	_____	_____	_____
Labor @ \$ _____ per hour	_____	_____	_____	_____
Overhead @ \$ _____ per hour	_____	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____	\$ _____



Cost Justification for Miscellaneous Service Charges

	<u>Charge During Regular Business Hours</u>	<u>Charge After Regular Business Hours</u>
Initial Connection:	-----	-----
Normal Reconnection:	-----	-----
Violation Reconnection:	-----	-----
Premise Visit Charge:	-----	-----

**Note:**

A request for approval of miscellaneous service charges must be accompanied by supporting cost justification which clearly reflects the costs incurred to provide the particular miscellaneous service and the requested charges are reasonable fees as required by our rules.

Revenue Proof for Water Utility

Requested Rates - Residential - Monthly

Base Facility Charge

5/8 x 3/4"	Meter	\$ 6.00
1"	Meter	15.00
1 - 1/2"	Meter	30.00
2"	Meter	48.00
3"	Meter	96.00
4"	Meter	150.00

Charge per 1,000 gallons \$ 1.00

320 ERCs x 12 months x \$6.00	=	\$23,040
320 ERCs x 350 GPD x 365 days x 1.00/1,000	or	
112,000 GPD x 365 days x \$1.00/1,000	=	<u>\$40,800</u>
Water Revenue at 80% of Design Capacity		<u>\$63,920</u>

**Note:**

The requested rates are designed to cover operating expenses at 80% of design capacity and allow a fair rate of return on rate base.

Revenue Proof for Wastewater Utility

Requested Rates - Residential - Monthly

Base Facility Charge (All Meter Sizes)	\$ 7.50
Charge per 1,000 gallons (Maximum 10,000 gallons)	\$ 1.30

320 ERCs x 12 months x \$7.50	=	\$28,800
320 ERCs x 280 GPD x 365 days x 1.30/1,000	or	
89,600 GPD x 365 days x \$1.30/1,000	=	<u>\$42,515</u>
Water Revenue at 80% of Design Capacity		<u>\$71,315</u>

**Note:**

The requested rates are designed to cover operating expenses at 80% of design capacity and allow a fair rate of return on rate base.

Questionnaire

1. Number of connections anticipated:

<u>Water</u>	<u>1st year</u>	<u>2nd year</u>	<u>3rd year</u>
Residential 5/8 x 3/4 " meter	_____	_____	_____
Residential _____ " meter	_____	_____	_____
Multiple dwelling units	_____	_____	_____
Commercial	_____	_____	_____
Fire Protection	_____	_____	_____
Total	_____	_____	_____

<u>Wastewater</u>	<u>1st year</u>	<del>2nd year</del>	<u>3rd year</u>
Residential	_____	_____	_____
Multiple dwelling units	_____	_____	_____
Commercial	_____	_____	_____
Total	_____	_____	_____

2. Describe the anticipated type of customers, i.e., mobile homes, condominiums, single family, retirement areas, golf courses, pools, clubhouses, industrial, etc.

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3. How many years will it take for the utility to reach design capacity? 3 Yrs

4. Give the approximate date you anticipate having your first connection.  
N/A  
 \_\_\_\_\_

5. Do you anticipate future expansion or additional phases of construction?  
N/A (Yes or No)

Questionnaire, continued

6. Describe briefly any developer agreements you anticipate and enclose a copy of any existing agreements, i.e., contributions of lines, etc.

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Attachment No. \_\_\_\_\_

7. Attach a copy of the deed for the land on which the plant facilities are located.  
Attachment No. \_\_\_\_\_

8. Provide number and date of issuance of any permit(s) obtained from Florida Department of Environmental Protection for construction of water or wastewater facilities.

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9. Estimated gallons of water to be sold per month, at 80% of design capacity, by customer class:

Residential 5/8 x 3/4 " meter	_____
Residential _____ " meter	_____
Multiple dwelling units	_____
Commercial	_____
Fire Protection	_____

10. Describe the water treatment system, i.e., number of wells, storage capacity, type of water treatment.

-----  
-----  
-----  
-----

Questionnaire, continued

11. Estimated gallons of wastewater to be treated per month, at 80% of design capacity, by customer class:

Residential	_____
Multiple dwelling units	_____
Commercial	_____

12. Describe the wastewater treatment system, i.e., ponds, type of wastewater treatment, etc.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

13. Provide evidence that the utility will have adequate financial backing.  
Attachment No. \_\_\_\_\_

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## FLORIDA PUBLIC SERVICE COMMISSION

### INSTRUCTIONS FOR PREPARATION OF TERRITORY DESCRIPTION AND MAP

An accurate description of the territory served or proposed to be served is essential. The noticing requirement in Rule 25-30, Florida Administrative Code, and the territory description requirement for each of the certification applications require the territory to be described using township, range and land sections. Failure to use the required format will cause your application to be delayed and may result in your having to renotice. The following information is provided to assist you in preparing a correct legal description and plotting that territory on the service territory map.

#### TERRITORY DESCRIPTION

The territory description must contain the following:

- 1) A reference to a township(s), range(s), land section(s) and county.
- 2) A complete and accurate description of the territory served or proposed to be served. There are two acceptable formats which may be used.
  - a) Sections - If the territory includes complete sections, the description may only include the township, range, and section reference. If the territory includes partial sections, the description shall either identify the subsections included or excluded.
  - b) Metes and Bounds - A point of beginning which is referenced from either a section corner or a subsection corner, such as a quarter corner. The perimeter shall be described by traversing the proposed territory and closing at the point of beginning. Also, the description shall include all bearings and distances necessary to provide a continuous description.
- 3) References to interstates, state roads, and major bodies of water are acceptable.
- 4) References to government lots, local streets, recorded plats or lots, tracts, or other recorded instruments are not acceptable.

Acceptable territory description formats are shown in the attached Examples 1 and 2.

Territory maps are required in the Florida Administrative Code rules related to applications for original certificates, amendments, grandfather certificates, and in transfers to a governmental agency where only a portion of the territory is transferred. The map is



used by staff to verify the location of the existing or proposed territory. The territory maps should not be confused with the system depiction map which is used to locate existing or proposed service lines and facilities.

### **TERRITORY MAP**

The territory map shall contain the following:

- 1) Territory shall be plotted on a Department of Transportation Map, County tax assessor map or any other map with a scale of 1"= 200 ft. or 1" = 400 ft.
- 2) Township, range, section, and county.
- 3) An accurate depiction of the existing or proposed territory. The map should clearly distinguish the existing versus the proposed territory.

An example of a acceptable territory map is attached as Example 3.

## FORMAT TO BE FOLLOWED IN PREPARING TERRITORY DESCRIPTIONS

NOTE: EXAMPLE 1 IS PREFERRED OVER METES AND BOUNDS IN EXAMPLE 2.

### EXAMPLE 1

Township 26 South, Range 29 East, Osceola County, Florida

#### Section 18

The South 1/2 of the Southeast 1/4 and the South 1/2 of the North 1/2 of the Southeast 1/4 of said Section 18

also

The East 1/2 of the Southeast 1/4 of the South West 1/4 and the Southeast 1/4 of the Northeast 1/4 of the Southwest 1/4 of said Section 18

#### Section 19

The North 1/2 of the Northeast 1/4 and the North 1/2 of the South 1/2 of the Northeast 1/4 of said Section 19

also

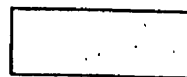
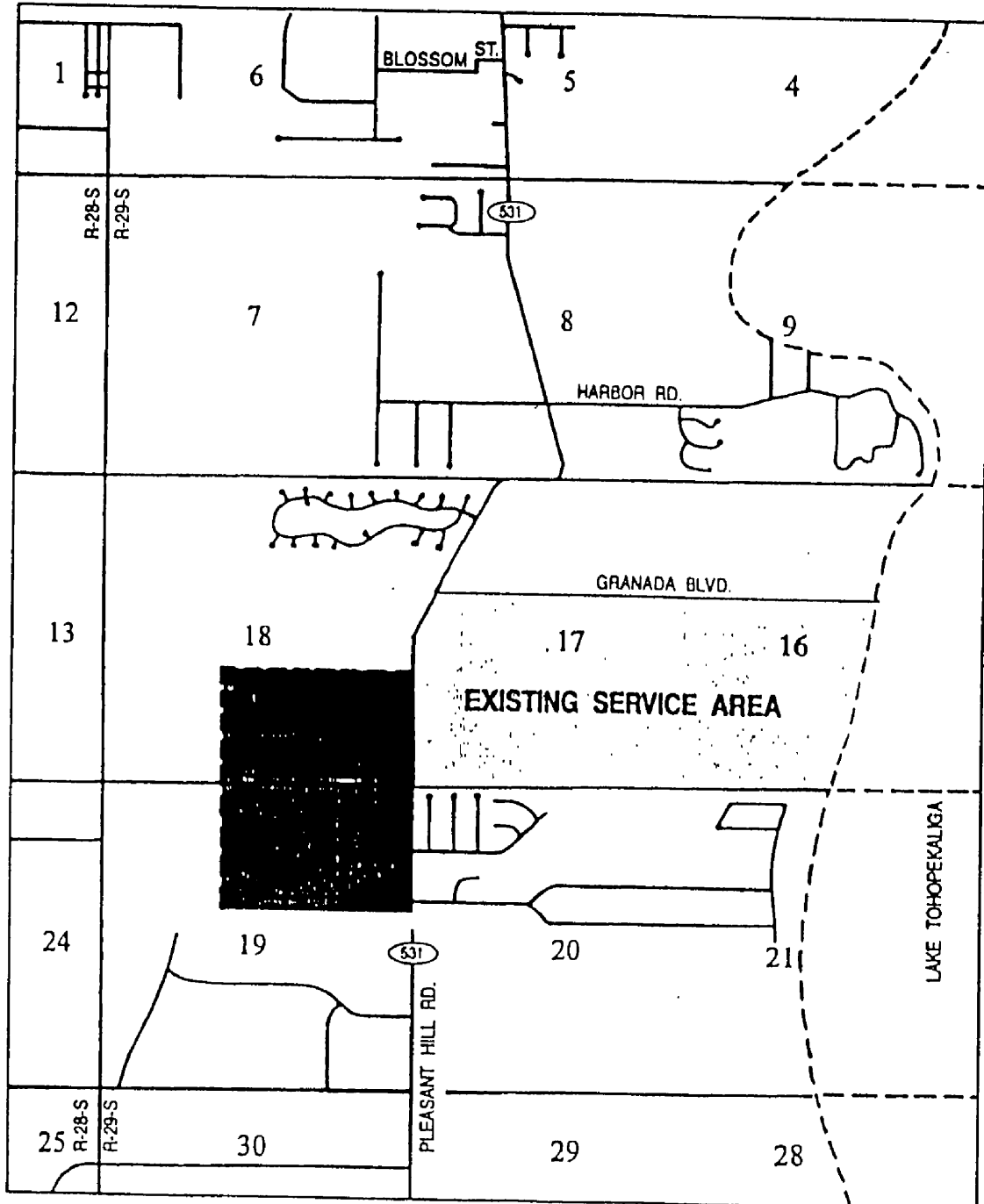
The East 1/2 of the Northeast 1/4 of the Northwest 1/4 and the Northeast 1/4 of the Southeast 1/4 of the Northwest 1/4 of said Section 19

### EXAMPLE 2

A portion of Section 18 and 19, Township 26 South, Range 29 East, Osceola County Florida; being more particularly described as follows: Commencing at the SE corner of Section 18, this point also being the Point of Beginning; thence run due south along the east line of Section 19 a distance of 1980 feet to a point; thence run due west a distance of 2706 feet to a point; thence run due north a distance of 3960 feet to a point; thence run due east a distance of 2706 feet to a point of east line of Section 18; thence run due south along the east line of Section 18 a distance of 1980 feet to the Point of Beginning.

**EXAMPLE 3**

**TOWNSHIP 26 SOUTH, RANGE 29 EAST, OSCEOLA COUNTY, FLORIDA**



EXISTING SERVICE AREA



PROPOSED SERVICE AREA

**SAMPLE PUBLICATION / LEGAL NOTICE FOR  
APPLICATION FOR ORIGINAL CERTIFICATE**

**(FOR A PROPOSED OR EXISTING SYSTEM REQUESTING  
INITIAL RATES AND CHARGES)**

**(Section 367.045, Florida Statutes)**

**LEGAL NOTICE**

Notice is hereby given on       (Date)      , pursuant to Section 367.045, Florida Statutes, of the application of       (Name of Utility)       to operate a water and/or wastewater utility to provide service to the following described territory in       (County)      , Florida.

(Insert a brief description of the area proposed to be served. Use the Survey of Public Lands method (township, range, section, and quarter section) if possible, or a metes and bounds description, and also the subdivision or project name. The description should **NOT** refer to land grants or plat books, but may use geographic boundaries (i.e., road right-of-ways, railroads, rivers, creeks, etc.). The object is to make the description as brief, but as accurate as possible.)

Any objection to the said application must be made in writing and filed with the Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within thirty (30) days from the date of this notice. At the same time, a copy of said objection should be mailed to the applicant whose address is set forth below. The objection must state the grounds for the objection with particularity.

(Utility name and address)

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**SECTION 367.045, FLORIDA STATUTES  
CERTIFICATE OF AUTHORIZATION; APPLICATION  
AND AMENDMENT PROCEDURES**

(1) When a utility applies for an initial certificate of authorization from the commission, it shall:

(a) Provide notice of the actual application filed by mail or personal delivery to the governing body of the county or city affected, to the Public Counsel, to the commission, and to such other persons and in such other manner as may be prescribed by commission rule;

(b) Provide all information required by rule or order of the commission, which information may include a detailed inquiry into the ability of the applicant to provide service, the area and facilities involved, the need for service in the area involved, and the existence or nonexistence of service from other sources within geographical proximity to the area in which the applicant seeks to provide service;

(c) File with the commission schedules showing all rates, classifications, and charges for service of every kind proposed by it and all rules, regulations, and contracts relating thereto;

(d) File the application fee required by s. 367.145; and

(e) Submit an affidavit that the applicant has provided notice of its actual application pursuant to this section.

(2) A utility may not delete or extend its service outside the area described in its certificate of authorization until it has obtained an amended certificate of authorization from the commission. When a utility applies for an amended certificate of authorization from the commission, it shall:

(a) Provide notice of the actual application filed by mail or personal delivery to the governing body of the county or municipality affected, to the Public Counsel, to the commission, and to such other persons and in such other manner as may be prescribed by commission rule;

(b) Provide all information required by rule or order of the commission, which information may include a detailed inquiry into the ability or inability of the applicant to provide service, the need or lack of need for service in the area that the applicant seeks to delete or add; the existence or nonexistence of service from other sources within geographical proximity to the area that the applicant seeks to delete or add, and a description of the area sought to be deleted or added to the area described in the applicant's current certificate of authorization;

(c) Provide a reference to the number of the most recent order of the commission establishing or amending the applicant's rates and charges;

(d) Submit an affidavit that the utility has tariffs and annual reports on file with the commission;

(e) File the application fee required by s. 367.145; and

(f) Submit an affidavit that the applicant has provided notice of its actual application pursuant to this section.

(3) If, within 30 days after the last day that notice was mailed or published by the applicant, whichever is later, the commission does not receive written objection to the notice, the commission may dispose of the application without hearing. If the applicant is dissatisfied with the disposition, it may bring a proceeding under ss. 120.569 and 120.57.

(4) If, within 30 days after the last day that notice was mailed or published by the applicant, whichever is later, the commission receives from the Public Counsel, a governmental authority, or a utility or consumer who would be substantially affected by the requested certification or amendment a written objection requesting a proceeding pursuant to ss. 120.569 and 120.57, the commission shall order such proceeding conducted in or near the area for which application is made, if feasible. Notwithstanding the ability to object on any other ground, a county or municipality has standing to object on the ground that the issuance or amendment of the certificate of authorization violates established local comprehensive plans developed pursuant to ss. 163.3161-163.3211. If a consumer, utility, or governmental authority or the Public Counsel requests a public hearing on the application, such hearing must, if feasible, be held in or near the area for which application is made; and the transcript of such hearing and any material submitted at or before the hearing must be considered as part of the record of the application and any proceeding related thereto.

(5)(a) The commission may grant or amend a certificate of authorization, in whole or in part or with modifications in the public interest, but may not grant authority greater than that requested in the application or amendment thereto and noticed under this section; or it may deny a certificate of authorization or an amendment to a certificate of authorization, if in the public interest. The commission may deny an application for a certificate of authorization for any new Class C wastewater system, as defined by commission rule, if the public can be adequately served by modifying or extending a current wastewater system. The commission may not grant a certificate of authorization for a proposed system, or an amendment to a certificate of authorization for the extension of an existing system, which will be in competition with, or a duplication of, any other system or portion of a system, unless it first determines that such other system or portion thereof is inadequate to meet the reasonable needs of the public or that the person operating the system is unable, refuses, or neglects to provide reasonably adequate service.

(b) When granting or amending a certificate of authorization, the commission need not consider whether the issuance or amendment of the certificate of authorization is inconsistent with the local comprehensive plan of a county or municipality unless a timely objection to the notice required by this section has been made by an appropriate motion or application. If such an objection has been timely made, the commission shall consider, but is not bound by, the local comprehensive plan of the county or municipality.

(6) The revocation, suspension, transfer, or amendment of a certificate of authorization is subject to the provisions of this section. The commission shall give 30 days' notice before it initiates any such action.

History.—

ss. 5, 27, ch. 89-353; s. 4, ch. 91-429; s. 95, ch. 96-410.



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**CHAPTER 25-30.020, F.A.C.**  
**FEEES REQUIRED TO BE PAID BY WATER AND WASTEWATER UTILITIES**

(1) When a utility files any application for a certificate of authorization pursuant to sections 367.045, 367.071 and 367.171, Florida Statutes, or files any request for a rate change pursuant to sections 367.081, 367.0814 and 367.0822, Florida Statutes (except an index or pass-through), or files for authorization to collect or change service availability charges pursuant to section 367.101, Florida Statutes, the utility shall remit a fee to the Commission's Director of Records and Reporting. A separate fee shall apply for water service and wastewater service. A separate fee shall also apply for each section listed above. For purposes of this rule, capacity is determined by combining the capacities of all systems included in the application. For purposes of this rule, an equivalent residential connection (ERC) is 350 gallons per day (gpd) for water service and 280 gallons per day (gpd) for wastewater service.

(2) The amount of the fee to be filed pursuant to subsection (1) of this rule shall be as follows:

(a) For an original certificate application filed pursuant to Section 367.045, Florida Statutes, the amount of the fee shall be as follows:

1. For utilities with the existing or proposed capacity to serve up to 500 ERCs, \$750;
2. For utilities with the existing or proposed capacity to serve from 501 to 2,000 ERCs, \$1,500;
3. For utilities with the existing or proposed capacity to serve from 2,001 to 4,000 ERCs, \$2,250;
4. For utilities with the existing or proposed capacity to serve more than 4,000 ERCs, \$3,000.

(b) For an application for extension or deletion of territory filed pursuant to Section 367.045, Florida Statutes, the amount of the fee shall be as follows:

1. For applications in which the area to be extended or deleted has the proposed capacity to serve up to 100 ERCs, \$100;
2. For applications in which the area to be extended or deleted has the proposed capacity to serve from 101 to 200 ERCs, \$200;
3. For applications in which the area to be extended or deleted has the proposed capacity to serve from 201 to 500 ERCs, \$500;
4. For applications in which the area to be extended or deleted has the proposed capacity to serve from 501 to 2,000 ERCs, \$1,000;
5. For applications in which the area to be extended or deleted has the proposed capacity to serve from 2,001 to 4,000 ERCs, \$1,750;
6. For applications in which the area to be extended or deleted has the proposed capacity to serve more than 4,000 ERCs, \$2,250.

(c) For an application for transfer or change in majority organizational control filed pursuant to Section 367.071, Florida Statutes, the amount of the fee shall be as follows:

1. For applications in which the utility to be transferred has the capacity to serve up to 500 ERCs, \$750;
2. For applications in which the utility to be transferred has the capacity to serve from 501 to 2,000 ERCs, \$1,500;
3. For applications in which the utility to be transferred has the capacity to serve from 2,001 to 4,000 ERCs, \$2,250;
4. For applications in which the utility to be transferred has the capacity to serve more than 4,000 ERCs, \$3,000.

(d) For an application for a grandfather certificate filed pursuant to Section 367.171, Florida Statutes, the amount of the fee shall be as follows:

1. For applications in which the utility has the capacity to serve up to 100 ERCs, \$100;
2. For applications in which the utility has the capacity to serve from 101 to 200 ERCs, \$200;
3. For applications in which the utility has the capacity to serve from 201 to 500 ERCs, \$500;
4. For applications in which the utility has the capacity to serve from 501 to 2,000 ERCs, \$1,000;
5. For applications in which the utility has the capacity to serve from 2,001 to 4,000 ERCs, \$1,750;
6. For applications in which the utility has the capacity to serve more than 4,000 ERCs, \$2,250.

(e) For file and suspend rate cases filed pursuant to Section 367.081, Florida Statutes, the amount of the fee shall be as follows:

1. For utilities with the existing capacity to serve up to 500 ERCs, \$1,000;
2. For utilities with the existing capacity to serve from 501 to 2,000 ERCs, \$2,000;
3. For utilities with the existing capacity to serve from 2,001 to 4,000 ERCs, \$3,500;
4. For utilities with the existing capacity to serve more than 4,000 ERCs, \$4,500.

(f) For staff-assisted rate cases filed pursuant to Section 367.0814, Florida Statutes, the amount of the fee shall be as follows:

1. For utilities with the existing capacity to serve up to 100 ERCs, \$200;
2. For utilities with the existing capacity to serve from 101 to 200 ERCs, \$500;
3. For utilities with the existing capacity to serve more than 200 ERCs, \$1,000.

(g) For an application for a limited proceeding pursuant to Section 367.0822, Florida Statutes, the amount of the fee shall be as follows:

1. For utilities with the existing capacity to serve up to 100 ERCs, \$100;
2. For utilities with the existing capacity to serve from 101 to 200 ERCs, \$200;
3. For utilities with the existing capacity to serve from 201 to 500 ERCs, \$500;
4. For utilities with the existing capacity to serve from 501 to 2,000 ERCs, \$1,000;
5. For utilities with the existing capacity to serve from 2,001 to 4,000 ERCs, \$1,750;
6. For utilities with the existing capacity to serve more than 4,000 ERCs, \$2,250.

(h) For an application for approval of charges or conditions for service availability filed pursuant to section 367.101, Florida Statutes, the amount of the fee shall be as follows:

1. For utilities with existing and proposed capacity to serve up to 100 ERCs, \$100;
2. For utilities with existing and proposed capacity to serve from 101 to 200 ERCs, \$200;
3. For utilities with existing and proposed capacity to serve from 201 to 500 ERCs, \$500;
4. For utilities with existing and proposed capacity to serve from 501 to 2,000 ERCs, \$1,000;
5. For utilities with existing and proposed capacity to serve from 2,001 to 4,000 ERCs, \$1,750;
6. For utilities with existing and proposed capacity to serve more than 4,000 ERCs, \$2,250.

Specific Authority: 350.127(2) and 367.121(1), F.S.

Law Implemented: 367.045(1)(d), (2)(e), 367.071(3), 367.081(5), 367.0822(2), 367.101(2), 367.145 and 367.171(2)(b), F.S. History: New 10/29/80, Formerly 25-10.11, Transferred from 25-10.011 and Amended 11/9/86, 11/30/93.

**CHAPTER 25-30.025, F.A.C.  
OFFICIAL DATE OF FILING**

(1) The "official date of filing" is the date on which the Director of the Division of Water and Wastewater determines the utility has filed completed sets of the minimum filing requirements (MFRs), including testimony that may be required by Rule 25-30.436(2) and payment of the appropriate filing fee to the Director of Records and Reporting.

(2) The Director of the Division of Water and Wastewater shall determine the official date of filing for any utility's application and advise the applicant. The Commission shall resolve any dispute regarding the official date of filing.

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

Law Implemented: 367.083, F.S.

History: New 3/26/81, Formerly 25-10.12, Transferred from 25-10.012, Amended 11/9/86, 11/30/93.

**CHAPTER 25-30.030, F.A.C.  
NOTICE OF APPLICATION**

(1) When a utility applies for a certificate of authorization, an extension or deletion of its service area, or a sale, assignment or transfer of its certificate of authorization, facilities or any portion thereof or majority organizational control, it shall provide notice of its application in the manner and to the entities described in this section.

(2) Before providing notice in accordance with this section, a utility shall obtain from the Commission a list of the names and addresses of the municipalities, the county or counties, the regional planning council, the Office of Public Counsel, the Commission's Director of Records and Reporting, the appropriate regional office of the Department of Environmental Protection, the appropriate water management district, and privately-owned water and wastewater utilities that hold a certificate granted by the Public Service Commission and that are located within the county in which the utility or the territory proposed to be served is located. In addition, if any portion of the proposed territory is within one mile of a county boundary, the utility shall obtain from the Commission a list of the names and addresses of the privately-owned utilities located in the bordering counties and holding a certificate granted by the Commission. The utility's request for the list shall include a complete legal description of the territory to be requested in the application that includes:

(a) a reference to township(s), range(s), land section(s) and county; and  
(b) a complete and accurate description of the territory served or proposed to be served in one of the following formats. The description may reference interstates, state roads, and major bodies of water. The description shall not rely on references to government lots, local streets, recorded plats or lots, tracts, or other recorded instruments.

1. Sections: If the territory includes complete sections, the description shall only include the township, range, and section reference. If the territory includes partial sections, the description shall either identify the subsections included or excluded.

2. Metes and bounds: A point of beginning which is referenced from either a section corner or a subsection corner, such as a quarter corner. The perimeter shall be described by traversing the proposed territory and closing at the point of beginning. The description shall include all bearings and distances necessary to provide a continuous description.

(3) The notice shall be appropriately styled:

- (a) Notice of Application for an Initial Certificate of Authorization for Water, Wastewater, or Water and Wastewater Certificate;
- (b) Notice of Application for an Extension of Service Area;
- (c) Notice of Application for Deletion of Service Area;
- (d) Notice of Application for a Transfer of Water, Wastewater, or Water and

Wastewater Certificate(s); or

(e) Notice of Application for a Transfer of Majority Organizational Control.

(4) The notice shall include the following:

(a) the date the notice is given;

(b) the name and address of the applicant;

(c) a description, using township, range and section references, of the territory proposed to be either served, added, deleted, or transferred; and

(d) a statement that any objections to the application must be filed with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0870, no later than 30 days after the last date that the notice was mailed or published, whichever is later.

(5) Within 7 days of filing its application, the utility shall provide a copy of the notice by regular mail to:

(a) the governing body of the county in which the utility system or the territory proposed to be served is located;

(b) the governing body of any municipality contained on the list obtained pursuant to (2) above;

(c) the regional planning council designated by the Clean Water Act, 33 U.S.C. 1288(2);

(d) all water or wastewater utilities contained on the list(s) obtained pursuant to (2) above;

(e) the office of Public Counsel;

(f) the Commission's Director of Records and Reporting;

(g) the appropriate regional office of the Department of Environmental Protection; and

(h) the appropriate Water Management District.

(6) No sooner than 21 days before the application is filed and no later than 7 days after the application is filed, the utility shall also provide a copy of the Notice, by regular mail or personal service, to each customer, of the system to be certificated, transferred, acquired, or deleted.

(7) The Notice shall be published once in a newspaper of general circulation in the territory proposed to be served, added, deleted, or transferred. The publication shall be within 7 days of filing the application.

(8) A copy of the notice(s) and list of the entities receiving notice pursuant to this rule shall accompany the affidavit required by sections 367.045(1) (e) and (2) (f), Florida Statutes. The affidavit shall be filed no later than 15 days after filing the application.

(9) This rule does not apply to applications for grandfather certificates filed under section 367.171, Florida Statutes, or to applications for transfers to governmental authorities filed under Section 367.071, Florida Statutes, or to name changes.

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

Law Implemented: 367.031, 367.045, 367.071, F.S.

History: New 4/5/81, formerly 25-10.061, Transferred from 25-10.0061 and Amended 11/9/86, Amended 1/27/91, Amended 11/30/93.



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**CHAPTER 25-30.031, F.A.C.  
WRITTEN OBJECTION**

(1) A written objection to a Notice of Application is timely if it is filed within 30 days after the last day that the Notice is mailed or published by the applicant, whichever is later.

(2) A written objection must state the grounds for the objection with particularity.

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

Law Implemented: 367.045, F.S.

History: New 11/9/86. Amended 1/27/91.

**CHAPTER 25-30.032, F.A.C.  
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 12 copies, in accordance with either 25-30.033, 25-30.034, 25-30.035, 25-30.036, 25-30.037(1) or (2), or 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 Rule 25-30.037 (3) and (4), F.A.C. The application shall be filed with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0870. Sample application forms may be obtained from the Division of Water and Wastewater, Bureau of Certification, 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 Division of Records and Reporting, 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: 367.121, F.S.  
Law Implemented: 367.031, 367.045, 367.071, F.S.  
History: New 1/27/91, Amended 11/30/93.

**CHAPTER 25-30.033, F.A.C.**  
**APPLICATION FOR ORIGINAL CERTIFICATE OF AUTHORIZATION**  
**AND INITIAL RATES AND CHARGES**

(1) Each application for an original certificate of authorization and initial rates and charges shall provide the following information:

- (a) the applicant's name and address;
- (b) the nature of the applicant's business organization, i.e., corporation, partnership, limited partnership, sole proprietorship, association, etc.;
- (c) the name(s) and address(es) of all corporate officers, directors, partners, or any other person(s) or entities owning an interest in the applicant's business organization;
- (d) whether the applicant has made an election under Internal Revenue Code § 1362 to be an S corporation;
- (e) a statement showing the financial and technical ability of the applicant to provide service, and the need for service in the proposed area. The statement shall identify any other utilities within the area proposed to be served that could potentially provide service, and the steps the applicant took to ascertain whether such other service is available;
- (f) A statement that to the best of the applicant's knowledge, the provision of service will be consistent with the water and wastewater sections of the local comprehensive plan as approved by the Department of Community Affairs at the time the application is filed, or, if not consistent, a statement demonstrating why granting the certificate of authorization would be in the public interest.
- (g) the date applicant plans to begin serving customers;
- (h) the number of equivalent residential connections (ERCs) proposed to be served, by meter size and customer class. If development will be in phases, separate this information by phase;
- (i) a description of the types of customers anticipated, i.e., single family homes, mobile homes, duplexes, golf course clubhouse, commercial, etc.;
- (j) evidence, in the form of a warranty deed, that the utility owns the land upon which the utility treatment facilities are or will be located, or a copy of an agreement which provides for the continued use of the land, such as a 99-year lease. The Commission may consider a written easement or other cost-effective alternative. The applicant may submit a contract for the purchase and sale of land with an unexecuted copy of the warranty deed, provided the applicant files an executed and recorded copy of the deed, or executed copy of the lease, within 30 days after the order granting the certificate;
- (k) one original and two copies of a sample tariff, containing all rates, classifications, charges, rules, and regulations, which shall be consistent with Chapter 25-9, Florida Administrative Code. Model tariffs are available from the Division of Water and Wastewater, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850;
- (l) a description of the territory to be served, using township, range and section references as specified in Rule 25-30.030(2);
- (m) one copy of a detailed system map showing the proposed lines, treatment facilities and the territory proposed to be served. The map shall be of sufficient scale and

detail to enable correlation with the description of the territory proposed to be served;

(n) one copy of the official county tax assessment map, or other map showing township, range, and section with a scale such as 1"=200' or 1"=400', with the proposed territory plotted thereon by use of metes and bounds or quarter sections, and with a defined reference point of beginning.

(o) a statement regarding the separate capacities of the proposed lines and treatment facilities in terms of ERCs and gallons per day. If development will be in phases, separate this information by phase;

(p) a written description of the type of water treatment, wastewater treatment, and method of effluent disposal;

(q) if (p) above does not include effluent disposal by means of reuse, a statement that describes with particularity the reasons for not using reuse;

(r) a detailed financial statement (balance sheet and income statement), certified if available, of the financial condition of the applicant, that shows all assets and liabilities of every kind and character. The income statement shall be for the preceding calendar or fiscal year. If an applicant has not operated for a full year, then the income statement shall be for the lesser period. The financial statement shall be prepared in accordance with Rule 25-30.115, Florida Administrative Code. If available, a statement of the source and application of funds shall also be provided;

(s) a list of all entities, including affiliates, upon which the applicant is relying to provide funding to the utility, and an explanation of the manner and amount of such funding, which shall include their financial statements and copies of any financial agreements with the utility. This requirement shall not apply to any person or entity holding less than 10 percent ownership interest in the utility;

(t) a cost study including customer growth projections supporting the proposed rates, charges and service availability charges. A sample cost study, and assistance in preparing initial rates and charges, are available from the Division of Water and Wastewater;

(u) a schedule showing the projected cost of the proposed system(s) by uniform system of accounts (USOA) account numbers pursuant to Rule 25-30.115, F.A.C. and the related capacity of each system in ERCs and gallons per day. If the utility will be built in phases, this shall apply to the first phase;

(v) a schedule showing the projected operating expenses of the proposed system by USOA account numbers, when 80 percent of the designed capacity of the system is being utilized. If the utility will be built in phases, this shall apply to the first phase; and

(w) a schedule showing the projected capital structure including the methods of financing the construction and operation of the utility until the utility reaches 80 percent of the design capacity of the system.

(2) The base facility and usage rate structure (as defined in Rule 25-30.437(6), F.A.C.) shall be utilized for metered service, unless an alternative rate structure is supported by the applicant and authorized by the Commission.

(3) A return on common equity shall be established using the current equity

leverage formula established by order of this Commission pursuant to section 367.081(4), F.S., unless there is competent substantial evidence supporting the use of a different return on common equity.

(4) Utilities obtaining initial certificates pursuant to this rule are authorized to accrue allowance for funds used during construction (AFUDC) for projects found eligible pursuant to Rule 25-30.116(1), F.A.C.

(a) The applicable AFUDC rate shall be determined as the utility's projected weighted cost of capital as demonstrated in its application for original certificate and initial rates and charges.

(b) A discounted monthly AFUDC rate calculated in accordance with Rule 25-30.116(3), F.A.C., shall be used to insure that the annual AFUDC charged does not exceed authorized levels.

(c) The date the utility shall begin to charge the AFUDC rate shall be the date the certificate of authorization is issued to the utility so that such rate can apply to the initial construction of the utility facilities.

Specific Authority: 367.121, F.S.

Law Implemented: 367.031, 367.045(1), F.S.

History: New 1/27/91, Amended 11/30/93.

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**CHAPTER 25-30.115, F.A.C.  
UNIFORM SYSTEM OF ACCOUNTS FOR WATER  
AND WASTEWATER UTILITIES**

Water and wastewater utilities shall, effective January 1, 1998, maintain its accounts and records in conformity with the 1996 NARUC Uniform Systems of Accounts adopted by the National Association of Regulatory Utility Commissioners. All inquiries related to the interpretation of these uniform systems of accounts shall be submitted to the Commission's Division of Water and Wastewater in writing. Note: The National Association of Regulatory Utility Commissioners published separate uniform systems of accounts for three classes of water and wastewater utilities: Class A (defined as those having annual water or wastewater operating revenues of \$1,000,000 or more); Class B (defined as those having annual water or wastewater operating revenues of \$200,000 or more but less than \$1,000,000); Class C (defined as those having annual water or wastewater revenues of less than \$200,000). Copies of these systems of accounts may be purchased from the office of said Association, Post Office Box 684, Washington, D.C. 20044.

Specific Authority: 367.121(l)(b)(f), F.S.

Law Implemented: 367.121(l)(b), F.S.

History: Amended 2/3/70, 9/12/74, 1/2/79, 8/21/79, 9/6/85, formerly 25-10.04, Transferred from 25-10.004 11/9/86, Amended 8/18/97.



**CHAPTER 25-30.116, F.A.C.**  
**ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION**

(1) Construction work in progress (CWIP) that is not included in rate base may accrue allowance for funds used during construction (AFUDC), under the following conditions:

(a) Eligible projects. The following projects may be included in CWIP and accrue AFUDC:

1. Projects that involve gross additions to plant in excess of \$5,000 and
  - a. are expected to be completed in excess of sixty days after commencement of construction, or
  - b. were originally expected to be completed in sixty days or less but are not ready for service after sixty days.

(b) Ineligible projects. The following projects may be included in CWIP, but may not accrue AFUDC:

1. Projects, or portions thereof, that do not exceed the level of CWIP included in rate base in the company's last rate case.
2. Projects where gross additions to plant are less than \$5,000.
3. Projects expected to be completed in less than sixty days after commencement of construction.
4. Property that has been classified as Property Held for Future Use.

(c) Unless otherwise authorized by the Commission, the following projects may not be included in CWIP nor accrue AFUDC:

1. Projects that are reimbursable by another party.
2. Projects that have been cancelled.
3. Purchases of assets which are ready for service when acquired.
4. Portions of projects providing service during the construction period.

(d) Other conditions. Accrual of AFUDC is subject to the following conditions:

1. Accrual of AFUDC is not to be reversed when a project originally expected to be completed in excess of sixty days is completed in sixty days or less;
2. AFUDC may not be accrued retroactively if a project expected to be completed in sixty days or less is subsequently suspended for six months, or is not ready for service after sixty days;
3. When a project is completed and ready for service, it shall be immediately transferred to the appropriate plant account(s) or Account 106, Completed Construction Not Classified, and may no longer accrue AFUDC;
4. Where a work order covers the construction of more than one property unit, the AFUDC accrual shall cease on the costs related to each unit when that unit reaches an in-service status;
5. When the construction activities for an ongoing project are expected to be suspended for a period exceeding six (6) months, the utility shall notify the Commission of the suspension and the reason(s) for the suspension, and shall submit a proposed accounting treatment for the suspended project; and

6. When the construction activities for a suspended project are resumed, the previously accumulated costs of the project may not accrue AFUDC if such costs have been included in rate base for ratemaking purposes. However, the accrual of AFUDC may be resumed when the previously accumulated costs are no longer included in rate base for ratemaking purposes.
- (e) Subaccounts. Account 105, Construction Work in Progress, shall be subdivided so as to segregate the cost of construction projects that are eligible for AFUDC from the cost of construction projects that are ineligible for AFUDC.

(2) The applicable AFUDC rate shall be determined as follows:

(a) The most recent 12-month average embedded cost of capital, except as noted below, shall be derived using all sources of capital and adjusted using adjustments consistent with those used by the Commission in the Company's last rate case.

(b) The cost rates for the components in the capital structure shall be the midpoint of the last allowed return on common equity, the most recent 12-month average cost of short term debt and customer deposits and a zero cost rate for deferred taxes and all investment tax credits. The cost of long term debt and preferred stock shall be based on end of period cost. The annual percentage rate shall be calculated to two decimal places.

(c) A company that has not had its equity return set in a rate case shall calculate its return on common equity by applying the most recent water and wastewater equity leverage formula.

(d) The treatment by the Commission of all investment tax credits at a zero cost rate shall be contingent upon a ruling from the Internal Revenue Service that such treatment will not, for companies elected to be treated under s. 46(f) (2) of the Internal Revenue Code, result in the forfeiture of the tax credits. Pending receipt of such a ruling, each utility shall continue to use the weighted overall cost of capital calculated in a manner consistent with the final IRS Regulation Section 1.46-6 published May 22, 1986, as the cost of the utility's 4% and 10% investment tax credits.

(e) Any such ruling request must be submitted to the Commission by December 15, 1987. The AFUDC cost rate for the investment tax credit for any company which fails to submit its own letter ruling request to the IRS shall be governed by the first letter ruling issued by the IRS in response to a request submitted pursuant to subsection 2 (d) of this rule.

(3) Discounted monthly AFUDC rate. A discounted monthly AFUDC rate, calculated to six decimal places, shall be employed to insure that the annual AFUDC charged does not exceed authorized levels.

(a) The formula used to discount the annual AFUDC rate to reflect monthly compounding is as follows:

$$M = [(1 + \frac{A}{100})^{1/12} - 1] \times 100$$

Where:

M = discounted monthly AFUDC rate

A = Annual AFUDC rate

(b) The monthly AFUDC rate, carried out to six decimal places, shall be applied to the average monthly balance of eligible CWIP that is not included in rate base.

(4) The following schedules shall be filed with each petition for a change in AFUDC rate:

(a) Schedule A. A schedule showing the capital structure, cost rates and weighted average cost of capital that are the basis for the AFUDC rate in subsection (2).

(b) Schedule B. A schedule showing capital structure adjustments including the unadjusted capital structure, reconciling adjustments and adjusted capital structure that are the basis for the AFUDC rate in subsection (2).

(c) Schedule C. A schedule showing the calculation of the monthly AFUDC rate using the methodology set out in this rule.

(5) No utility may charge or change its AFUDC rate without prior Commission approval. The new AFUDC rate shall be effective the month following the end of the 12-month period used to establish that rate and may not be retroactively applied to a previous fiscal year unless authorized by the Commission.

(6) Each utility charging AFUDC shall include with its Annual Report to the Commission Schedules A and B identified in subsection (4) of this rule, as well as disclosure of the AFUDC rate it is currently charging.

(7) The Commission may, on its own motion, initiate a proceeding to revise a utility's AFUDC rate.

(8) Paragraphs (a) and (b) of subsection (1) shall not be effective for any utility until it implements final rates in a general rate case initiated after the effective date of this rule. The foregoing notwithstanding, those provisions will become effective for all utilities no later than January 1, 1989.

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

Law Implemented: 350.115, 367.081(2), 367.121(1)(b), F.S.

History: New 8/11/86, Amended 12/7/87.

**CHAPTER 25-30.437, F.A.C.**

**FINANCIAL, RATE AND ENGINEERING INFORMATION  
REQUIRED OF CLASS A AND B WATER AND WASTEWATER UTILITIES  
IN AN APPLICATION FOR RATE INCREASE**

....  
(6) In proposing rates, the utility shall use the base facility and usage charge rate structure, unless an alternative rate structure is adequately supported by the applicant. The base facility charge incorporates fixed expenses of the utility and is a flat monthly charge. This charge is applicable as long as a person is a customer of the utility, regardless of whether there is any usage. The usage charge incorporates variable utility expenses and is billed on a per 1,000 gallon or 100 cubic feet basis in addition to the base facility charge. The rates are first established with the 5/8 " x 3/4" meter as the foundation. For meter sizes larger than 5/8", the base facility charge shall be based on the usage characteristics.

Specific Authority: 367.121, F.S.

Law Implemented: 367.081, F.S.

History: New 6/10/75, Amended 10/16/77, 3/26/81, Formerly 25-10.176, Amended 11/9/86, 6/25/90, 11/30/93.