

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

NOTICE OF DEVELOPMENT OF RULEMAKING

TO

ALL ELECTRIC UTILITIES

ALL GAS UTILITIES

ALL WATER AND WASTEWATER UTILITIES

OFFICE OF PUBLIC COUNSEL

AND

ALL OTHER INTERESTED PERSONS

DOCKET NO.: 20260040-OT

IN RE: PROPOSED AMENDMENT OF RULES 25-6.003, F.A.C., DEFINITIONS; 25-30.255, F.A.C., MEASUREMENT OF SERVICE FOR WATER UTILITIES; AND 25-30.434, F.A.C., APPLICATION FOR ALLOWANCE FOR FUNDS PRUDENTLY INVESTED (AFPI) CHARGES; AND PROPOSED REPEAL OF RULES 25-9.020, F.A.C., FRONT COVER, 25-9.060, F.A.C., FRONT COVER; 25-9.071, F.A.C., BACK COVER; AND 25-30.010, F.A.C., RULES FOR GENERAL APPLICATION

ISSUED: March 24, 2026

NOTICE is hereby given pursuant to Section 120.54, Florida Statutes, that the Florida Public Service Commission staff has initiated rulemaking to amend the following Rules:

25-6.003: Accounting Standards Rules
25-30.255 Measurement of Service for Water Utilities
25-30.434 Application for Allowance for Funds Prudently Invested (AFPI) Charges

and repeal the following Rules:

25-9.020 Front Cover
25-9.060 Front Cover
25-9.071 Back Cover
25-30.010 Rules for General Application

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The purpose of this rulemaking is to update and clarify the rules following the statutory rule review mandated by Section 120.5435, Florida Statutes.

Copies of the preliminary draft rules are attached. If requested in writing and not deemed unnecessary by the agency head, a rule development workshop will be scheduled and noticed in the next available Florida Administrative Register. Written requests for a rule development workshop must be filed in the above-referenced docket by April 8, 2026. The contact person for this rulemaking is: Susan Sapoznikoff, Florida Public Service Commission, Office of the General Counsel, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850, 850-413-6630, susan.sapoznikoff@psc.state.fl.us.

By DIRECTION of the Florida Public Service Commission this 24th day of March, 2026.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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1 **25-6.003 Definitions.**

2 ~~(1) Definitions of general applicability. The definitions of terms used in this chapter are as~~
3 ~~shall be stated in the Authoritative Dictionary of IEEE Standard Terms, 7th edition, published~~
4 ~~in December 2000, incorporated herein by reference, except to the extent and for the purposes~~
5 ~~that the terms are defined elsewhere in this chapter. The definitions in subsection (2) must~~
6 ~~shall be used for all purposes in this chapter.~~

7 (1) (2) Definitions of terms.

8 (a) “Commission.” Unless a different intent clearly appears from the context, the word
9 “Commission” means ~~shall be construed to~~ the Florida Public Service Commission.

10 (b) “Customer.” Any person, firm, partnership, company, corporation, association,
11 governmental agency or similar organization, that who makes application for and is supplied
12 with electric service by the utility for its ultimate use and not for use by, to, or through any
13 other person or entity unless specifically authorized by the Commission.

14 (c) “Meter.” The word “meter,” when used in these rules without other qualification, ~~shall~~
15 ~~be construed to~~ means any device used for the purpose of measuring the service rendered to a
16 customer by a utility.

17 (d) “Point of Delivery.” The first point of connection between the facilities of the serving
18 utility and the premises wiring.

19 (e) “Service.” The supply of electricity by the utility to the customer, including the
20 readiness to serve and availability of electrical energy at the customer’s point of delivery at the
21 standard available voltage and frequency whether or not utilized by the customer.

22 (f) “Service Drop.” The overhead service conductors from the last pole or other aerial
23 support to and including the splices, if any, connecting to the service entrance conductors at
24 the building or other structure.

25 (g) “Service Lateral.” The underground conductors between the transformer(s) or

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1 transformer secondary, including any risers at a pole or other structure, and the point of
2 delivery.

3 (h) “Utility.” Unless a different intent clearly appears from the context, the word or words
4 “utility” or “electric utility” as used in these has ~~shall have~~ the same meaning as “public
5 utility” ~~set out for~~ as defined in Section 366.02, F.S., and includes ~~shall~~ all such utilities
6 subject to Commission jurisdiction.

7 *Rulemaking Authority 366.05(1) FS. Law Implemented 366.05(1) FS. History—New 7-29-69,*
8 *Amended 4-13-80, Formerly 25-6.03, Amended 12-4-03,_____.*

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1 **25-30.255 Measurement of Service for Water Utilities.**

2 (1) Except as provided in subsection (2) of this rule, each utility must ~~shall~~ measure water
3 sold upon the basis of metered volume sales unless the Commission approved flat rate service
4 arrangements for that utility.

5 (2) A utility may provide flat rate on estimated service for:

6 (a) Temporary service where the utility can readily estimate water use.

7 (b) Public and private fire protection service.

8 (c) Water used for street sprinkling and sewer flushing when provided for by contract
9 between the utility and the municipality or other local governmental authority.

10 ~~(3) To measure service, each utility shall use meters which conform to the Standards for~~
11 ~~Cold Water Meters as adopted by the American Waterworks Association. Copies of these~~
12 ~~manuals and standards may be obtained from the American Waterworks Association,~~
13 ~~Publication Sales Department, 6666 West Quincy Avenue, Denver, Colorado 80235.~~
14 *Rulemaking Authority 350.127(2), 367.121 FS. Law Implemented 367.081, 367.111 FS.*
15 *History—New 9-12-74, Formerly 25-10.87, 25-10.087, Amended 11-10-86, _____.*

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1 **25-30.434 Application for Allowance for Funds Prudently Invested (AFPI) Charges.**

2 (1) An Allowance for Funds Prudently Invested (AFPI) charge is a mechanism that ~~which~~
3 allows a utility the opportunity to earn a fair rate of return on prudently constructed plant held
4 for future use from the future customers to be served by that plant in the form of a charge paid
5 by those customers.

6 (2) Each application for AFPI charges must ~~shall~~ comply with the notice requirements
7 specified in Rule 25-30.4345, F.A.C.

8 (3) Each application for AFPI charges must ~~shall~~ provide the following information. If any
9 of the following items do not apply to the applicant, the applicant must ~~shall~~ state the reason it
10 does not apply.

11 (a) The applicant's name and address.

12 (b) A statement describing how the noticing requirements have been complied with,
13 including a copy of the actual notice(s).

14 (c) The numbers of all Commission order(s) that:

15 1. Previously established customer rates for the applicant either in a rate case or a reverse
16 make-whole proceeding; and

17 2. Established AFPI charges for the applicant.

18 (d) The charge must ~~shall~~ be calculated for one equivalent residential connection (ERC) on
19 a monthly basis up to the time the utility reaches the designed capacity of the plant for which
20 the charge applies. The charges ~~shall~~ cease when the plant has reached its designed capacity or
21 if the plant is abandoned or retired.

22 (e) A statement explaining the basis for the requested charges and conditions.

23 (f) The dollar amount of the non-used and useful plant, ~~and the~~ accumulated depreciation,
24 contribution in aid of construction (CIAC), the accumulated amortization of CIAC, and the
25 methodology used to determine these amounts. The net of these ~~four~~ two amounts must ~~shall~~

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1 | be considered the cost of qualifying assets. Separate balances for plant, ~~and for~~ accumulated
2 | depreciation, CIAC, and accumulated amortization of CIAC ~~shall~~ be reported for the
3 | water treatment plant, wastewater treatment plant, water transmission and distribution system
4 | and wastewater collection system.

5 | (g) The plant capacity related to each of the systems in (f) above and the methodology
6 | used to determine the amount.

7 | (h) The number of future customers in number of ERCs related to the non-used and useful
8 | plant by system.

9 | (i) The amount of depreciation expense, CIAC amortization expense, and composite
10 | depreciation rate related to the non-used and useful plant by system.

11 | (j) The overall rate of return requested for the AFPI charge and the workpapers supporting
12 | the calculation.

13 | (k) The last authorized rate of return on equity and references to the docket number of the
14 | last rate case and the resulting order.

15 | (l) The state and federal income tax rates requested for calculating the AFPI charge.

16 | (m) All other costs such as non-used and useful property taxes and operation and
17 | maintenance expenses removed in the last rate case.

18 | (n) The test year to be used in the calculation, the month that the utility expects the charge
19 | to go into effect and the number of years the utility expects to collect the charge. Applicants
20 | must provide a detailed explanation of why the number of years to collect the charge
21 | represents a reasonable and prudent management decision in the construction of plant.

22 | (o) The workpapers and calculations used to develop the proposed AFPI charge.

23 | Commission Form PSC XXXX, entitled "Allowance for Funds Prudently Invested," ~~The~~
24 | ~~utility can may obtain a diskette that~~ outlines the required calculations and is comprised of the
25 | following schedules to be used by calling or writing the Division of Accounting and Finance,
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existing law.

1 ~~(850) 413-6410. The required schedules that shall be submitted are~~ “AFPI Filing Schedules;”
2 ~~Commission Form PSC/AFD 26 (11/93), incorporated by reference into this rule, and are as~~
3 ~~follows:~~

4 Schedule 1 – List of Information Imputed Into Calculation

5 Schedule 2 – Calculation of ~~Of~~ Carrying Costs Per ERC

6 Schedule 3 – Calculation of ~~Of~~ Carrying Costs Per ERC Per Year

7 Schedule 4 – Calculation of ~~Of~~ Carrying Costs Per ERC Per Month

8 PSC XXXX is incorporated by reference and available at

9 <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX>. The form may be obtained
10 ~~from the Commission’s Division of Accounting and Finance, 2540 Shumard Oak Boulevard,~~
11 ~~Tallahassee, Florida 32399-0850. All calculations and schedules must be provided in~~

12 Microsoft Excel format, with formulas intact and unlocked; must be provided via USB drive,
13 CD, DVD, or other media; and may not be submitted by e-mail. PSC XXXX is also available
14 on the Commission website at www.floridapsc.com.

15 (p) The revised or original tariff sheets necessary to incorporate the AFPI charge into the
16 tariff.

17 (4) The beginning date for accruing the AFPI charge must ~~shall~~ agree with the month
18 following the end of the test year that was used to establish the amount of non-used and useful
19 plant. If any connections have been made between the beginning date and the effective date of
20 the charge, no AFPI will be collected from those connections.

21 (5) Unless the utility demonstrates that the 5-year period is inappropriate, it is prudent for
22 a utility to have an investment in future use plant for a period of no longer than 5 years beyond
23 the test year.

24 (6) For utilities that have non-used and useful plant to be held for periods longer than what
25 is determined to be prudent, the AFPI charge will cease accruing charges and will remain

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1 constant after the accrual period, established by the Commission, has expired. The utility can
2 continue to collect the constant charge until all ERCs projected in the calculation have been
3 added.

4 *Rulemaking Authority 350.127(2), 367.121 FS. Law Implemented 367.081, 367.121 FS.*

5 *History—New 11-30-93, Amended*.

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1 **25-9.020 Front Cover.**

2 ~~The front cover shall identify the volume as the rate book or tariff filed by the particular~~
3 ~~utility with the Florida Public Service Commission governing the sale of the specific utility~~
4 ~~service provided.~~

5 *Rulemaking Authority 350.127(2), 366.05(1), 367.121 FS. Law Implemented 366.05(1),*
6 *367.091 FS. History—New 1-8-75, Formerly 25-9.20. Repealed _____.*

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1 **25-9.060 Front Cover.**

2 ~~The front cover shall identify the volume as the rate book submitted by the particular~~
3 ~~utility with the Florida Public Service Commission governing the specific utility service~~
4 ~~provided.~~

5 *Rulemaking Authority 366.05(1) FS. Law Implemented 366.04(2)(b) FS. History—New 8-9-79,*
6 *Formerly 25-9.60. Repealed _____.*

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1 **25-9.071 Back Cover.**

2 ~~Will be the back cover.~~

3 *Rulemaking Authority 366.05(1) FS. Law Implemented 366.04(2)(b) FS. History—New 8-9-79,*

4 *Formerly 25-9.71. Repealed _____.*

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1 **25-30.010 Rules for General Application.**

2 ~~The rules hereinafter set forth are for general application and are subject to such changes~~
3 ~~and modifications, permitted by law, as the Commission from time to time may determine~~
4 ~~advisable. The rules are supplementary to the Water and Wastewater System Regulatory Law,~~
5 ~~Chapter 367, F.S.~~

6 *Rulemaking Authority 367.121 FS. Law Implemented 367.121 FS. History—New 2-3-70,*
7 *Amended 9-12-74, Formerly 25-10.01, 25-10.001, Amended 1-31-00, Repealed.*

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