

State of Florida



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** August 31, 2018  
**TO:** Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk  
**FROM:** Samantha Cibula, Office of the General Counsel *SML*  
**RE:** Docket No. 20030715-WS

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Please file the attached materials in the docket file listed above.

Thank you.

Attachment

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OFFICE OF THE GENERAL COUNSEL  
RICHARD MELSON  
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(850) 413-6199

## Public Service Commission

November 10, 2003

Mr. John Rosner  
Joint Administrative Procedures Committee  
Room 120 Holland Building  
Tallahassee, FL 32399-1300

Re: Rule 25-30.140, F.A.C., Depreciation

Dear Mr. Rosner:

This letter is in response to your memorandum of November 4, 2003, asking me to describe the criteria pursuant to which the Commission grants approval for a change in guideline depreciation rates under paragraph (3)(c) of Rule 25-30.140.

As stated in paragraph (6)(a) of the rule, the Commission will approve such a change if the utility can justify the service lives that it is proposing in lieu of the guideline lives. As further stated in that paragraph, the "justification should be in the form of historic data, technical information or utility planning for the affected accounts or sub-accounts," and "[c]ommon causes of need for different depreciation rates include composition of account, adverse environmental conditions, high growth or regulatory changes."

Rule 25-30.140 implements provisions of sections 350.115, 367.081 and 367.121(1), Florida Statutes, prescribing the Commission's responsibility to fix rates, taking into consideration, among other things, the cost of providing service, which specifically includes depreciation expense, and to investigate and determine the legitimate cost of each utility's property that is actually used and useful in the public service. Section 350.115, Florida Statutes, specifically authorizes the Commission to establish adequate, fair, and reasonable depreciation rates and charges. Whether depreciation rates which differ from the guideline rates are adequate, fair, and reasonable requires case-by-case determination based upon the evidence presented.

The requirement for Commission approval stems from section 367.081(1), Florida Statutes, providing that, with two exceptions, a utility may only charge rates and charges that have been approved by the commission. I will add that citation to the law implemented.

I hope this letter satisfactorily responds to your inquiry.

Sincerely,

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

Christiana T. Moore  
Associate General Counsel

United Water



**United Water Florida**  
1400 Millcoe Road  
PO Box 8004  
Jacksonville, FL 32239-8004  
telephone 904 721 4600  
facsimile 904 721 4680

May 31, 2001

Florida Public Service Commission  
Ms. Patricia S. Lee  
U S/C Engineering Supervisor  
Capital Circle Office Center  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0865

Re: Rule 25-30.140 – Depreciation

Dear Ms. Lee,

Pursuant to your letter of May 14, 2001 United Water Florida would like to comment on one of the proposed revisions to Depreciation Rule 25-30.140 (F.A.C.).

In proposed section 25-30.140 (9)(a) it is stated that for Contributions in Aid of Construction (CIAC), "Establishing balances for each new sub-account may require an allocation based upon historical balances". Historically, CIAC sub-account balances were not required to be maintained by the utility. As such, historical records do not exist in the level of detail necessary to enable the creation of an allocation methodology. Therefore, I would suggest that the rule be more specific and detail how to allocate prior CIAC balances to newly established sub-accounts. Additionally, any allocations made must be in compliance with Treasury regulation 1.118-2 which will be difficult, if not impossible, without detailed records. I would recommend that separate accounts be maintained for balances pre and post 2002 with the 2002 sub-accounts only containing documented account activity.

I appreciate the opportunity to comment on the proposed rule revisions. If you have any questions I can be reached directly at (904) 721-4600 ext. 4690.

Cordially yours,

David B. deNagy  
Manager Accounting & Benefits Administration

Cc: Gary Moseley  
Walton Hill  
Mark Gennari  
Bill Becker

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January 31, 2001

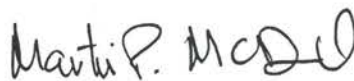
Ms. Pat Lee  
Division of Economic Regulation  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Room 205E  
Tallahassee, Florida 32399-0850

Re: Rule Development Workshop, Rule No. 25-30.140

Dear Ms. Lee:

Attached to this letter are the comments of Florida Water Services Corporation ("Florida Water") in regards to the above-referenced depreciation rule workshop.

Sincerely,



Martin P. McDonnell

MPM/rl

Enclosure

## FLORIDA WATER SERVICES

### COMMENTS RELATED TO RULE DEVELOPMENT WORKSHOP RULE NO. 25-30.140 DEPRECIATION

(1)(l) Depreciable Group

Florida Water Services calculates depreciation using the depreciable group concept. This is done for both the books and when compiling the MFR's for a rate filing. In that way, all other things being equal, there should not be a difference between book and MFR accumulated depreciation balances to reconcile. Certainly we agree with the accounting accorded this depreciation methodology wherein every asset in the group is assumed to be fully depreciated at retirement. By crediting the asset for its book value and debiting accumulated depreciation, also for the book value, the utility is assured full recovery of its investment in the long term and rate base is unaffected.

(1)(n) Group Depreciation

The group depreciation methodology greatly simplifies the monthly calculation of depreciation expense for large companies. It also simplifies the process of retiring assets.

(1)(y)(bb) Unit Depreciation

The requirement that, "If the asset retires earlier than its expected service life, the associated unrecovered amount is immediately written off as a loss" is unacceptable. <

The Commission should consider shortening its average service lives so this situation will not occur.

This requirement would be a significant change in FPSC policy.

**This requirement is inconsistent with NARUC Rule 27.B. (2) that states, "the book cost of the unit retired and credited to utility plant shall be charged to the accumulated depreciation applicable to such property. (emphasis added)**

The proposal for unit depreciation is a departure from the standards followed in regulatory accounting. If a utility maintains depreciation for individual assets and is required to record a loss if that asset is retired earlier than expected, that utility will never fully recover its investment in that asset. There are many factors that could cause the early retirement of an asset that are beyond the control of the utility. In addition, to avoid recording a loss, we would have to assume that the average lives as proposed by the Commission, are correct and that they will exactly match the true service life of the asset. This will simply not be the case. The only way in which utilities could accept unit depreciation is if the losses could be deferred on the balance sheet with recovery in the utility's next rate case.

(2)(a)(b)

**Guideline Average Service Lives**

When Florida Water learned it would be expected to breakout reuse assets as a separate class of assets, meetings were held with in-house engineers to discuss the appropriate depreciation rates for those assets. It was believed that, even though those assets were on the wastewater side of the business, their use more closely paralleled that of the water side of the business. Lacking any guideline rates for reuse, we applied the same guideline life that had been ordered for the account that housed the reuse assets before they were broken out into reuse. In reviewing the proposed reuse lives, we noticed that in some instances, the reuse life is substantially different than the same class of asset in water or wastewater. Unless there is a significant reason for this difference, we believe the reuse asset lives should parallel the water or wastewater asset life.

Realizing Florida Water assumed certain asset lives for reuse and some other accounts that have been added since the last update of the NARUC Chart of Accounts, we also expect that in our next rate case, the Commission will honor the rates assumed by Florida Water for those assets until such time as there is a Rule ordering the appropriate average service lives.

One average service life definitely needs to be changed by the Commission--the life for Meters, Account 334. An average service life of 20 years is simply not reasonable. Florida Water has a ten-year life meter change out program that it considers essential for the proper operation of a meter. Field experience has shown that 5/8" residential meters can no longer meet the Commission's prescribed accuracy requirements after the 10-year period.

(2) Footnote 4 **Net Salvage zero except as indicated.**

We did not find any cases where there is a salvage value listed for any class of plant. Is this correct?

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

We understand that the Commission does not want the utility to change from using the guideline rates without approval of the Commission. If a utility uses the guideline rates for all its assets and then acquires a new utility that is not using the guideline rates, should the acquiring utility adopt the rates used by the utility being sold, or should it implement the guideline depreciation rates for those assets as well?

Is there, or should there be, a mechanism for a utility to begin recovering the additional expense of adopting guideline depreciation rates or special rates if justified and approved by the Commission, outside of a rate proceeding?

Florida Water records monthly depreciation based upon budgeted figures and true-up actual depreciation in December. Florida Water requests staff's input as to whether this practice would be viewed to be consistent with proposed new Section (5) of the Rule.

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ROBERT M. C. ROSE  
OF COUNSEL

January 10, 2001  
**VIA HAND DELIVERY**

Christina T. Moore  
Division of Appeals  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Proposed Rule Development to Rule No. 25-30.140  
Aloha Utilities, Inc.  
Our File No. 26038.01

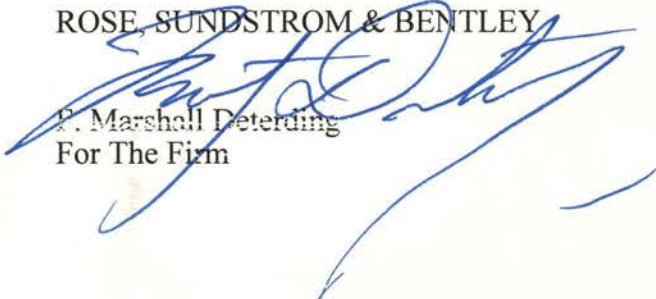
Dear Ms. Moore:

Attached are comments prepared by Mr. Bob Nixon on behalf of Aloha Utilities, Inc. related to the proposed depreciation rules.

If you have any questions in this regard, please let me know.

Sincerely,

ROSE, SUNDSTROM & BENTLEY

  
F. Marshall Deterding  
For The Firm

FMD/tmg  
cc: Stephen G. Watford, President  
Ron Jurgutis, CPA  
Robert C. Nixon, CPA  
aloha\2moore.ltr

RECEIVED  
01 JAN 11 AM 10:15  
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DIVISION OF APPEALS

NOTES ON PROPOSED RULE CHANGES  
RE: RULE 25-30.140, DEPRECIATION  
CRONIN JACKSON NIXON AND WILSON, CPAS, PA

1) Rule 25-30.140 (1)(l), (m) and (n) Pages 5 - 7. The functional group can be defined by prime account or by sub-account and should be based upon the similarity of mortality data. Mortality data is defined as estimated life, cost of removal and salvage. For the purpose of the rule, and in traditional utility practice, cost of removal and salvage are assumed to be zero. In this instance, the traditional group that has been used is the prime account, as the mortality data suggests that the average service life is the same, though the plant items may be in use for more or less than their estimated useful life. To use the sub-account as the grouping factor places non-homogenous assets within the same group, and skews depreciation to the homogenous group with the longest useful life and the greatest dollar value. Therefore, combining depreciation by sub-account group (by function as defined in Rule 25-30.115 (m)) defeats the purpose of depreciation: to allow for the economic recovery of the cost of an asset to provide funds for future replacement. For example, within the sub-account group "Source of Supply", the lives range from 18 years (Miscellaneous Equipment) to 50 years (Collecting and Impounding Reservoirs). Within this functional class, it is expected that Wells and Springs (life: 30 years (Class A & B)) would aggregate the greatest dollar value, therefore, the lives of all property would approach 30 years. It appears that the proposed rule would use the sub account functional class as the depreciable group, rather than the current account class. This would penalize the Utility by reducing cost recovery of shorter lived assets with the functional group, and seems to contradict the intent of Rule 25-30.140(1)(i). This section of the proposal is silent as to how the group depreciation rate is calculated or when a rate change for the group is appropriate (i.e. major addition or retirement).

Paragraph (m) describes the "function" within the NARUC Chart of Accounts, which should be updated for the new classifications of plant included in the 1996 revision of the NARUC Chart of Accounts, but should not be used to define the depreciable groups of assets in service. Further, the language in Paragraph (l) states that the "depreciable groups are the **accounts** defined in the NARUC...[Chart of] Accounts..." (emphasis added). This seems to conflict with the proposed provisions of Paragraph (n)

2) Rule 25-30.140 (n), Page 6 and 7. Public Utilities are required to keep all records supporting the investment in utility plant. The rate making process requires that all invoices supporting the value of plant additions and retirements be available for audit or review by the rate setting authority. County taxing authorities require the reporting of tangible assets by vintage year. Therefore, there is a need to maintain asset history in as much detail as possible. Obviously, a Class C Utility will have fewer assets than will a Class A utility, and therefore be in a position to depreciate assets by homogenous group. However, this does not remove the need to have detailed asset history for individual assets. Larger utilities have greater need of a more sophisticated system of tracking individual assets, both for internal tracking of assets



for retirement and aging information, as well as to simplify the calculation of depreciation of the assets as a whole, by depreciable group. It is possible that there may be different depreciable lives used within the current account group, based upon the rates used in the last rate proceeding versus the assets acquired after a change in the guideline rates, as well as the rates used for different types of assets within the same account class, such as Water Treatment Equipment (Account 320) which has lives (for Class A & B Utilities) of 10 years for Chlorination Equipment, 5 years (for Membrane Elements) and 25 years (for Other Mechanical Equipment). Again, there is a degree of sophistication that is required by larger systems that is not necessary, though desirable, in a smaller system. However, this should not prohibit a smaller system from using a higher level of detail than is the minimum requirement, as many small utilities become large utilities. The proposed Rule seems to be implying that maintaining detailed asset history, and calculating depreciation based upon the historic acquisition date would be unnecessary and counter to the Rule. Also, this language seems to contradict the language in Rule 25-30.140(1)(y)(bb), Page 10, which discusses, in part, depreciation of individual assets. We feel that this language should be stricken based on the reasons cited above.

- 3) Rule 25-30.140(o), Page 7 and Rule 25-30.140(r), Page 8. Mortality data refers to how long an asset is expected to be in service (Average Useful Life), estimated Salvage, and estimated cost of removal. Plant activity data refers to the actual changes in plant through additions, retirements and adjustments, the data for which would be the original records, orders, and detail work papers to support those changes. Therefore, we suggest the following language for these sections:

Rule 25-30.140(o) Mortality Data - The average service life of assets for an account group, the expected salvage upon retirement of an asset, and the expected cost of removal. The lives and amounts may be changed periodically by the Commission.

Rule 25-30.140(1)(r) Plant Activity Data – The records supporting the additions, retirements and adjustments to Utility Plant. All documentation to support the balances in Utility Plant in Service, Plant Held for Future Use, Utility Plant Leased to Others, and any other accounts which may be added or considered utility property, shall be retained by the Utility.

- 4) Rule 25-30.140(1)(q) Page 7. At the time an asset is first devoted to utility use, there should be no depreciation. The paragraph should read:

Rule 25-30.140(1)(q) Original Cost – The cost of acquiring an asset and placing it into service for first utility use. This includes the direct costs of acquiring the asset and the cost of labor, materials and associated costs of installation to prepare the asset for first utility use. In the event that an asset is acquired that is already in public service, The original historic cost of the asset should be recorded in plant in service, and the historic accumulated depreciation should be

charged to the accumulated depreciation account. In the event the historic cost of an asset that is already in utility service cannot be determined, an independent engineers valuation based on an original cost study may be used.

- 5) Rule 25-30.140(1)(y) Page 9. Subparagraphs (aa), (bb) and (cc) do not appear to be related to paragraph (y), which discusses salvage value. They should be sub-paragraphs (1) and (2) to paragraph (z) for consistent presentation. Proposed wording for paragraph (z) is "Methods of depreciation are as follows:"
  
- 6) Rule 25-30.140(1)(y)(bb) Page 10. Proposed rule specifies that the "unrecovered amount is immediately written off as a loss". Except for extraordinary dispositions, this violates NARUC Accounting Instruction No. 27 and regulatory retirement theory. This also is a contradiction of the provisions in Rule 25-30.140(1)(x). To provide for accelerated cost recovery for the premature impairment or retirement of an asset, the historic cost of an asset is charged directly to accumulated depreciation upon retirement, which is consistent with NARUC Accounting Instruction No. 27(b)(2). Also, Rule 25-30.140(1)(l) specifies that all assets are considered fully depreciated upon retirement, therefore, except for salvage and cost of removal, there would be no unrecovered amount. NARUC Accounting Instruction No. 27 (h) specifies the treatment of extraordinary retirements, whether to charge to current year income, or to defer the loss and amortize in future periods, where specifically authorized by the Commission. The calculation of the amortization rate for a deferred loss is provided for in Rule 25-30.433(9).
  
- 7) Rule 25-30.140(2)(a) and (b) Pages 10 - 19. Since no salvage percentage is recognized in the rule, such should be stated in the text of the rule and the column "Net Salvage %" should be eliminated.
  
- 8) Rule 25-30.140(2)(a) Page 11, Item 1. Why is "with pumping equipment" added? There is a separate account (311) for pumping equipment in Source of Supply, so this is confusing. Pumping equipment also appears under transmission and distribution plant.
  
- 9) Rule 25-30.140(2)(a). Page 12, Item 3. The heading "Transmission and distribution plant" has a life of 36 years for a Class C Utility. In the unrevised rule, this life appeared as the small utility composite life. Is this meant to be the Class C composite, the small utility composite or should it be eliminated?
  
- 10) Rule 25-30.140(2)(a), Page 14, Item 4. Under general plant, a wood building is shown with a life of 5 years. This appears to be a typo, as the correct life, per the unrevised Rule, should be 35 years.

11) Rule 25-30.140(2)(a), Page 16. The lives shown for the headings for Pumping Plant and Treatment and Disposal Plant shows 18 years each for Class A utilities. In the unrevised rule, this is in the small utility composite life column. Is the intent of the rule to propose a composite life for these accounts for Class A and B utilities?

12) Rule 25-30.140(2)(a), Pages 14 and 19. Accounts 342 and 392 – A “14” rate is proposed in the “Salvage” column, as a composite of 342 through 348 and 392 through 398. Is a 14% salvage rate being assumed? Or is this the proposed composite life for these accounts? If so, a small utility composite life is given for accounts 345 and 395 – Power Operated Equipment and 346 and 396 – Communication Equipment. It appears there is a composite and sub-composite life. How are these to be used? This seems inconsistent.

13) Rule 25-30.140(2)(a) and (b), Pages 11 and 15. There is no mention within the rule for the rate of depreciation for Organizational Costs, or for Franchise Costs.

14) Rule 25-30.140(3),(4) and (5) Pages 20 - 22. Rule proposal is in conflict. The proposal states that the utility shall implement guideline rates for new plant, and further that it may implement guideline rates outside of a rate proceeding on a voluntary basis. However, it also states that if guideline rates are implemented for one account, they must be implemented for all accounts. Does this mean that if guideline rates are implemented for a new item of plant, that all accounts must be converted to guideline rates? Does this mean that if an asset is recorded for an account that was acquired through the acquisition of an existing system, that guideline rates must be implemented for all accounts of the combined company? If one of the companies in the combination is using guideline rates and the other is not, which method of depreciation should be used for the combination? Further, the rule states that the depreciation shall be maintained by account, but must be computed by group. This seems to be in conflict. Depreciation should be maintained by the rates used to establish rates, as this is the vehicle by which cost recovery for asset acquisition is included in rates.

15) Rule 25-30.140(5), Page 21. Computation of monthly depreciation by group is inconsistent with other areas of the Rule, which specify depreciation by account. Is the monthly requirement merely to simplify the monthly accrual for depreciation, which is then calculated to an annual basis at year end? The integrity of the relationship between depreciation expense and accumulated depreciation must be maintained .. At year-end, accumulated depreciation must be reported by depreciation sub-account, and allocating the group expense to the accumulated account without converting to depreciation by account will prove burdensome to utilities as they try to reconcile and allocate the differences this methodology creates. Accrual of prior year depreciation on a monthly basis, with true-up at year end, is sufficient for utilities that require monthly financial statements for internal purposes. There is no requirement for utilities to report the results of operations on a monthly basis to any regulatory bodies, and as such, though monthly financial statements may be desirable from a

financial accounting standard, should not be required by rule because of the cost. Again, what is the purpose of the rule? Further, the method of computing monthly depreciation expense for financial statement purposes should be left to the companies concerned.

16) Rule 25-30.140(9)(a), Page 24. Does the date given of January 1, 2002 mean only CIAC received after that date is required to be distributed to sub accounts, or is that the date that all prior CIAC must be distributed to sub accounts? For companies that are not currently maintaining CIAC by sub account, will cost recovery be allowed in rates if the historic records need to be researched and the accounts modified? While meter fees, line extension charges and contributed property may be easily identified with a specific depreciable account, and by extension, a depreciation rate, capacity charges cover many accounts, which can include supply, treatment and disposal plant. How shall the utility determine by definition what plant accounts are included in the term "capacity" charges? The rule needs to specify what accounts are "capacity" accounts. For instance, Land is part of the system capacity, for which, by extension, capacity fees are collected. However, land is not depreciable. Should Land be included in the calculation of the composite rate for cash capacity charges?

17) The NARUC Accounting Instructions should be incorporated by reference

18) It is important that the Rules being promulgated are consistent with Commission practice with regard to rate case proceedings and PSC Audit procedures so that the utilities can be in compliance with the Rules and with the guidelines by which audits and investigations are performed. Therefore, any ambiguity or inconsistency which may leave a portion of the Rule subject to interpretation should be eliminated.

19) We believe that all reference to "group depreciation" should be stricken from the Rule. The Commission, as provided in the Rule, has specified the lives of the various accounts and classes of assets, and all utilities should be depreciating assets in accordance with the provisions of the Rule. The preferred method of asset management for all public utilities, and all companies, is to specifically identify assets and track their vintage year of acquisition and cost basis, and there are a multitude of software applications that perform this task economically. The Commission, and the NARUC Accounting Instructions, have specific record keeping requirements to support the amounts recorded on the utilities books which also supports the use of specific identification for the utilities assets. The method of compliance with those requirements should be left to the individual companies, based on their operations.

20) We believe the revisions to the Rule should address the ambiguity in the Rule that has left certain areas of plant accounting subject to interpretation that has resulted from the change in the dynamics of utility operation in Florida. These areas include:

- a) When to apply guideline rates. As discussed above, we believe that assets in operation at the date of the last rate proceeding should continue to be depreciated at the rates and lives used in that rate proceeding. Assets acquired after the date of the implementation of new guideline rates should be depreciated at the guideline rates. Assets acquired from an existing system should be depreciated at the rates and lives the acquired system was using, unless the acquired system adopts the tariff of the acquiring system, in which case, the rates and lives of the acquiring system should be used.
- b) How to determine the rates used to amortize CAIC. As discussed above, the lives for certain types of CIAC can be easily determined, such as meter fees, main and line extension charges and contributed property. However, currently the accounts to include in the calculation of the amortization rate for capacity charges is open to discussion. We believe that all amounts in the .2 sub-account (Source of Supply and Pumping Equipment) and in the .3 sub-account (Water Treatment Plant) should be considered capacity for the purpose of calculating the amortization of water plant capacity charges, after the elimination of any specifically identified contributed property. To calculate the amortization rate for sewer plant capacity charges, all amounts in the .3 sub-account (System Pumping Plant), the .4 Sub-account (Treatment and Disposal Plant) and the .5 sub-account (Reclaimed Water Treatment Plant) should be used, again, after the elimination of any specifically identified contributed property. For system capacity charges, all accounts would be used, excluding Intangible Plant, General Plant and Meters. In all the above calculations, we believe that land should be excluded from the calculation because it is non-depreciable. Also, the accounts used to establish service availability charges should be used to establish which accounts are used to develop the amortization rate for a specific class of Contributions in Aid of Construction.
- c) Any new rule should specify the depreciation procedures a utility should use when it grows from a Class C to a Class A or B Company. Should it be mandatory for a company to implement Class A or B depreciation rates when it was using Class C rates at the time it was Certificated or acquired? Should any change be deferred until such Company's next general rate case? We believe the latter, since the rate charged to the customer is based, in part, upon the depreciation rates used for cost recovery.

STATE OF FLORIDA

Commissioners:  
J. TERRY DEASON, CHAIRMAN  
E. LEON JACOBS, JR.  
LILA A. JABER  
BRAULIO L. BAEZ



DIVISION OF APPEALS  
DAVID SMITH  
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## Public Service Commission

December 19, 2000

Mr. Kenneth A. Hoffman  
Rutledge, Ecenia, Purnell & Hoffman  
215 South Monroe Street  
Suite 420  
Tallahassee, FL 32301-1841

Re: Rule Development Workshop, Rule No. 25-30.140

Dear Ken:

As you know, the workshop on the above rule has been scheduled for February 8, 2001. Commission Staff believe the workshop would be more productive if you and your clients would submit comments, questions, and suggested revisions in writing prior to the workshop. That information should be submitted by January 31, 2001, to Ms. Pat Lee, Division of Economic Regulation, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL. If you have any questions about this request, please call Ms. Lee at (850) 413-6453.

Sincerely,

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

Christiana T. Moore  
Associate General Counsel

KH30140.CTM

cc: Pat Lee  
Tricia Merchant

**RUTLEDGE, ECENIA, PURNELL & HOFFMAN**

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December 4, 2000

Christiana T. Moore, Esq.  
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**HAND DELIVERY**

Re: In re: Rule 25-30.140, Depreciation  
Notice of Proposed Rule Development

Dear Chris:

In response to the above-referenced notice, Florida Water Services Corporation hereby requests a rule development workshop to address a number of the proposed amendments to Rule 25-30.140, Florida Administrative Code. The Notice of Proposed Rule Development states that a workshop will be held on December 6, 2000. Florida Water requests that the workshop date be rescheduled to allow Florida Water additional time to develop its positions and prepare for the workshop. In addition, I will be unable to represent Florida Water at a December 6 workshop as I will be participating in a final hearing in Docket No. 000907-TP.

Thank you for your consideration of Florida Water's request. Please let me know tomorrow, if possible, if the Staff will be able to accommodate Florida Water's request to reschedule the rule development workshop.

Sincerely,



Kenneth A. Hoffman

KAH/rl

cc: Mr. Brian Bilinski

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00 DEC - 4 PM 4:33  
FLORIDA PUBLIC SERVICE COMMISSION  
DIVISION OF APPEALS

STATE OF FLORIDA

Commissioners:  
J. TERRY DEASON, CHAIRMAN  
E. LEON JACOBS, JR.  
LILA A. JABER  
BRAULIO L. BAEZ



DIVISION OF APPEALS  
DAVID SMITH  
DIRECTOR  
(850) 413-6245

## Public Service Commission

December 19, 2000

Mr. F. Marshall Deterding  
Rose, Sundstrom & Bentley, LLP  
2548 Blairstone Pines Drive  
Tallahassee, FL 32301

Re: Rule Development Workshop, Rule No. 25-30.140  
Your File No. 26038.01

Dear Mr. Deterding:

As you know, the workshop on the above rule has been scheduled for February 8, 2001. Commission Staff believe the workshop would be more productive if you and your clients would submit comments, questions, and suggested revisions in writing prior to the workshop. That information should be submitted by January 31, 2001, to Ms. Pat Lee, Division of Economic Regulation, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL. If you have any questions about this request, please call Ms. Lee at (850)413-6453.

Sincerely,

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

Christiana T. Moore  
Associate General Counsel

DT30140.CTM

cc: Pat Lee  
Tricia Merchant



LAW OFFICES

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2548 BLAIRSTONE PINES DRIVE  
TALLAHASSEE, FLORIDA 32301

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ROBERT M. C. ROSE  
OF COUNSEL

December 4, 2000  
**VIA HAND DELIVERY**

Christina T. Moore  
Division of Appeals  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Proposed Rule Development to Rule No. 25-30.140  
Our File No. 26038.01

Dear Ms. Moore:

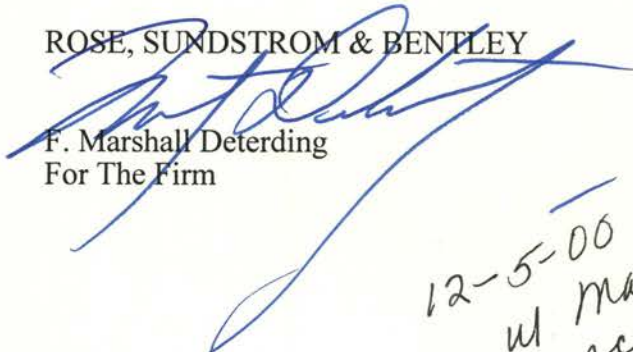
On behalf of Aloha Utilities, Inc., a water and sewer utility regulated by the Florida Public Service Commission, we are hereby requesting that the scheduled workshop to be held and informing you of our intent to participate in the Rule Development Workshop to be held at the PSC on December 6, 2000. The representatives of an outside CPA firm for Aloha intend to appear at that meeting to present several concerns with the rule as proposed and its underlying assumptions. We are currently in discussions with other clients who are also regulated by the PSC and affected by the rule, who will also likely wish to add their names to the list of entities concerned with the rule proposal at the workshop. Those entities will also be represented at the December 6, 2000 workshop by Cronin, Jackson, Nixon & Wilson, CPAs.

Based upon the notice that we have received, this request to participate in the rule development workshop is timely filed by today's date. Therefore, we are planning to send the accountants to that meeting to present their concerns and ideas at the time and place scheduled in the November 9, 2000 notice.

If you have any questions in this regard or need any further information from me in advance of the December 6, 2000 workshop, please let me know.

Sincerely,

ROSE, SUNDSTROM & BENTLEY

  
F. Marshall Deterding  
For The Firm

FMD/tmg  
cc: Blanca S. Bayo, Director  
Stephen G. Watford, President  
Robert C. Nixon, CPA  
aloha\moore.ltr

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00 DEC -4 PM 4:09  
FLORIDA PUBLIC SERVICE COM. DIVISION OF APPEALS

12-5-00 Okay  
w/ Marty to  
reschedule.