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OFFICE OF THE GENERAL COUNSEL
MICHAEL G. COOKE
GENERAL COUNSEL
(850) 413-6199

Public Service Commission

May 1, 2008

HAND DELIVER

Mr. Scott Boyd, Executive Director
Joint Administrative Procedures Committee
Room 120 Holland Building
Tallahassee, FL 32399-1300

RE: Docket No. 080052-OT

Dear Mr. Boyd:

The Commission has approved the adoption of Rules 25-6.0436, 25-7.045, 25-24.470, 25-24.511, 25-24.512, 25-24.567, 25-24.569, 25-24.720, 25-24.730, 25-24.810, 25-24.815, 25-30.032, 25-30.565, and 25-30.140 without changes.

We plan to file the rules for adoption on May 9, 2008.

Sincerely,

A handwritten signature in cursive script, appearing to read "Cindy Miller".

Cindy Miller
Associate General Counsel

Enclosure

c: ~~Office of Commission Clerk~~
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1 **25-6.0436 Depreciation.**

2 (1) For the purposes of this part, the following definitions shall apply:

3 (a) Category or Category of Depreciable Plant – A grouping of plant for which a
4 depreciation rate is prescribed. At a minimum it should include each plant account prescribed
5 in subsection 25-6.014(1), F.A.C.

6 (b) Embedded Vintage – A vintage of plant in service as of the date of study or
7 implementation of proposed rates.

8 (c) Mortality Data – Historical data by study category showing plant balances,
9 additions, adjustments and retirements, used in analyses for life indications or calculations of
10 realized life. Preferably, this is aged data in accord with the following:

- 11 1. The number of plant items or equivalent units (usually expressed in dollars) added
- 12 each calendar year.
- 13 2. The number of plant items retired (usually expressed in dollars) each year and the
- 14 distribution by years of placing of such retirements.
- 15 3. The net increase or decrease resulting from purchases, sales or adjustments and the
- 16 distribution by years of placing of such amounts.
- 17 4. The number that remains in service (usually expressed in dollars) at the end of each
- 18 year and the distribution by years of placing of such amounts.

19 (d) Net Book Value – The book cost of an asset or group of assets minus the
20 accumulated depreciation or amortization reserve associated with those assets.

21 (e) Remaining Life Method – The method of calculating a depreciation rate based on
22 the unrecovered plant balance, less average future net salvage and the average remaining life.

23 The formula for calculating a Remaining Life Rate is:

$$24 \text{ Remaining Life Rate} = \frac{100\% - \text{Reserve \%} - \text{Average Future Net Salvage \%}}{\text{Average Remaining Life in Years}}$$

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

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1 (f) Reserve (Accumulated Depreciation) – The amount of depreciation/amortization
2 expense, salvage, cost of removal, adjustments, transfers, and reclassifications accumulated to
3 date.

4 (g) Reserve Data – Historical data by study category showing reserve balances, debits
5 and credits such as booked depreciation, expense, salvage and cost of removal and
6 adjustments to the reserve utilized in monitoring reserve activity and position.

7 (h) Reserve Deficiency – An inadequacy in the reserve of a category as evidenced by a
8 comparison of that reserve indicated as necessary under current projections of life and salvage
9 with that reserve historically accrued. The latter figure may be available from the utility's
10 records or may require retrospective calculation.

11 (i) Reserve Surplus – An excess in the reserve of a category as evidenced by a
12 comparison of that reserve indicated as necessary under current projections of life and salvage
13 with that reserve historically accrued. The latter figure may be available from the utility's
14 records or may require retrospective calculation.

15 (j) Salvage Data – Historical data by study category showing bookings of retirements,
16 gross salvage and cost of removal used in analysis of trends in gross salvage and cost of
17 removal or for calculations of realized salvage.

18 (k) Theoretical Reserve or Prospective Theoretical Reserve – A calculated reserve
19 based on components of the proposed rate using the formula:

20
$$\text{Theoretical Reserve} = \text{Book Investment} - \text{Future Accruals} - \text{Future Net Salvage}$$

21 (l) Vintage – The year of placement of a group of plant items or investment under
22 study.

23 (m) Whole Life Method – The method of calculating a depreciation rate based on the
24 Whole Life (Average Service Life) and the Average Net Salvage. Both life and salvage
25

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1 components are the estimated or calculated composite of realized experience and expected
2 activity. The formula is:

$$3 \quad \text{Whole Life Rate} = \frac{100\% - \text{Average Net Salvage \%}}{\text{Average Service Life in Years}}$$

4

5 (2)(a) No utility shall change any existing depreciation rate or initiate any new
6 depreciation rate without prior Commission approval.

7 (b) No utility shall reallocate accumulated depreciation reserves among any primary
8 accounts and sub-accounts without prior Commission approval.

9 (c) When plant investment is booked as a transfer from a regulated utility depreciable
10 account to another or from a regulated company to an affiliate, an appropriate reserve amount
11 shall also be booked as a transfer. When plant investment is sold from one regulated utility to
12 an affiliate, an appropriate associated reserve amount shall also be determined to calculate the
13 net book value of the utility investment being sold. Appropriate methods for determining the
14 appropriate reserve amount associated with plant transferred or sold are as follows:

15 1. Where vintage reserves are not maintained, synthesization using the currently
16 prescribed curve shape may be required. The same reserve percent associated with the original
17 placement vintage of the related investment shall then be used in determining the appropriate
18 amount of reserve to transfer.

19 2. Where the original placement vintage of the investment being transferred is
20 unknown, the reserve percent applicable to the account in which the investment being
21 transferred resides may be assumed as appropriate for determining the reserve amount to
22 transfer.

23 3. Where the age of the investment being transferred is known and a history of the
24 prescribed depreciation rates is known, a reserve can be determined by multiplying the age

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1 times the investment times the applicable depreciation rate(s).

2 4. The Commission shall consider any additional methods submitted by the utilities for
3 determining the appropriate reserve amounts to transfer.

4 (3)(a) Each utility shall maintain depreciation rates and accumulated depreciation
5 reserves in accounts or subaccounts as prescribed by subsection 25-6.014(1), F.A.C. Utilities
6 may maintain further sub-categorization.

7 (b) Upon establishing a new account or subaccount classification, each utility shall
8 request Commission approval of a depreciation rate for the new plant category.

9 (4) A utility filing a depreciation study, regardless if a change in rates is being
10 requested or not, shall submit to the Office of Commission Clerk ~~six~~fifteen copies of the
11 information required by paragraphs (6)(a) through (f) and (h) of this rule and at least three
12 copies of the information required by paragraph (6)(g).

13 (5) Upon Commission approval by order establishing an effective date, the utility shall
14 reflect on its books and records the implementation of the proposed rates, subject to
15 adjustment when final depreciation rates are approved.

16 (6) A depreciation study shall include:

17 (a) A comparison of current and proposed depreciation rates and components for each
18 category of depreciable plant. Current rates shall be identified as to the effective date and
19 proposed rates as to the proposed effective date.

20 (b) A comparison of annual depreciation expense as of the proposed effective date,
21 resulting from current rates with those produced by the proposed rates for each category of
22 depreciable plant. The plant balances may involve estimates. Submitted data including plant
23 and reserve balances or company planning involving estimates shall be brought to the
24 effective date of the proposed rates.

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from existing law.

1 (c) Each recovery and amortization schedule currently in effect should be included
2 with any new filing showing total amount amortized, effective date, length of schedule, annual
3 amount amortized and reason for the schedule.

4 (d) A comparison of the accumulated book reserve to the prospective theoretical
5 reserve based on proposed rates and components for each category of depreciable plant to
6 which depreciation rates are to be applied.

7 (e) A general narrative describing the service environment of the applicant company
8 and the factors, e.g., growth, technology, physical conditions, necessitating a revision in rates.

9 (f) An explanation and justification for each study category of depreciable plant
10 defining the specific factors that justify the life and salvage components and rates being
11 proposed. Each explanation and justification shall include substantiating factors utilized by the
12 utility in the design of depreciation rates for the specific category, e.g., company planning,
13 growth, technology, physical conditions, trends. The explanation and justification shall discuss
14 any proposed transfers of reserve between categories or accounts intended to correct deficient
15 or surplus reserve balances. It should also state any statistical or mathematical methods of
16 analysis or calculation used in design of the category rate.

17 (g) The filing shall contain all calculations, analysis and numerical basic data used in
18 the design of the depreciation rate for each category of depreciable plant. Numerical data shall
19 include plant activity (gross additions, adjustments, retirements, and plant balance at end of
20 year) as well as reserve activity (retirements, accruals for depreciation expense, salvage, cost
21 of removal, adjustments, transfers and reclassifications and reserve balance at end of year) for
22 each year of activity from the date of the last submitted study to the date of the present study.
23 To the degree possible, data involving retirements should be aged.

24 (h) The mortality and salvage data used by the company in the depreciation rate design
25

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1 must agree with activity booked by the utility. Unusual transactions not included in life or
2 salvage studies, e.g., sales or extraordinary retirements, must be specifically enumerated and
3 explained.

4 (7)(a) Utilities shall provide calculations of depreciation rates using both the whole life
5 method and the remaining life method. The use of these methods is required for all
6 depreciable categories. Utilities may submit additional studies or methods for consideration by
7 the Commission.

8 (b) The possibility of corrective reserve transfers shall be investigated by the
9 Commission prior to changing depreciation rates.

10 (8)(a) Each company shall file a study for each category of depreciable property for
11 Commission review at least once every four years from the submission date of the previous
12 study unless otherwise required by the Commission.

13 (b) A utility proposing an effective date of the beginning of its fiscal year shall submit
14 its depreciation study no later than the mid-point of that fiscal year.

15 (c) A utility proposing an effective date coinciding with the expected date of additional
16 revenues initiated through a rate case proceeding shall submit its depreciation study no later
17 than the filing date of its Minimum Filing Requirements.

18 (9) As part of the filing of the annual report pursuant to Rule 25-6.135, F.A.C., each
19 utility shall include an annual status report. The report shall include booked plant activity
20 (plant balance at the beginning of the year, additions, adjustments, transfers, reclassifications,
21 retirements and plant balance at year end) and reserve activity (reserve balance at the
22 beginning of the year, retirements, accruals, salvage, cost of removal, adjustments, transfers,
23 reclassifications and reserve balance at end of year) for each category of investment for which
24 a depreciation rate, amortization, or capital recovery schedule has been approved. The report
25

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1 shall indicate for each category that:

2 (a) There has been no change of plans or utility experience requiring a revision of
3 rates, amortization or capital recovery schedules; or

4 (b) There has been a change requiring a revision of rates, amortization or capital
5 recovery schedules.

6 (10) For any category where current conditions indicate a need for revision of
7 depreciation rates, amortization or capital recovery schedules and no revision is sought, the
8 report shall explain why no revision is requested.

9 (a) Prior to the date of retirement of major installations, the Commission shall approve
10 capital recovery schedules to correct associated calculated deficiencies where a utility
11 demonstrates that (1) replacement of an installation or group of installations is prudent and (2)
12 the associated investment will not be recovered by the time of retirement through the normal
13 depreciation process.

14 (b) The Commission shall approve a special capital recovery schedule when an
15 installation is designed for a specific purpose or for a limited duration.

16 (c) Associated plant and reserve activity, balances and the annual capital recovery
17 schedule expense must be maintained as subsidiary records.

18 Specific Authority 350.127(2), 366.05(1) FS.

19 Law Implemented 350.115, 366.04(2)(f), 366.06(1) FS.

20 History—New 11-11-82, Amended 1-6-85, Formerly 25-6.436, Amended 4-27-88, 12-12-91,
21 12-11-00.

22

23 **25-7.045 Depreciation.**

24 (1) For the purpose of this part, the following definitions shall apply:

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from existing law.

1 (a) Category or Category of Depreciable Plant – A grouping of plant for which a
2 depreciation rate is prescribed. At a minimum it should include each plant account prescribed
3 in Rule 25-7.046, F.A.C.

4 (b) Embedded Vintage – A vintage of plant in service as of the date of study or
5 implementation of proposed rates.

6 (c) Mortality Data – Historical data by study category showing plant balances,
7 additions, adjustments and retirements, used in analyses for life indications or for calculations
8 of realized life. Preferably this is aged data in accord with the following:

9 1. The number of plant items or equivalent units (usually expressed in dollars) added
10 each calendar year.

11 2. The number of plant items retired (usually expressed in dollars) each year and the
12 distribution by years of placing of such retirements.

13 3. The net increase or decrease resulting from purchases, sales or adjustments and the
14 distribution by years of placing of such amounts.

15 4. The number that remains in service (usually expressed in dollars) at the end of each
16 year and the distribution by years of placing of such amounts.

17 (d) Remaining Life Method – The method of calculating a depreciation rate based on
18 the unrecovered plant balance, less average future net salvage and the average remaining life.

19 The formula for calculating a Remaining Life Rate is:

20 Remaining Life Rate =
$$\frac{100\% - \text{Reserve \%} - \text{Average Future Net Salvage \%}}{\text{Average Remaining Life in Years}}$$

21 (e) Reserve Data – Historical data by study category showing reserve balances, debits
22 and credits, such as booked depreciation expense, salvage and cost of removal, and
23 adjustments to the reserve utilized in monitoring reserve activity and position.

24 (f) Reserve Deficiency – An inadequacy in the reserve of a category as evidenced by a
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1 comparison of that reserve indicated as necessary under current projections of life and salvage
2 with that reserve historically accrued. The latter figure may be available from the utility's
3 records or may require retrospective calculation.

4 (g) Reserve Surplus – An excess in the reserve of a category as evidenced by a
5 comparison of that reserve indicated as necessary under current projections of life and salvage
6 with that reserve historically accrued. The latter figure may be available from the utility's
7 records or may require retrospective calculation.

8 (h) Salvage Data – Historical data by study category showing bookings of retirements,
9 gross salvage and cost of removal used in analysis of trends in gross salvage and cost of
10 removal or for calculations of realized salvage.

11 (i) Theoretical Reserve or Prospective Theoretical Reserve – A calculated reserve
12 based on components of the proposed rate using the formula:

13 Theoretical Reserve = Book Investment – Future Accruals – Future Net Salvage.

14 (j) Vintage – The year of placement of a group of plant items or investment under
15 study.

16 (k) Whole Life Method – The method of calculating a depreciation rate based on the
17 Whole Life (Average Service Life) and the Average Net Salvage. Both life and salvage
18 components are the estimated or calculated composite of realized experience and expected
19 activity. The formula is:

20 Whole Life Rate =
$$\frac{100\% - \text{Average Net Salvage \%}}{\text{Average Service Life in Years}}$$

21 (2)(a) No utility may change any existing depreciation rate or initiate any new
22 depreciation rate without prior Commission approval.

23 (b) No utility may reallocate accumulated depreciation reserves among any primary
24 accounts and sub-accounts without prior Commission approval.

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1 (3)(a) Each utility shall maintain depreciation rates and accumulated depreciation
2 reserves in accounts or subaccounts as prescribed by Rule 25-7.046, F.A.C. Utilities may
3 maintain further sub-categorization.

4 (b) Upon establishing a new account or subaccount classification, each utility shall
5 request Commission approval of a depreciation rate for the new plant category.

6 (4) A utility filing a depreciation study, regardless if a change in rates is being
7 requested or not, shall submit to the Office of Commission Clerk office ~~six~~fifteen copies of the
8 information required by paragraphs (6)(a) through (f) and (h) of this rule and at least three
9 copies of the information required by paragraph (6)(g).

10 (5) Upon Commission approval by order establishing an effective date, the utility may
11 reflect on its books and records the implementation of the proposed rates, subject to
12 adjustment when final depreciation rates are approved.

13 (6) A depreciation study shall include:

14 (a) A comparison of current and proposed depreciation rates and components for each
15 category of depreciable plant. Current rates shall be identified as to the effective date and
16 proposed rates as to the proposed effective date.

17 (b) A comparison of annual depreciation expense resulting from current rates with
18 those produced by the proposed rates for each category of depreciable plant. The plant
19 balances may involve estimates. Submitted data including plant and reserve balances or
20 company planning involving estimates should be brought to the effective date of the proposed
21 rates.

22 (c) Each recovery and amortization schedule currently in effect should be included
23 with any new filing showing total amount amortized, effective date, length of schedule, annual
24 amount amortized and reason for the schedule.

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1 (d) A comparison of the accumulated book reserve to the prospective theoretical
2 reserve based on proposed rates and components for each category of depreciable plant to
3 which depreciation rates are to be applied.

4 (e) A general narrative describing the service environment of the applicant company
5 and the factors, e.g., growth, technology, physical conditions, leading to the present
6 application for a revision in rates.

7 (f) An explanation and justification for each study category of depreciable plant
8 defining the specific factors that justify the life and salvage components and rates being
9 proposed. Each explanation and justification shall include substantiating factors utilized by the
10 utility in the design of the depreciation rates for the specific category, e.g., company planning,
11 growth, technology, physical conditions, trends. The explanation and justification shall discuss
12 any proposed transfers of reserve between categories or accounts intended to correct deficient
13 or surplus reserve balances. It should also state any statistical or mathematical methods of
14 analysis or calculation used in design of the category rate.

15 (g) The filing shall contain all calculations, analysis and numerical basic data used in
16 the design of the depreciation rate for each category of depreciable plant. Numerical data shall
17 include plant activity (gross additions, adjustments, retirements, and plant balance at end of
18 year) as well as reserve activity (retirements, accruals for depreciation expense, salvage, cost
19 of removal, adjustments, transfers and reclassifications and reserve balance at end of year) for
20 each year of activity from the date of the last submitted study to the date of the present study.
21 To the degree possible, data involving retirements should be aged.

22 (h) The mortality and salvage data used by the company in the depreciation rate design
23 must agree with activity booked by the utility. Unusual transactions not included in life or
24 salvage studies, e.g., sales or extraordinary retirements, must be specifically enumerated and
25

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1 explained.

2 (7)(a) Utilities shall provide calculations of depreciation rates using both the whole life
3 and the remaining life method. The use of these methods is required for all depreciable
4 categories. Utilities may submit additional studies or methods for consideration by the
5 Commission.

6 (b) The possibility of corrective reserve transfers shall be investigated by the
7 Commission prior to changing depreciation rates.

8 (8)(a) Each company shall file a study for each category of depreciable property for
9 Commission review at least once every five years from the submission date of the previous
10 study unless otherwise required by the Commission.

11 (b) A utility proposing an effective date of the beginning of its fiscal year shall submit
12 its depreciation study no later than the mid-point of that fiscal year.

13 (c) A utility proposing an effective date coinciding with the expected date of additional
14 revenues initiated through a rate case proceeding shall submit its depreciation study no later
15 than the filing date of its Minimum Filing Requirements.

16 (9) As part of the filing of the annual report under subsection 25-7.014(3), F.A.C., each
17 utility shall include an annual status report. The report shall include booked plant activity
18 (plant balance at the beginning of the year, additions, adjustments, transfers, reclassifications,
19 retirements and plant balance at year end) and reserve activity (reserve balance at the
20 beginning of the year, retirements, accruals, salvage, cost of removal, adjustments, transfers,
21 reclassifications and reserve balance at end of year) for each category of investment for which
22 a depreciation rate, amortization schedule, or capital recovery schedule has been approved.

23 The report shall indicate for each category that:

24 (a) There has been no change of plans or utility experience requiring a revision of the
25

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1 rates, amortization, or capital recovery schedules; or

2 (b) There has been a change requiring a revision of rates, amortization, or capital
3 recovery schedules. For any category where current conditions indicate a need for revision of
4 depreciation rates, amortization, or capital recovery schedules and no revision is sought, the
5 report shall explain why no revision is requested.

6 (10)(a) Prior to the date of retirement of major installations, the Commission may
7 approve capital recovery schedules to correct associated calculated deficiencies where a utility
8 demonstrates that (1) replacement of an installation or group of installations is prudent, and (2)
9 the associated investment will not be recovered by the time of retirement through the normal
10 depreciation process.

11 (b) The Commission may approve a special capital recovery schedule when an
12 installation is designed for a specific purpose or for a limited duration.

13 (c) Associated plant and reserve activity, balances and the annual capital recovery
14 schedule expense must be maintained as subsidiary records.

15 Specific Authority 350.127(2), 366.05(1) FS.

16 Law Implemented 350.115 FS.

17 History--New 11-11-82, Amended 1-6-85, Formerly 25-7.45, Amended 4-27-88, 12-12-91.

18

19 **25-24.470 Registration Required.**

20 (1) No person shall provide intrastate interexchange telephone service without first
21 filing an initial tariff containing the rates, terms, and conditions of service and providing the
22 company's current contact information with the Office of Commission Clerk.

23 (2) An original and two(2)~~three (3)~~ copies of the company's initial tariff shall be filed.

24 The tariff filing shall conform to the requirements of Rule 25-24.485, F.A.C.

25

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1 (3) The company's contact information shall be provided using Form PSC/CMP 31
2 (08/05), entitled "IXC Registration Form" which is hereby incorporated into these rules. A
3 copy of the form may be obtained from the Commission's website; at
4 www.floridapsc.com;/utilities/telecomm/ or by contacting the Commission's Division of
5 Competitive Markets and Enforcement.

6 (4) Each IXC shall file and update, within 10 days after any change, the following
7 contact information with the Office of Commission Clerk:

8 (a) Official company name, including any fictitious names, as filed with the
9 Department of State, Division of Corporations; and

10 (b) Mailing address, including street name and address and post office box, city, state,
11 and zip code.

12 (c) Name, address, telephone number, and e-mail address and FAX number, where
13 applicable, of the individual who is to serve as primary liaison with the Commission in regard
14 to ongoing operations of the company within the state.

15 Specific Authority 350.127(2) FS.

16 Law Implemented 364.02, 364.04 FS.

17 History--New 2-23-87, Amended 8-25-05.

18 **25-24.511 Application for Certificate.**

19 (1) Any person desiring to provide pay telephone services must have a pay telephone
20 service certificate.

21 (2) An applicant shall submit an application on Form PSC/CMP 32 (~~xx/xx1/06~~),
22 entitled "Application Form for Authority to Provide Pay Telephone Service Within the State
23 of Florida," which is incorporated into this rule by reference and may be obtained from the
24 Commission's website at www.floridapsc.com/utilities/telecom/ or from the Division of
25

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1 Competitive Markets and Enforcement. A non-refundable application fee of \$250.00 must
2 accompany the filing of all applications.

3 (3) An original and one copy~~two copies~~ of the application shall be filed with the Office
4 of Commission Clerk.

5 (4) Any pay telephone service authority previously granted or granted hereafter is
6 subject to the following:

7 (a) Authority granted is statewide.

8 (b) Authority is to provide both local and intrastate toll pay telephone service. A
9 certificate to provide pay telephone service does not carry with it the authority to provide local
10 exchange or interexchange service. A separate application must be made for such authority.
11 Specific Authority 350.127(2) FS.

12 Law Implemented 364.32, 364.33, 364.335, 364.337, 364.3375, 364.345 FS.

13 History—New 1-5-87, Amended 9-28-89, 4-7-91, 11-20-91, 12-21-92, 2-1-99, 1-5-06.

14 **25-24.512 Application for Approval of Sale, Assignment or Transfer of Certificate.**

15 (1) Certificates of public convenience and necessity authorizing pay telephone service
16 shall not be sold, assigned or transferred by the holder without prior Commission approval.

17 (2) A person seeking to obtain a certificate by sale, assignment or transfer from the
18 holder shall submit an application jointly with the certificate holder on Commission Form
19 PSC/CMP 32 (xx/xx1/06), entitled “Application Form for Authority to Provide Pay Telephone
20 Service Within the State of Florida”. The application form may be obtained from the
21 Commission’s website at www.floridapsc.com/utilities/telecomm/ or from the Division of
22 Competitive Markets and Enforcement. A nonrefundable application fee of \$250.00 must
23 accompany the filing of all applications to cover processing costs. The Commission’s
24 acceptance of the application fee does not imply that the application for sale, assignment or

25

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1 transfer of a certificate will be granted.

2 (3) An original and one copy~~two copies~~ of the application shall be filed with the Office
3 of Commission Clerk.

4 (4) An application for sale, assignment or transfer of a certificate will be granted if the
5 Commission determines that such approval is in the public interest.

6 (5) A certificate may be sold, assigned or transferred only as a whole.

7 Specific Authority 350.127(2) FS.

8 Law Implemented 364.32, 364.33, 364.335, 364.337, 364.3375, 364.345 FS.

9 History—New 1-5-87, Amended 5-15-89, 1-5-06.

10 **25-24.567 Application for Certificate.**

11 (1) An applicant desiring to provide shared tenant service shall submit an application
12 on Commission Form PSC/CMP 37 (xx/xx1/06), which is incorporated into this rule by
13 reference. Form PSC/CMP 37 (xx/xx1/06), entitled “Application Form for Authority to
14 Provide Shared Tenant Service Within the State of Florida,” may be obtained from the
15 Commission’s website at www.floridapsc.com/utilities/telecomm/ or by contacting the
16 Commission’s Division of Competitive Markets and Enforcement. A non-refundable
17 application fee of \$250.00 must accompany the filing of all applications.

18 (2) An original and one copy~~two copies~~ of the application shall be filed with the Office
19 of Commission Clerk.

20 (3) A certificate will be granted if the Commission determines that such approval is in
21 the public interest.

22 (4) Any shared tenant service authority granted hereafter is subject to the following:

23 (a) Shared tenant authority granted to all companies is on a statewide basis and is

24 restricted to tenants as defined in subsection 25-24.560(10), F.A.C.

25

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1 (b) Each shared tenant service applicant shall:

2 1. Advise all customers of its current rates and conditions for resold local exchange
3 service and its quality of service standards.

4 2. Inform each customer in advance of agreement to provide service, that the Florida
5 Public Service Commission will not set rates or regulate the service quality standards.

6 (c) A certificate to provide shared tenant service does not carry with it the authority to
7 provide competitive local exchange telecommunication, alternative access vendor,
8 interexchange or pay telephone service. A separate application must be made for such
9 authority.

10 Specific Authority 350.127(2) FS.

11 Law Implemented 364.33, 364.335, 364.339, 364.345 FS.

12 History--New 1-28-91, Amended 5-8-91, 11-20-91, 7-29-97, 1-5-06.

13 **25-24.569 Application for Approval of Sale, Assignment or Transfer of Certificate.**

14 (1) A company desiring to obtain a certificate by sale, assignment or transfer from the
15 holder thereof shall submit an application jointly with the certificate holder on Commission
16 Form PSC/CMP 37 (~~xx/xx1/06~~), which is incorporated into this rule by reference. Form
17 PSC/CMP 37 (~~xx/xx1/06~~) is entitled "Application Form for Authority to Provide Shared
18 Tenant Service Within the State of Florida." The application form may be obtained from the
19 Commission's website at www.floridapsc.com/utilities/telecomm/ or by contacting the
20 Commission's Division of Competitive Markets and Enforcement. A nonrefundable
21 application fee of \$250.00 must accompany each application. The Commission's acceptance
22 of the application fee does not imply that the application for sale, assignment or transfer of a
23 certificate will be granted.

24 (2) An original and one copy~~two copies~~ of the application shall be filed with the Office

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1 of Commission Clerk.

2 (3) An application for sale, assignment or transfer of a certificate will be granted if the
3 Commission determines that such approval is in the public interest.

4 (4) A certificate may be sold, assigned or transferred only as a whole.

5 Specific Authority 350.127(2) FS.

6 Law Implemented 364.32, 364.33, 364.335, 364.337, 364.339, 364.345 FS.

7 History—New 1-28-91, Amended 11-20-91, 7-29-97, 1-5-06.

8 **25-24.720 Application for Certificate.**

9 (1) An applicant seeking to provide Alternative Access Vendor service shall submit an
10 application on Commission Form PSC/CMP 43 (~~xx/xx1/06~~), entitled “Application Form for
11 Authority to Provide Alternative Access Vendor Service within the State of Florida,” which is
12 incorporated into this rule by reference. The form may be obtained from the Commission’s
13 website at www.floridapsc.com/utilities/telecomm/ or by contacting the Division of
14 Competitive Markets and Enforcement. A nonrefundable application fee of \$250.00 must
15 accompany each application to cover processing costs. The Commission’s acceptance of the
16 application fee does not imply that a certificate will be granted.

17 (2) An original and ~~one copy~~~~two copies~~ of the application shall be filed with the Office
18 of Commission Clerk.

19 (3) A certificate will be granted if the Commission determines that such approval is in
20 the public interest.

21 Specific Authority 350.127(2) FS.

22 Law Implemented 364.33, 364.335, 364.337, 364.345 FS.

23 History—New 1-8-95, Amended 1-5-06.

24 **25-24.730 Application for Approval of Sale, Assignment, or Transfer of Certificate.**

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1 (1) A person seeking to obtain a certificate by sale, assignment or transfer from the
2 holder shall submit an application jointly with the certificate holder on Commission Form
3 PSC/CMP 43 (~~xx/xx1/06~~) (entitled "Application Form for Authority to Provide Alternative
4 Access Vendor Service within the State of Florida"). The application form may be obtained
5 from the Commission's website at www.floridapsc.com/utilities/telecomm/ or the Division of
6 Competitive Markets and Enforcement. A nonrefundable application fee of \$250.00 must
7 accompany each application to cover processing costs. The Commission's acceptance of the
8 application fee does not imply that the application for sale, assignment or transfer of a
9 certificate will be granted.

10 (2) An original and one copy~~two copies~~ of the application shall be filed with the Office
11 of Commission Clerk.

12 (3) An application for sale, assignment or transfer of a certificate will be granted if the
13 Commission determines that such approval is in the public interest.

14 (4) A certificate may be sold, assigned or transferred only as a whole.

15 Specific Authority 350.127(2) FS.

16 Law Implemented 364.32, 364.33, 364.335, 364.337, 364.345 FS.

17 History--New 1-8-95, Amended 1-5-06.

18 **25-24.810 Application for Certificate.**

19 (1) An applicant for a certificate shall submit an application on Form PSC/CMP 8-T
20 (~~xx/xx1/06~~), which is incorporated into this rule by reference. Form PSC/CMP 8-T
21 (~~xx/xx1/06~~), entitled "Application Form for Authority to Provide Competitive Local Exchange
22 Service Within the State of Florida", may be obtained from the Commission's website at
23 www.floridapsc.com/utilities/telecomm/ or by contacting the Commission's Division of
24 Competitive Markets and Enforcement. A non-refundable application fee of \$400.00 must

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1 accompany the filing of each application.

2 (2) An original and one copy~~two copies~~ of the application shall be filed with the Office
3 of Commission Clerk.

4 Specific Authority 350.127(2) FS.

5 Law Implemented 364.335 FS.

6 History--New 12-27-95, Amended 1-5-06.

7 **25-24.815 Application for Approval of Sale, Assignment or Transfer of Certificate.**

8 (1) A person obtaining a certificate by sale, assignment or transfer from the holder
9 thereof shall submit jointly with the certificate holder an application on Form PSC/CMP 8-T
10 (~~xx/xx1/06~~), which is incorporated into this rule by reference. Form PSC/CMP 8-T
11 (~~xx/xx1/06~~), entitled "Application Form for Authority to Provide Competitive Local Exchange
12 Service Within the State of Florida", may be obtained from the Commission's website at
13 www.floridapsc.com/utilities/telecomm/ or by contacting the Commission's Division of
14 Competitive Markets and Enforcement. A non-refundable application fee of \$400.00 must
15 accompany the filing of each application.

16 (2) An original and one copy~~two copies~~ of the application shall be filed with the Office
17 of Commission Clerk.

18 (3) An application for sale, assignment or transfer of a certificate will be granted if the
19 Commission determines that such approval is in the public interest.

20 (4) A certificate may be sold, assigned or transferred only as a whole.

21 (5) In the case of sale, assignment or transfer where the assignor and assignee or
22 transferor or transferee are all currently certificated by the Commission and there are no
23 pending actions against them, a sale, assignment or transfer shall be considered effective upon
24 filing. Any party protesting the sale, assignment or transfer shall be required to prove why the

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1 sale, assignment or transfer is not in the public interest.

2 Specific Authority 350.127(2) FS.

3 Law Implemented 364.335, 364.345(2) FS.

4 History—New 12-27-95, Amended 1-5-06.

5

6 **25-30.032 Applications.**

7 (1) Each utility subject to regulation by the Commission shall apply for an initial
8 certificate of authorization, amendment to an existing certificate of authorization, transfer, or
9 name change by filing a completed application and ~~six~~¹² copies, in accordance with either
10 Rule 25-30.033, 25-30.034, 25-30.035, 25-30.036, subsection 25-30.037(1) or (2), or Rule 25-
11 30.039, F.A.C. However, a utility shall apply for a transfer to a governmental authority by
12 filing a completed application and two copies, in accordance with subsections 25-30.037(3)
13 and (4), F.A.C. The application shall be filed with the ~~Director~~, Office of Commission Clerk,
14 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850. Sample application forms
15 may be obtained from the Division of Economic Regulation, 2540 Shumard Oak Boulevard,
16 Tallahassee, Florida 32399-0850.

17 (2) A utility may file combined applications if it is applying for certificates of
18 authorization or any amendments thereto for both water and wastewater systems; however, the
19 utility shall remit a separate application fee for each service. The Commission will treat a
20 combined application as if a separate application had been filed for each service.

21 (3) The official filing date of an application for an original certificate, any amendment
22 to an existing certificate, or any transfer shall be the date a completed application is filed with
23 the Office of Commission Clerk, except that the noticing requirements set forth in Rule 25-
24 30.030, F.A.C., do not need to be completed at that time. If, however, the utility has not

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1 completed the noticing within the time limits prescribed by Rule 25-30.030, F.A.C., the
2 official filing date shall be the date the noticing is complete.

3 Specific Authority 350.127(2), 367.121 FS.

4 Law Implemented 367.031, 367.045, 367.071, 367.083 FS.

5 History--New 1-27-91, Amended 11-30-93.

6

7 **25-30.140 Depreciation.**

8 (1) For the purpose of the rule, the following definitions apply:

9 (a) Account – Water and wastewater plant accounts are defined in the NARUC
10 Uniform System of Accounts adopted by Rule 25-30.115, F.A.C.

11 (b) Amortization – The gradual extinguishment of an amount in an account by
12 distributing such amount over a fixed period.

13 (c) Asset – Any owned physical object (tangible) or right (intangible) having economic
14 value to its owner.

15 (d) Average Remaining Life – The future expected service in years of the surviving
16 plant at a given age.

17 (e) Average Service Life – The period of service that can be reasonably expected from
18 the plant type in question. It is measured by the period of time the subject plant and its
19 associated investment is included on the company's books as in service to the public. The
20 average service life will typically be less than the potential physical life due to factors such as
21 governmental requirements, growth or adverse operating conditions.

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

$$24 \quad \text{A.S.L. Rate} = 100\% - \frac{\text{Average Net Salvage \%}}{\text{Average Service Life}}$$

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from existing law.

1 (g) Capitalization – Measures of the propriety of capitalization versus expensing as
2 follows:

3 1. The addition of any retirement unit, or

4 2. Any replacement with a retirement unit that materially enhances the value, use, life
5 expectancy, strength or capacity of the asset prior to replacement shall be capitalized.

6 3. The cost of incidental repairs that neither materially add to the value of the property
7 nor appreciably prolong its life and that were made to keep the property in an ordinary
8 efficient operating condition shall be accounted for as a maintenance expense.

9 (h) Cost of removal – The cost of demolishing, dismantling, tearing down or otherwise
10 removing utility plant, including the cost of transportation and handling incidental thereto.

11 (i) Continuing Property Record (CPR) – A perpetual collection of records required by
12 the NARUC Uniform System of Accounts showing the detailed original costs, quantities, and
13 locations of plant in service. Generally, a CPR should contain 1) an inventory of property
14 record units which can be readily checked for proof of physical existence, 2) the association of
15 costs with such property record units to ensure accurate accounting for retirements, and 3) the
16 dates of installation and removal of plant to provide data for use in connection with
17 depreciation studies.

18 (j) Depreciation – As applied to depreciable utility plant, the loss in service value not
19 restored by current maintenance incurred in connection with the consumption or prospective
20 retirement of utility plant in the course of service from causes that are known to be in current
21 operation and against which the utility is not protected by insurance. Among the causes to be
22 given consideration are wear and tear, decay, action of the elements, inadequacy,
23 obsolescence, changes in the art, changes in demand and requirements of public authorities.
24 The intent of depreciation per this rule is to provide for recovery of invested capital and to

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1 match this recovery as nearly as possible to the useful life of the depreciable investment.

2 (k) Depreciation Accounting – The process of charging the book cost of depreciable
3 property, adjusted for net salvage, to operations over the associated useful life.

4 (l) Depreciation Expense – The periodic charge to expense to allocate the original cost
5 of a depreciable group of assets over the life of those assets.

6 (m) Depreciable Group – A homogeneous grouping of assets expected to experience
7 similar life and salvage patterns. Unless otherwise ordered by the Commission, depreciable
8 groups are the accounts defined in the NARUC Uniform System of Accounts adopted by Rule
9 25-30.115, F.A.C.

10 (n) Function – defined as follows:

11 Water	Wastewater
12 Source of Supply	Collection Plant
13 (Accounts 304 to 311 and 339)	(Accounts 354, 355 and 360 to 367)
14	Pumping Plant
15	(Accounts 354, 355, 370, 371)
16 Water Treatment Plant	Treatment & Disposal Plant
17 (Accounts 304, 310, 311, 320, and 339)	(Accounts 354 and 380 to 389)
18	Reclaimed Water Treatment Plant
19 Transmission & Distribution Plant	(Accounts 354, 355, 371, 374, 380, 381, 389)
20 (Accounts 304, 310, 311 and 330 to 339)	Reclaimed Water Distribution Plant
21 General Plant	(Accounts 354, 355, 366, 367, 371, 375, 389)
22 (Accounts 304 and 340 to 348)	General Plant
23	(Accounts 354 and 390 to 398)
24	
25	

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1 (o) Group Depreciation – An accounting procedure under which depreciation charges
2 are accrued on the basis of the original cost of all property included in each depreciable group.
3 Under the group concept, no attempt is made to keep track of the accumulated provision for
4 depreciation applicable to individual assets of property, in view of the many items making up
5 a utility system. The group approach recognizes that some assets within the group may live
6 longer or shorter than the average life of the group but the group is expected to live the
7 average service life. Every item in the group is assumed to be fully depreciated at retirement.

8 (p) Mortality Data – See plant activity data.

9 (q) Net Salvage – The salvage value of property retired less the cost of removal. This is
10 expressed as a percent of retirements in the depreciation rate formula.

11 (r) Original Cost – The cost of acquiring an asset and placing it into service for first
12 utility use. This includes the direct costs of acquiring the asset and the cost of labor, materials,
13 and associated costs of installation to prepare the asset for first utility use. The cost is used in
14 the computation of depreciation expense. In the event that an asset is acquired that is already
15 in public service, the original historic cost of the asset should be recorded in plant in service,
16 and the historic accumulated depreciation should be charged to the accumulated depreciation
17 account. In the event the historic cost of an asset that is already in utility service cannot be
18 determined, an independent engineer's evaluation based on an original cost study may be
19 used.

20 (s) Plant Activity Data – Annual additions, retirements, adjustments or transfers, sales
21 or purchases, and investment balances at end of year.

22 (t) Property Retired – As applied to utility plant, property that has been removed, sold,
23 abandoned, destroyed or which has been withdrawn from service for any cause.

24 (u) Remaining Life Depreciation Rate – The depreciation rate based on the average
25

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1 remaining portion of the service life expected to be experienced by the investment or account
2 in question and on the net unrecovered capital for that investment or account.

$$3 \quad \text{R.L. Rate} = \frac{100\% - \text{Accumulated Reserve \%} - \text{Future Net Salvage \%}}{\text{Average Remaining Life}}$$

4 The average remaining life for an account or sub-account is a function of known planned
5 retirement or of the average age of that account and its appropriate mortality table.

6 (v) Replacing or Replacement – The construction or installation of utility plant in place
7 of property retired, together with the removal of the property retired.

8 (w) Reserve – The accumulated provision for depreciation. The accumulated
9 depreciation reserve is the net of depreciation accruals (expenses) and retired investment with
10 related gross salvage and cost of removal as well as any appropriate adjustments or transfers.

11 (x) Reserve Activity Data – Annual depreciation expense, retirements, transfers or
12 adjustments, gross salvage realized, cost of removal, and end of year balance for the
13 accumulated provision for depreciation.

14 (y) Retirement Units – Those items of utility plant which, when retired with or without
15 replacement, are accounted for by crediting the book cost to the utility plant account in which
16 it is included.

17 (z) Salvage Value – The amount received for property retired, less any expenses
18 incurred in connection with the sale or in preparing the property for sale or, if retained, the
19 amount at which the material recoverable is chargeable to materials and supplies or other
20 appropriate account.

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

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

8 (cc) Unrecovered Amount – Original cost less the accumulated provision for
 9 depreciation less expected net salvage.

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

12 (a) Water System Guideline Average Service Lives.

13		Large	Small	Small	
14		Utility	Utility	Utility	
15		(Class	(Class	Function	Net
16	Account	A&B)	C)	Composite ³	Salvage % ⁴
17	1. Intangible Plant				
18	351	Organization	40	40	
19	352	Franchise Cost	40 ⁵	40 ⁵	
20	2. Source of Supply			28	
21	304	Structures & Improvements	32 ¹	27 ¹	
22		Wood	28	25	
23		Masonry	30	27	
24		Reinforced Concrete	40	37	
25		Steel Building	40	35	

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

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1	310	Power Generation Equipment	20	17	
2	311	Pumping Equipment	20 ¹	17 ¹	
3		Pumping Equipment-Electric	20	15	
4		Pumping Equipment-Chemical	8	6	
5	320	Water Treatment Equipment	22 ¹	17 ¹	
6		Chlorination Equipment	10	7	
7		Membrane Elements	5	5	
8		Other Mechanical Equipment	25	20	
9	339	Other Miscellaneous Equipment	18	15	
10	4. Transmission &				36
11	Distribution Plant				
12	304	Structures &			
13		Improvements (See			
14		“Source of Supply”			
15		for subcategory lives)	32 ¹	27 ¹	
16	310	Power Generation Equipment	20	17	
17	311	Pumping Equipment	20 ¹	17 ¹	
18		Pumping Equipment – Electric	20	15	
19		Pumping Equipment – Chemical	8	6	
20	330	Distribution			
21		Reservoirs & Stand			
22		Pipes	37 ¹	33 ¹	
23		Steel Pneumatic Tank	35	30	
24		Concrete Ground			
25					

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1		Storage Reservoir	40	37
2	331	Transmission & Distribution	43 ¹	38 ¹
3		Mains		
4		Galvanized Steel pipe		
5		& Fittings	35	33
6		Black Steel Pipe	20	18
7		Plastic Pipe ²	45	40
8		Asbestos – Cement	40	35
9		Cast Iron or Ductile Iron	40	35
10		Valves & Valve Boxes	25	20
11		Fire Mains	33	30
12	333	Services ²	40	35
13	334	Meters and Meter Installations	20	17
14	335	Hydrants	45	40
15	336	Backflow Prevention Devices	15	10
16	339	Other Plant and Miscellaneous		
17		Equipment	25	20
18	5. General Plant			
19	304	Structures & Improvements	40 ¹	35 ¹
20		Wood Building	35	30
21		Masonry Building	40	35
22		Reinforced Concrete Building	40	37
23		Steel Building	40	35
24		Tanks or Sheds	25	20
25				

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1	340	Office Furniture & Equipment	15	15		
2		Computers	6	6		
3	341	Transportation Equipment	6	6		10
4	342	Stores Equipment	18	N/A	14 (composite	
5					of 342-348)	
6	343	Tools, Shop & Garage	16	15		
7		Equipment				
8	344	Laboratory Equipment	15	N/A		
9	345	Power Operated Equipment	12	10		5
10	346	Communication Equipment	10	N/A		10
11	347	Miscellaneous Equipment	15	N/A		
12	348	Other Tangible Plant	10	10		
13						
14	(b) Wastewater System Guideline Average Services Lives.					
15			Large	Small	Small	
16			Utility	Utility	Utility	
17			(Class	(Class	Function	Net
18	Account	Description	A&B)	C)	Composite ³	Salvage % ⁴
19	1. Intangible Plant					
20	351	Organization	40	40		
21	352	Franchise Cost	40 ⁵	40 ⁵		
22	2. Collection System				35	
23	354	Structures &				
24		Improvements Above				
25		Grade	32 ¹	27 ¹		

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1		Wood	28	25
2		Masonry	30	27
3		Reinforced Concrete	38	35
4		Steel Below Grade	25	22
5		Concrete	35	32
6		Steel	22	20
7		Lift Stations	25	22
8	355	Power Generation Equipment	20	17
9	360	Collection Sewers-Force ²	30 ¹	27 ¹
10	361	Collection Sewers-Gravity ²	45	40
11		Manholes	30	27
12	362	Special Collecting	40	37
13		Structures		
14	363	Services to Customers ²	38	35
15	364	Flow Measuring Devices	5	5
16	365	Flow Measuring Installations	38	35
17	389	Other Miscellaneous Equipment	18	15
18	3. Pumping Plant			18
19	354	Structures & Improvements	32 ¹	27 ¹
20	355	Power Generating Equipment	20	17
21	370	Receiving Wells	30	25
22	371	Pumping Equipment	18	15
23		Pumping Equipment – Electric	18	15
24		Pumping Equipment – Chemical	7	5
25				

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1	389	Other Miscellaneous Equipment	18	15
2	4.	Treatment and		18
3		Disposal Plant		
4	354	Structures &		
5		Improvements (see		
6		“Collection System”		
7		for subcategory lives)	32 ¹	27 ¹
8	355	Power Generating Equipment	20	17
9	371	Pumping Equipment	18 ¹	15 ¹
10		Pumping Equipment – Electric	18	15
11		Pumping Equipment – Chemical	7	5
12	380	Treatment & Disposal Equipment	18 ¹	15 ¹
13		Blowers, Motors,		
14		Pumps Electric		
15		Controls	15	12
16		Chlorination Equipment	10	7
17		Other Mechanical Equipment	23	18
18	381	Plant Sewers	35	32
19	382	Outfall Sewer Lines	30	30
20	389	Other Plant and Miscellaneous		
21		Equipment	18	15
22	5.	Reclaimed Water		21
23		Treatment Plant		
24	354	Structures & Improvements (see	32 ¹	27 ¹
25				

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1		“Collection System” for		
2		subcategory lives)		
3	355	Power Generating Equipment	20	17
4	371	Pumping Equipment	18 ¹	15 ¹
5		Pumping Equipment – Electric	18	15
6		Pumping Equipment – Chemical	7	5
7	374	Reuse Distribution		
8		Reservoirs	37 ¹	33 ¹
9		Steel Pneumatic Tank	35	30
10		Concrete Ground Storage	40	37
11		Reservoir		
12	380	Treatment & Disposal Equipment	18 ¹	15 ¹
13		Blowers, Motors, Pumps, Electric	15	12
14		Controls		
15		Chlorination Equipment	10	7
16		Other Mechanical Equipment	23	18
17	381	Plant Sewers	35	32
18	389	Other Plant and Miscellaneous	18	15
19		Equipment		
20	6. Reclaimed Water			36
21	Distribution Plant			
22	354	Structures & Improvements (see	32 ¹	27 ¹
23		“Collection System” for		
24		subcategory lives)		
25				

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1	355	Power Generating Equipment	20	17	
2	366	Reuse Services	40	35	
3	367	Reuse Meters and Meter	20	17	
4		Installation			
5	371	Pumping Equipment	18 ¹	15 ¹	
6		Pumping Equipment – Electric	18 ¹	15	
7		Pumping Equipment – Chemical	7	5	
8	375	Reuse Transmission &	43 ¹	38 ¹	
9		Distribution System			
10		Plastic Pipe ²	45	40	
11		Valves & Valve Boxes	25	20	
12		Fire Mains	33	30	
13	389	Other Plant and Miscellaneous	18	15	
14		Equipment			
15	7. General Plant				
16	354	Structures & Improvements	40 ¹	35 ¹	
17		Reinforced Concrete Building	45	40	
18		Masonry Building	40	35	
19		Wood Building	35	30	
20		Steel Building	40	35	
21		Tanks or Sheds	25	20	
22	390	Office Furniture & Equipment	15	15	
23		Computers	6	6	
24	391	Transportation Equipment	6	6	10
25					

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1	392	Stores Equipment	18	N/A	14 (composite
2					of 392-398)
3	393	Tools, Shop & Garage	16	15	
4		Equipment			
5	394	Laboratory Equipment	15	N/A	
6	395	Power Operated Equipment	12	10	5
7	396	Communication Equipment	10	N/A	10
8	397	Miscellaneous Equipment	15	N/A	
9	398	Other Tangible Plant	10	10	

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

12 1. ¹ Denotes composite life.

13 2. ² Plastic pipe footnote – assumes use of AWWA standard pipe only. Assumes
14 AWWA DR18 used for all mains of 6" or more.

15 3. ³ To be used only when acceptable company plant balances are not available for
16 developing composites using account lives.

17 4. ⁴ Net Salvage zero except as indicated.

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

20 (3)(a) Average service life depreciation rates based on guideline lives and salvages
21 shall be used in any Commission proceeding in which depreciation rates are addressed, except
22 for those utilities using depreciation rates in accordance with the requirements listed in
23 subsections (6) and (7) of this rule. A utility shall also implement the applicable guideline
24 rates for any new plant to be placed in service.

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

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

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

10 (b) All Class C utilities shall maintain depreciation rates and reserve activity data by
11 total depreciable plant, function or account as prescribed by this Commission.

12 (5) Computation of depreciation expense. Regulatory book depreciation expense shall
13 be computed on a monthly basis in conformity with group depreciation accounting procedures.

14 (6)(a) At the time a utility applies for a change in its revenue rates and charges, it may
15 also petition for average service life depreciation rates different from those in the above
16 schedule if it can justify the service lives that the utility is proposing in lieu of the guideline
17 lives. That justification should be in the form of historic data, technical information or utility
18 planning for the affected accounts or sub-accounts. Common causes of need for different
19 depreciation rates include composition of account, adverse environmental conditions, high
20 growth or regulatory changes.

21 (b) A utility filing for such a revision of depreciation rates shall submit sixteen copies of
22 the filing to the office of the Office of Commission Clerk.

23 (c) For each account or function of depreciable plant addressed in the filing, the
24 following shall be included:

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from existing law.

1 1. A comparison of current and proposed depreciation rates and service lives. The
2 proposed effective date of the new rates shall be identified.

3 2. A comparison of depreciation expenses resulting from current rates with those
4 produced by the proposed rates. Plant balances used in this calculation shall be those as of the
5 effective date of the proposed rates.

6 3. A general narrative defining the service environment of the applicant utility and the
7 factors (e.g., composition of account, growth, environmental conditions, regulatory changes)
8 leading to the present application for a revision in rates in the affected accounts.

9 4. Any statistics, data, analyses or calculations used in the development of the
10 proposed average service lives.

11 (7)(a) A Class A, B, or C utility may apply for guidelines for a proposal for
12 implementation of remaining life depreciation rates if the utility has maintained both plant
13 activity data by account and accumulated provision for depreciation (reserve) data by account,
14 function or total depreciable plant generally in accord with the Uniform System of Accounts
15 for either at least ten years or since the inception of the utility, whichever is less.

16 (b) To provide time for study development, any application for remaining life
17 guidelines should be submitted at least six months before the filing for a test year in
18 connection with a request for a revenue rate increase.

19 (8) Prior to the date of retirement of major installations, the Commission may approve
20 capital recovery schedules to correct associated calculated deficiencies in recovery where a
21 utility demonstrates that retirement of the installation or group of installations is prudent and
22 the associated investment will not be recovered by the time of retirement through the normal
23 depreciation process.

24 (9)(a) Beginning with the year ending December 31, 2003, all Class A and B utilities
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from existing law.

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

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

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

16 Specific Authority 350.127(2), 367.121(1) FS.

17 Law Implemented 350.115, 367.081(2), 367.121(1) FS.

18 History--New 3-22-84, Formerly 25-10.32, 25-10.032, Amended 11-10-86, 5-8-88, 11-21-95,
19 12-4-03.

20 **25-30.565 Application for Approval of New or Revised Service Availability Policy or**
21 **Charges.**

22 (1) Each application for a service availability policy or charges shall be filed in
23 original and six~~12~~ copies.

24 (2) Upon filing an application for a new or revised service availability charge or
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from existing law.

1 policy, the utility shall provide notice pursuant to Rule 25-30.4345, F.A.C.

2 (3) A filing fee as required in Rule 25-30.020, F.A.C., shall be submitted at the time of
3 application.

4 (4) Each application shall include the following, if applicable:

5 (a) A statement describing how the notice provisions have been complied with,
6 including a copy of the actual notice(s).

7 (b) The name of the applicant, the applicant's principal place of business and each
8 local office from which company operations are conducted. The applicant's name shall be as it
9 appears on the certificate issued by the Commission if one has been issued.

10 (c) The number of the Commission order, if any, which previously considered the
11 charges or service availability policy for the system involved.

12 (d) A statement explaining the basis for the requested changes in charges and
13 conditions.

14 (e) A schedule showing the original cost of any existing treatment plants, the water
15 transmission and distribution system, and the sewage collection system, by Uniform System of
16 Accounting account numbers as required by Rule 25-30.115, F.A.C., and the related capacity
17 of each system as of 90 days prior to application.

18 (f) A detailed statement of accumulated depreciation for the plant listed in paragraph
19 (e) above as of 90 days prior to application.

20 (g) A schedule showing the number of active customers on line 90 days prior to the
21 time of application by meter size, by customer class, and the related equivalent residential
22 connections (ERC) as defined in subsection 25-30.515(8), F.A.C. Describe the method by
23 which an ERC is defined.

24 (h) A detailed statement defining the capacity of the treatment facilities in terms of
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- 1 ERCs as used in developing the proposed service availability charges.
- 2 (i) A detailed statement defining the capacity of the distribution or collection system in
3 terms of ERCs as used in developing the proposed service availability charges.
- 4 (j) Provide a list of outstanding developer agreements.
- 5 (k) For each developer agreement state whether the agreement is designed to result in
6 contributed property, other than the approved system capacity charge, within the next 24
7 months; an estimate of the value of the contributed property to be added to the utility's books;
8 and a description of the property.
- 9 (l) A schedule showing total collections of contributions-in-aid-of-construction (CIAC)
10 as of 90 days prior to the date of application. Detail any prepaid CIAC by amount, the related
11 reserved ERCs, and the anticipated connection date. Reference any appropriate developer
12 agreements.
- 13 (m) A detailed statement of accumulated amortization of CIAC as listed in (l) above as
14 of 90 days prior to application.
- 15 (n) Copies of approvals or permits for construction and operation of treatment
16 facilities.
- 17 (o) A detailed statement by a registered professional engineer showing the cost, by
18 Uniform System of Accounting account numbers, and capacity of proposed plant expansion,
19 and a timetable showing projected construction time.
- 20 (p) A detailed statement by a registered professional engineer showing how the
21 proposed construction will affect the capacity of the existing systems.
- 22 (q) If the expansion or plant upgrading is being undertaken to comply with the
23 mandates of local, state or federal regulatory authorities, copies of the order(s) or
24 correspondence directing the expansion or upgrading.

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1 (r) A schedule showing the projected growth rate for utilization of the existing plant
2 and line capacity and future plant and line capacity.

3 (s) A summary schedule of how the proposed service availability charge was
4 calculated.

5 (t) A schedule showing, by meter size, the cost of meters, connecting fittings, meter
6 boxes or enclosures and also showing sufficient data on labor and any other applicable costs to
7 allow the determination of an average cost for meter installation by type.

8 (u) A statement of the existing and proposed on-site and off-site main installation
9 charges or policy.

10 (v) The company's present capital structure, including the cost of debt in the present
11 capitalization. The availability and cost of other sources of financing the proposed expansion
12 or upgrading of the system also shall be given.

13 (w) An original and three copies of the proposed tariff sheets.

14 (5) Upon filing of the application and supporting exhibits, the utility shall place copies
15 thereof at its local office of the utility serving the area affected by the charges and conditions,
16 and such copies shall be made available for public inspection.

17 (6) Each utility shall demonstrate the appropriateness of the requested service
18 availability charges and conditions.

19 Specific Authority 367.121(1), 367.101 FS.

20 Law Implemented 367.101 FS.

21 History—New 6-14-83, Amended 11-10-86, 11-30-93.

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