

ORIGINAL

DOCKET NO. 030715-WS

CERTIFICATION OF
PUBLIC SERVICE COMMISSION ADMINISTRATIVE RULES
FILED WITH THE
DEPARTMENT OF STATE

RECEIVED
DEPARTMENT OF STATE
NOV 17 1983

I do hereby certify:

/x/ (1) That all statutory rulemaking requirements of Chapter 120, F.S., have been complied with; and

/x/ (2) There is no administrative determination under subsection 120.56(2), F.S., pending on any rule covered by this certification; and

/x/ (3) All rules covered by this certification are filed within the prescribed time limitations of paragraph 120.54(3)(e), F.S. They are filed not less than 28 days after the notice required by paragraph 120.54(3)(a), F.S., and;

/x/ (a) Are filed not more than 90 days after the notice; or

/ (b) Are filed not more than 90 days after the notice not including days an administrative determination was pending; or

/ (c) Are filed more than 90 days after the notice, but not less than 21 days nor more than 45 days from the date of publication of the notice of change; or

/ (d) Are filed more than 90 days after the notice, but not less than 14 nor more than 45 days after the adjournment of the final public hearing on the rule; or

AUS _____
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SEC /
OTH _____

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/ (e) Are filed more than 90 days after the notice, but within 21 days after the date of receipt of all material authorized to be submitted at the hearing; or

 / (f) Are filed more than 90 days after the notice, but within 21 days after the date the transcript was received by this agency; or

 / (g) Are filed not more than 90 days after the notice, not including days the adoption of the rule was postponed following notification from the Joint Administrative Procedures Committee that an objection to the rule was being considered; or

 / (h) Are filed more than 90 days after the notice, but within 21 days after a good faith written proposal for a lower cost regulatory alternative to a proposed rule is submitted which substantially accomplishes the objectives of the law being implemented; or

 / (i) Are filed more than 90 days after the notice, but within 21 days after a regulatory alternative is offered by the small business ombudsman.

Attached are the original and two copies of each rule covered by this certification. The rules are hereby adopted by the undersigned agency by and upon their filing with the Department of State.

Rule No.

25-30.140

Under the provision of subparagraph 120.54(3)(e)6., F.S.,
the rules take effect 20 days from the date filed with the
Department of State or a later date as set out below:

Effective: _____
(month) (day) (year)



CTM

Blanca S. Bayó
BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

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1 25-30.140 Depreciation.

2 (1) - (d) No change.

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

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

7
8 ~~(e)~~(f) Average Service Life - The period of economic service
9 ~~life~~ that can be reasonably expected from the plant type in
10 question. It is measured by the period of time the subject plant
11 and its associated investment is included on the company's books as
12 in service to the public. The average service life will typically
13 be less than the potential physical life due to factors such as
14 governmental requirements, growth or adverse operating conditions.

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

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

19
20 (g) - (h) No change.

21 (i) Continuing Property Record (CPR) - A perpetual collection
22 of records required by the NARUC Uniform System of Accounts showing
23 the detailed original costs, quantities, and locations of plant in
24 service. Generally, a CPR should contain 1) an inventory of
25 property record units which can be readily checked for proof of

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~~through~~ type are deletions from existing law.

1 physical existence, 2) the association of costs with such property
 2 record units to ensure accurate accounting for retirements, and 3)
 3 the dates of installation and removal of plant to provide data for
 4 use in connection with depreciation studies.

5 (j)(i) (i) renumbered to (j) No change.

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

9 (l) Depreciation Expense - The periodic charge to expense to
 10 allocate the original cost of a depreciable group of assets over
 11 the life of those assets.

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

17 (n)(j) Function - defined as follows:

18	Water	Wastewater
19	Source of Supply	Collection Plant
20	(Accounts 304 to <u>311</u> , 309 and 339)	(Accounts 354, <u>355</u> , and 360 to <u>367</u> 364)
21	Pumping Plant	Pumping Plant
22	(Accounts 304 , <u>310</u> , <u>311</u>)	(Accounts 354, <u>355</u> , 370, 371)
23	Water Treatment Plant	Treatment & Disposal Plant
24	(Accounts 304, <u>310</u> , <u>311</u> , <u>320</u> , and 339)	(Accounts 354 and 380 to 389)
25		<u>Reclaimed Water Treatment Plant</u>

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1	Transmission & Distribution Plant	(Accounts 354, 355, 371, 374, 380, 381,
2		<u>389)</u>
3	(Accounts 304 <u>310, 311,</u> and 330 to 339)	
4		<u>Reclaimed Water Distribution</u>
5	General Plant	<u>Plant</u>
6	(Accounts 304 and 340 to 348)	(Accounts 354, 355, 366, 367, 371, 375,
7		<u>389)</u>
8		General Plant
8		(Accounts 354 and 390 to 398)

9

10 (o) Group Depreciation - An accounting procedure under which

11 depreciation charges are accrued on the basis of the original cost

12 of all property included in each depreciable group. Under the group

13 concept, no attempt is made to keep track of the accumulated

14 provision for depreciation applicable to individual assets of

15 property, in view of the many items making up a utility system. The

16 group approach recognizes that some assets within the group may

17 live longer or shorter than the average life of the group but the

18 group is expected to live the average service life. Every item in

19 the group is assumed to be fully depreciated at retirement.

20 (p)(k) (k) - (l) renumbered to (p) - (q) No change.

21 (r)(m) Original Cost - The cost of acquiring an asset and

22 placing it into service for first utility use. This includes the

23 direct costs of acquiring the asset and the cost of labor,

24 materials, and associated costs of installation to prepare the

25 asset for first utility use. The cost is used in the computation of

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1 depreciation expense. In the event that an asset is acquired that
2 is already in public service, the original historic cost of the
3 asset should be recorded in plant in service, and the historic
4 accumulated depreciation should be charged to the accumulated
5 depreciation account. In the event the historic cost of an asset
6 that is already in utility service cannot be determined, an
7 independent engineer's evaluation based on an original cost study
8 may be used. ~~Original Cost - As applied to utility plant, the cost~~
9 ~~of such property to the person first devoting it to public service.~~

10 ~~(s)(n)~~ (n) - (q) renumbered to (s) - (v) No change.

11 ~~(w)(r)~~ Reserve - The accumulated provision for depreciation.
12 The accumulated depreciation reserve is the net of depreciation
13 accruals (expenses) and retired investment with related gross
14 salvage and cost of removal as well as any appropriate adjustments
15 or transfers.

16 ~~(x)(s)~~ Reserve Activity Data - Annual depreciation expense,
17 retirements, transfers or adjustments, gross salvage realized, cost
18 of removal, and end of year balance for the accumulated provision
19 for depreciation.

20 ~~(y)(t)~~ (t) - (u) renumbered to (y) - (z) No change.

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

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1 (bb) Unit Depreciation - An accounting procedure under which
2 the original cost, depreciation expense, and accumulated provision
3 for depreciation, and all associated activity are maintained for
4 each individual asset. Service life and salvage parameters are
5 estimated for each individual asset with a depreciation rate
6 designed to recover each asset's original cost over its related
7 life. If the asset lives longer than its expected life,
8 depreciation expense stops accruing when the asset is fully
9 recovered. If the asset retires earlier than its expected service
10 life, the associated unrecovered amount is immediately written-off
11 as a loss.

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

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

16 (a) Water System Guideline Average Service Lives

Account Description	Large Utility (Class A & B)	Small Utility (Class C)	Small Utility Function Composite ³	Net Salvage % ⁴
<u>1. Intangible Plant</u>				
<u>351 Organization</u>	40	<u>40</u>		
<u>352 Franchise Cost</u>	<u>40</u> ⁵	<u>40</u> ⁵		
<u>2.4. Source of Supply</u>			28	
304 ¹ Structures & Improvements	32 ¹	27		
<u>Wood Frame</u>	28	25		
Masonry	30	27		

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1	Reinforced Concrete	40	37		
2	Steel Building (tanks or sheds)	40	35		
3	<u>Tanks or Sheds</u>	<u>25</u>	<u>20</u>		
4	Fiberglass	20	18		
5	305 Collecting and Impounding Reservoirs	50	40		
6	306 Lake, River and Other Intakes	40	40		
7	307 Wells and Springs	30	27		
8	Drilled & Cased Well	<u>30</u>	<u>27</u>		
9	(Floridan or Non-Corrosive)				
10	Shallow Well	20	18		
11	(Sand Aquifer or Corrosive Water)				
12	308 Infiltration Galleries				
13	and Tunnels	40	N/A		
14	309 Supply Mains	35	32		
15	<u>310 Power Generation Equip.</u>	<u>20</u>	<u>17</u>		
16	<u>311 Pumping Equipment</u>	<u>20¹</u>	<u>17¹</u>		
17	<u>Pumping Equip. Electric</u>	<u>20</u>	<u>15</u>		
18	<u>Pumping Equip. Chemical</u>	<u>8</u>	<u>6</u>		
19	<u>339 Other Miscellaneous Equip.</u>	<u>18</u>	<u>15</u>		
20	2.3. Water Treatment Plant			<u>21</u>	
21	2. Pumping Plant			<u>20</u>	
22	304 Structures and Improvements (see "Source of Supply" for subcategory lives)	32 ¹	27 ¹		
23	310 Power Generation <u>Equipment</u>	20	17		
24	311 Pumping Equipment	20 ¹	17 ¹		
25	<u>Pumping Equipment-Electric</u>	<u>20</u>	<u>15</u>		

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1	Electric Pumping Equip.	20	15		
2	<u>Pumping Equipment-Chemical</u>	<u>8</u>	<u>6</u>		
3	320 Water Treatment Equip.	22 ¹	17 ¹		
4	Chlorination Equip.	10	7		
5	Membrane Elements	5	5		
6	Other Mechanical Equip.	25	20		
7	<u>339 Other Miscellaneous Equip.</u>	<u>18</u>	<u>15</u>		
8	3.4 Transmission & Distribution Plant			36	
9	304 Structures & Improvements (See "Source of Supply" for subcategory lives)	32 ¹	27 ¹		
10	<u>310 Power Generation Equip.</u>	<u>20</u>	<u>17</u>		
11	<u>311 Pumping Equipment</u>	<u>20¹</u>	<u>17¹</u>		
12	<u>Pumping Equipment-Electric</u>	<u>20</u>	<u>15</u>		
13	<u>Pumping Equipment-Chemical</u>	<u>8</u>	<u>6</u>		
14	330 Distribution Reservoirs & Stand Pipes	37 ¹	33 ¹		
15	Steel Pneumatic Tank	35	30		
16	Concrete Ground Storage Reservoir	40	37		
17	331 Transmission & Distribution				
18	Mains	43 ¹	38 ¹		
19	Galvanized Steel Pipe & Fittings	35	33		
20	Black Steel Pipe	20	18		
21	Plastic Pipe ²	45	40		
22	Asbestos - Cement	40	35		
23	Cast Iron or Ductile Iron	40	35		
24	Valves & Valve Boxes	25	20		
25	Fire Mains	33	30		

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1	333 Services ²	40	35		
2	334 Meters and Meter Installation	20	17		
3	335 Hydrants	45	40		
4	<u>336 Backflow Prevention Devices</u>	<u>15</u>	<u>10</u>		
5	339 Other Plant and Miscellaneous Equipment	25	20		
6	4.5. General Plant				
7	304 Structures & Improvements	40 ¹	35 ¹		
8	<u>Wood Building</u>	<u>35</u>	<u>30</u>		
9	Reinforced Concrete Bldg.	45	40		
10	Masonry Building	40	35		
11	<u>Reinforced Concrete Bldg.</u>	<u>40</u>	<u>37</u>		
12	Wood Building	35	30		
13	Steel Building	40	35		
14	Tanks or Sheds	25	20		
15	340 Office Furniture & Equip.	15	15		
16	Computers	6	6		
17	341 Transportation Equipment	6	6		10
18	342 Stores Equipment	18	N/A		14 (composite of 342-348)
19	343 Tools, Shop & Garage Equip.	16	15		
20	344 Laboratory Equip.	15	N/A		
21	345 Power Operated Equip.	12	10		5
22	346 Communication Equip.	10	N/A		10
23	347 Miscellaneous Equip.	15	N/A		
24	348 Other Tangible Plant	10	10		

(b) Wastewater System Guideline Average Services Lives

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Account Description	Large Utility (Class A & B)	Small Utility (Class C)	Small Utility Function Composite ³	Net Salvage % ⁴
<u>1. Intangible Plant</u>				
<u>351 Organization</u>	<u>40</u>	<u>40</u>		
<u>352 Franchise Cost</u>	<u>40⁵</u>	<u>40⁵</u>		
<u>2.1. Collection System</u>			35	
354 Structures & Improvements	32 ¹	27 ¹		
Above Grade				
<u>Wood</u>	<u>28</u>	<u>25</u>		
Reinforced Concrete Bldg.	38	35		
Masonry	30	27		
Reinforced Concrete <u>Frame</u>	38 <u>28</u>	35 <u>25</u>		
Steel	25	22		
Below Grade				
Concrete	35	32		
Steel	22	20		
Lift Stations	25	22		
<u>355 Power Generation Equipment</u>	<u>20</u>	17		
360 Collection Sewers-Force ²	30 ¹	27 ¹		
361 Collection Sewers-Gravity ²	45	40		
Manholes	30	27		
362 Special Collecting Structures	40	37		
363 Services to Customers ²	38	35		
364 Flow Measuring Devices	5	5		
365 Flow Measuring Installations	38	35		
<u>389 Other Miscellaneous Equip.</u>	<u>18</u>	15		
<u>3.2. Pumping Plant</u>			18	

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1	354 Structures & Improvements	32 ¹	27 ¹		
2	<u>355 Power Generating Equipment</u>	<u>20</u>	17		
3	370 Receiving Wells	30	25		
4	Pumping Equip.	N/A	15		
5	<u>371 Pumping Equipment</u>	<u>18</u>	<u>15</u>		
6	371 Pumping Equip.	18	N/A		
7	<u>Pumping Equipment -Electric</u>	<u>18</u>	15		
8	<u>Pumping Equipment - Chemical</u>	<u>7</u>	<u>5</u>		
9	<u>389 Other Miscellaneous Equip.</u>	<u>18</u>	15		
10	4.3. Treatment and Disposal Plant			18	
11	354 Structures & Improvements (see "Collection System" for subcategory lives)	32 ¹	27 ¹		
12	<u>355 Power Generating Equipment</u>	<u>20</u>	<u>17</u>		
13	<u>371 Pumping Equipment</u>	<u>18¹</u>	<u>15¹</u>		
14	<u>Pumping Equipment - Electric</u>	<u>18</u>	<u>15</u>		
15	<u>Pumping Equipment - Chemical</u>	<u>7</u>	<u>5</u>		
16	380 Treatment & Disposal Equip.	18 ¹	15 ¹		
17	Blowers, Motors, Pumps, Electric Controls	15	12		
18	Chlorination Equipment	10	7		
19	Other Mechanical Equipment	23	18		
20	381 Plant Sewers	35	32		
21	382 Outfall Sewer Lines	30	30		
22	389 Other Plant and Miscellaneous Equipment	18	15		
23	<u>5. Reclaimed Water Treatment Plant</u>			<u>21</u>	
24	<u>354 Structures & Improvements</u> (see "Collection System" for subcategory lives)	<u>32¹</u>	<u>27¹</u>		
25	<u>355 Power Generating Equipment</u>	<u>20</u>	<u>17</u>		

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1	<u>371 Pumping Equipment</u>	<u>18</u> ¹	<u>15</u> ¹		
2	<u>Pumping Equipment-Electric</u>	<u>18</u>	<u>15</u>		
3	<u>Pumping Equipment-Chemical</u>	<u>7</u>	<u>5</u>		
4	<u>374 Reuse Distribution</u>				
5	<u>Reservoirs</u>	<u>37</u> ¹	<u>33</u> ¹		
6	<u>Steel Pneumatic Tank</u>	<u>35</u>	<u>30</u>		
7	<u>Concrete Ground Storage Reservoir</u>	<u>40</u>	<u>37</u>		
8	<u>380 Treatment & Disposal Equip.</u>	<u>18</u> ¹	<u>15</u> ¹		
9	<u>Blowers, Motors, Pumps, Electric Controls</u>	<u>15</u>	<u>12</u>		
10	<u>Chlorination Equipment</u>	<u>10</u>	<u>7</u>		
11	<u>Other Mechanical Equipment</u>	<u>23</u>	<u>18</u>		
12	<u>381 Plant Sewers</u>	<u>35</u>	<u>32</u>		
13	<u>389 Other Plant and Miscellaneous Equipment</u>	<u>18</u>	<u>15</u>		
14	<u>6. Reclaimed Water Distribution Plant</u>			<u>36</u>	
15	<u>354 Structures & Improvements (see "Collection System" for subcategory lives</u>	<u>32</u> ¹	<u>27</u> ¹		
16	<u>355 Power Generating Equipment</u>	<u>20</u>	<u>17</u>		
17	<u>366 Reuse Services</u>	<u>40</u>	<u>35</u>		
18	<u>367 Reuse Meters and Meter Installation</u>	<u>20</u>	<u>17</u>		
19	<u>371 Pumping Equipment</u>	<u>18</u> ¹	<u>15</u> ¹		
20	<u>Pumping Equipment-Electric</u>	<u>18</u>	<u>15</u>		
21	<u>Pumping Equipment-Chemical</u>	<u>7</u>	<u>5</u>		
22	<u>375 Reuse Transmission & Distribution System</u>	<u>43</u> ¹	<u>38</u> ¹		
23	<u>Plastic Pipe</u> ²	<u>45</u>	<u>40</u>		
24	<u>Valves & Valve Boxes</u>	<u>25</u>	<u>20</u>		
25					

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1	<u>Fire Mains</u>	<u>33</u>	<u>30</u>		
2	<u>389 Other Plant and Miscellaneous Equipment</u>	<u>18</u>	<u>15</u>		
3	7.4. General Plant				
4	354 Structures & Improvements	40 ¹	35 ¹		
5	Wood Building	35	30		
6	Masonry Building	40	35		
7	Reinforced Concrete Bldg.	45	40		
8	Steel Building	40	35		
9	Tanks or Sheds	25	20		
10	390 Office Furniture & Equip.	15	15		
	Computers	6	6		
11	391 Transportation Equipment	6	6		10
12	392 Stores Equipment	18	N/A		14 (comp- osite of 392-398)
13					
14	393 Tools, Shop & Garage Equip.	16	15		
15	394 Laboratory Equipment	15	N/A		
16	395 Power Operated Equipment	12	10		5
17	396 Communication Equipment	10	N/A		10
18	397 Miscellaneous Equipment	15	N/A		
19	398 Other Tangible Plant	10	10		

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

1. - 4. No change.

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

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1 (3) (a) Average service life depreciation rates based on
2 guideline lives and salvages shall be used in any Commission
3 proceeding in which depreciation rates are addressed, except for
4 those utilities using depreciation rates in accordance with the
5 requirements listed in Subsections (6) and (7) of this rule.
6 ~~Except as listed in Subsections (5) and (6) of this rule average~~
7 ~~service life depreciation rates based on the guideline lives and~~
8 ~~salvages shall be used in any proceeding before this Commission~~
9 ~~that involves the setting of rates. A utility shall also implement~~
10 ~~the applicable guideline rates for any new plant to be placed in~~
11 ~~service.~~

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

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

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

24 (b) No change.

25 (5) Computation of depreciation expense. Regulatory book

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1 depreciation expense shall be computed on a monthly basis in
2 conformity with group depreciation accounting procedures.

3 (6)(a)~~(5)(a)~~ (5)(a) renumbered to (6)(a) No change.

4 (b) A utility filing for such a revision of depreciation rates
5 shall submit ten copies of the filing to the Director of the
6 Commission Clerk and Administrative Services ~~office of the~~
7 ~~Commission Clerk.~~

8 (c) - 4. No change.

9 (7)~~(6)(a)~~ A Class A, B, or C utility may apply for guidelines
10 for a proposal for implementation of remaining life depreciation
11 rates if the ~~under the following conditions:~~

12 ~~(a) A Class A or B utility has maintained both plant activity~~
13 ~~data by account and accumulated provision for depreciation~~
14 ~~(reserve) data by account, function or total depreciable plant~~
15 ~~generally in accord with the Uniform System of Accounts for either~~
16 ~~at least ten years or since the inception of the utility, whichever~~
17 ~~is less.~~

18 ~~(b) A Class C utility has maintained both plant activity data~~
19 ~~and accumulated provision for depreciation (reserve) data by~~
20 ~~account, function or total depreciable plant generally in accord~~
21 ~~with the Uniform System of Accounts for either at least ten years~~
22 ~~or since the inception of the utility, whichever is less.~~

23 (b)~~(c)~~ (c) renumbered to (g) No change.

24 (8)~~(7)~~ (7) renumbered to (8) No change.

25 (9)(a) Beginning with the year ending December 31, 2003, all

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

12 (b) Beginning with the year ending December 31, 2003, for
13 Class C utilities, where adequate CIAC records are maintained in
14 sub-accounts, by type of charge or contributed plant, CIAC
15 amortization rates shall be applied separately to each sub-account.
16 Where CIAC records are not kept by sub-account, a composite
17 depreciation rate for total plant, excluding general plant, shall
18 be applied to the entire CIAC account.

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

21 ~~(8) (a) Contributions in Aid of Construction - Adequate records~~
22 ~~to account for CIAC must be maintained by the utility. Where~~
23 ~~adequate records separating CIAC from utility investments are~~
24 ~~maintained by account, depreciation rates shall be applied~~
25 ~~separately to contributed and non-contributed plant with the~~

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1 ~~resulting amortization of contributed plant not considered an~~
2 ~~expense for ratemaking purposes. Where CIAC records are not kept by~~
3 ~~account, the depreciation rates shall be applied to the entire~~
4 ~~depreciable plant. The CIAC plant shall then be amortized either by~~
5 ~~account, function or bottom line depending on availability of~~
6 ~~supporting information. The amortization rate shall be that of the~~
7 ~~appropriate account or function where supporting documentation is~~
8 ~~available to identify the account or function of the related CIAC~~
9 ~~plant. Otherwise, the composite plant amortization rate shall be~~
10 ~~used. The depreciation expense then is the net of depreciation~~
11 ~~expense for total plant less the amortization of CIAC plant. The~~
12 ~~non-CIAC depreciation reserve is the net of depreciation reserve~~
13 ~~for total plant less the accumulated amortization of CIAC plant.~~
14 Specific Authority: 350.127(2), 367.121(1), F.S.
15 Law Implemented: 350.115, 367.081(1)(2), 367.121(1), F.S.
16 History: New 3/22/84, Formerly 25-10.32, 25-10.032, Amended
17 11/9/86, 5/8/88, 11/21/95,_____.

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SUMMARY OF RULE

Definitions are added to clarify the meaning of terms that are used to analyze depreciation in order to assure both capital recovery and reasonable rates. New accounts are added to provide for depreciation of investment in new types of equipment and to bring the list of accounts into accord with the current NARUC Uniform System of Accounts (USOA) that Rule 25-30.115 requires the utilities to follow. Specific directions for computing depreciation expense are included to clearly show the appropriate method for calculating depreciation expense for a monthly period.

SUMMARY OF HEARINGS ON THE RULE

No hearing was requested and none was held.

FACTS AND CIRCUMSTANCES JUSTIFYING THE RULE

The addition of new accounts is in response to the revised NARUC Uniform Systems of Accounts. Effective January 1, 1998, Rule 25-30.115 required companies operating in Florida [under the jurisdiction of the Commission] to maintain their accounts and records in conformity with the 1996 USOA adopted by NARUC.

Originally, the rule was intended to require water and wastewater companies to use group depreciation methodology, as do other regulated utilities under Florida jurisdiction. Clarification of the requirement is needed for uniform implementation. New accounts are added to provide for depreciation of investment in new types of equipment.

FILED
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COMMISSIONER OF STATE
TALLAHASSEE, FLORIDA