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DIVISION OF ECONOMICS
ELISABETH J. DRAPER
DIRECTOR
(850) 413-6410

Public Service Commission

April 13, 2026

STAFF'S FIRST SERC DATA REQUEST VIA EMAIL

To All Water and Wastewater Utility Owners

Re: Docket No. 20260022-WS: Proposed amendment of Rules 25-30.115, Uniform System of Accounts for Water and Wastewater Utilities; 25-30.033, Application for Original Certificate of Authorization and Initial Rates and Charges; 25-30.037, Application for Authority to Transfer; 25-30.0372, Alternative Procedure for Establishing Rate Base Value of Acquired Utility System; 25-30.110, Records and Reports, Annual Reports; 25-30.140, Depreciation; 25-30.433, Rate Case Proceedings; 25-30.444, Reserve Fund; and 25-30.445, General Information and Instructions Required of Water and Wastewater Utilities in an Application for a Limited Proceeding.

Dear Utility Owner:

The National Association of Regulatory Utility Commissioners (NARUC) has updated its 1996 Uniform System of Accounts (USOA) for Water and Wastewater Utilities. The most recent revisions to the Uniform System of Accounts for Water Utilities were adopted in 2024 and corrected in January 2025, while the most recent revisions to the Uniform System of Accounts for Wastewater Utilities were adopted in 2024 and last corrected in August 2025 (collectively, NARUC USOA).

In order to properly incorporate the updated NARUC USOA in its rules, the Florida Public Service Commission (PSC) staff has undertaken rule revisions. This review addresses the proposed amendments to Rule 25-30.115, F.A.C., Uniform System of Accounts for Water and Wastewater Utilities, as well to the other rules listed in the title that are affected by the NARUC USOA updates. Rule 25-30.115, F.A.C., currently directs regulated water and wastewater utilities to maintain their books and records in conformance with the USOA adopted by NARUC in 1996, with the proposed amendments updating the rule to incorporate the current versions of the NARUC USOA as adopted in 2024 and corrected in 2025.

In addition, the following eight (8) rules are also being updated to reflect citations/references to Rule 25-30.115, F.A.C., instead of specifically citing the year of the NARUC USOA update in order to avoid multiple rule changes if the NARUC USOA is updated or corrected in a subsequent year: Rules 25-30.033 Application for Original Certificate of Authorization and Initial Rates and Charges, F.A.C., 25-30.037, F.A.C., Application for Authority to Transfer, 25-30.0372, F.A.C., Alternative Procedure for Establishing Rate Base Value of Acquired Utility System, 25-30.110,

F.A.C., Records and Reports, 25-30.140, F.A.C., Depreciation, 25-30.433, F.A.C., Rates Case Proceedings, 25-30.444, F.A.C., Utility Reserve Fund, and 25-30.445, F.A.C., General Information and Instructions Required of Water and Wastewater Utilities in an Application for a Limited Proceeding.

In order to assess and consider the fiscal impacts and to prepare a Statement of Estimated Regulatory Costs (SERC) of the proposed amendments, please review the draft rules attached to this data request and respond to the questions below: (NOTE: If you own more than one utility, please provide a cumulative response taking into consideration the impact on all of your utilities).

- 1) Referring to draft rule 25-30.115, F.A.C., lines 15-20 states that a copy of the updated version of USOA can be purchased online via NARUC's website. The NARUC website indicates the publication cost is \$30. If your utility is a small business as defined in Section 288.703, F.S. would the cost of obtaining the latest version of USOA have an adverse impact on your utility?

Small business is defined by Section 288.703, F.S., as an independently owned and operated business concern that employs 200 or fewer permanent full-time employees and that, together with its affiliates, has a net worth of not more than \$5 million or any firm based in this state which has a Small Business Administration 8(a) certification. As to sole proprietorships, the \$5 million net worth requirement shall include both personal and business investments.

- 2) Would the proposed revisions to the nine rules listed in paragraphs 1 and 2 of this letter, increase regulatory costs, including any transactional costs, in excess of \$1 million in the aggregate within 5 years after the implementation of the rule? Please discuss.

(Transactional costs may include the following: filing fees; expenses to obtain a license; necessary equipment; installation, utilities for, and maintenance of necessary equipment; necessary operations or procedures; accounting, financial, information management, and other administrative processes; labor, based on relevant wages, salaries, and benefits; materials and supplies; capital expenditures, including financing costs; professional and technical services, including contracted services necessary to implement and maintain compliance; monitoring and reporting; qualifying and recurring education, training, and testing; travel; insurance and surety requirements; a fair and reasonable allocation of administrative costs and other overhead; reduced sales or other revenue; or other items suggested by the rules ombudsman in the Executive Office of the Governor or by any interested person, business organization, or business representative).

- 3) If the response is in the positive to question 2, please provide an estimate of the transactional costs likely to be incurred by your utility required to comply with the requirements of the rules.

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- 4) Would the compliance of the proposed rule changes result in changes to customer charges for goods or services, goods and services produced, provided, or sold, or changes to costs resulting from the purchase of substitute or alternative goods or services?
- 5) What is the reasonable value of time to be spent by the utility owners, officers, operators, and managers to understand and comply with each of the proposed rules, including, but not limited to, time to be spent completing required education, training, or testing?
- 6) Please provide any regulatory alternatives you may have.

Please file all responses electronically no later than April 27, 2026 via the Commission's website at www.floridapsc.com by selecting the Clerk's Office tab and Electronic Filing Web form. In addition, please email the filed response to discovery-gcl@psc.state.fl.us and add this email address on the service list block associated with the PSC attorney assigned to this docket. If you have any questions, please contact me at sguffey@psc.state.fl.us or at 850.413.6204.

Thank you.

/s/Sevini Guffey

Sevini Guffey

Public Utility Analyst IV

cc: Office of Commission Clerk

1 **25-30.033 Application for Original Certificate of Authorization and Initial Rates**
2 **and Charges.**

3 (1) Each applicant for an original certificate of authorization and initial rates and
4 charges must ~~shall~~ file with the Commission Clerk the information set forth in paragraphs (a)
5 through (q). Form PSC 1001 (12/15), entitled “Application for Original Certificate of
6 Authorization for a Proposed or Existing System Requesting Initial Rates and Charges,” which
7 is incorporated by reference in this rule and is available at
8 <http://www.flrules.org/Gateway/reference.asp?No=Ref-06237>, is an example application that
9 may be completed by the applicant and filed with the Office of Commission Clerk to comply
10 with this subsection. This form is also available on the Commission’s ~~W~~web-site at
11 www.floridapsc.com.

12 (a) A filing fee pursuant to paragraph 25-30.020(2)(a), F.A.C.;

13 (b) Proof of noticing pursuant to Rule 25-30.030, F.A.C.;

14 (c) The utility’s name, address, telephone number, Federal Employer Identification
15 Number, authorized representative, and, if available, email address and fax number;

16 (d) The nature of the utility’s business organization, i.e., corporation, limited liability
17 company, partnership, limited partnership, sole proprietorship, or association. The applicant
18 must provide documentation from the Florida Department of State, Division of Corporations,
19 showing:

20 1. The utility’s business name and registration/document number for the business,
21 unless operating as a sole proprietor, and,

22 2. The utility’s fictitious name and registration number for the fictitious name, if
23 operating under a fictitious name;

24 (e) The name(s), address(es), and percentage of ownership of each entity or person that
25 owns or will own more than 5 percent interest in the utility;

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1 (f) The election the business has made under the Internal Revenue Code for taxation
2 purposes;

3 (g) A statement indicating whether the application is for water, wastewater, or both. If
4 the applicant is applying for water or wastewater only, the statement must ~~shall~~ include how
5 the other service is provided;

6 (h) To demonstrate the necessary financial ability of the applicant to provide service to
7 the proposed service area, the applicant must ~~shall~~ provide:

8 1. A detailed financial statement (balance sheet and income statement), audited if
9 available, of the financial condition of the applicant, which shows all assets and liabilities of
10 every kind and character. The financial statements must ~~shall~~ be for the preceding calendar or
11 fiscal year. The financial statement must ~~shall~~ be prepared in accordance with Rule 25-30.115,
12 F.A.C. If available, a statement of the sources and uses of funds must ~~shall~~ also be provided;
13 and;

14 2. A list of all entities, including affiliates, upon which the applicant is relying to
15 provide funding to the utility and an explanation of the manner and amount of such funding.
16 The list need not include any person or entity holding less than 5 percent ownership interest in
17 the utility. The applicant must ~~shall~~ provide copies of any financial agreements between the
18 listed entities and the utility and proof of the listed entities' ability to provide funding, such as
19 financial statements;

20 (i) To demonstrate the technical ability of the applicant to provide service, the
21 applicant must ~~shall~~ provide:

22 1. A statement of the applicant's experience in the water or wastewater industry;

23 2. A copy of all current permits from the Department of Environmental Protection
24 (DEP) and the water management district;

25 3. A copy of the most recent DEP and/or county health department sanitary survey,

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1 compliance inspection report, and secondary standards drinking water report; and,

2 4. A copy of all correspondence with the DEP, county health department, and water
3 management district, including consent orders and warning letters, and the utility's responses
4 to the same, for the past five years;

5 (j) To describe the proposed service area, the applicant must ~~shall~~ provide:

6 1. A legal description of the proposed service area in the format described in Rule 25-
7 30.029, F.A.C.;

8 2. A detailed system map showing the existing and proposed lines and treatment
9 facilities, with the territory proposed to be served plotted thereon, consistent with the legal
10 description provided in subparagraph (j)1. above. The map must ~~shall~~ be of sufficient scale
11 and detail to enable correlation with the description of the territory proposed to be served; and,

12 3. An official county tax assessment map, or other map showing township, range, and
13 section with a scale such as 1" = 200' or 1" = 400', with the proposed territory plotted thereon,
14 consistent with the legal description provided in subparagraph (j)1. above;

15 (k) To demonstrate the need for service in the proposed area, the applicant must ~~shall~~
16 provide:

17 1. The number of customers currently being served and proposed to be served, by
18 customer class and meter size, including a description of the types of customers currently
19 being served and anticipated to be served, i.e., single family homes, mobile homes, duplexes,
20 golf course clubhouse, or commercial. If the development will be in phases, this information
21 must ~~shall~~ be separated by phase;

22 2. A copy of all requests for service from property owners or developers in areas not
23 currently served;

24 3. The current land use designation of the proposed service territory as described in the
25 local comprehensive plan at the time the application is filed. If the proposed development will

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1 require a revision to the comprehensive plan, describe the steps taken and to be taken to
2 facilitate those changes, including changes needed to address the proposed need for service;
3 and,

4 4. Any known land use restrictions, such as environmental restrictions imposed by
5 governmental authorities;

6 (l) The date applicant began or plans to begin serving customers. If already serving
7 customers, a description of when and under what circumstances the applicant began serving;

8 (m) Documentation of the utility's right to access and continued use of the land upon
9 which the utility treatment facilities are or will be located. Documentation of continued use
10 ~~must shall~~ be in the form of a recorded warranty deed, recorded quit claim deed accompanied
11 by title insurance, recorded lease (such as a 99-year lease), or recorded easement. To satisfy
12 this requirement, the ~~The~~ applicant may submit an unrecorded copy of the instrument granting
13 the utility's right to access and continued use of the land upon which the utility treatment
14 facilities are or will be located, provided the applicant files a recorded copy within the time
15 required in the order granting the certificate;

16 (n) A description of the separate capacities of the existing and proposed lines and
17 treatment facilities in terms of equivalent residential connections (ERCs) and gallons per day
18 estimated demand per ERC for water and wastewater and the basis for such estimate. If the
19 development will be in phases, this information ~~must shall~~ be separated by phase;

20 (o) A description of the type of water treatment, wastewater treatment, and method of
21 effluent disposal;

22 (p) To support the proposed rates and charges, the applicant ~~must shall~~ provide:

23 1. The existing and projected cost of the system(s) and associated depreciation by year
24 until design capacity is reached using the NARUC USOA ~~National Association of Regulatory~~
25 ~~Utility Commissioners (NARUC) 1996 Uniform System of Accounts (USOA)~~, which are is

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1 incorporated by reference in Rule 25-30.115, F.A.C. The applicant must ~~shall~~ identify the year
2 that 80 percent of design capacity is anticipated. If the utility will be built in phases, this ~~shall~~
3 applies only to the first phase;

4 2. The existing and projected annual contributions-in-aid-of-construction (CIAC) and
5 associated amortization by year, including a description of assumptions regarding customer
6 growth projections using the same projections used in subparagraph (1)(k)1., above, for the
7 proposed service area. The projected CIAC must ~~shall~~ identify cash and property contributions
8 and amortization at 100 percent of design capacity and identify the year when 80 percent of
9 design capacity is anticipated. The projected CIAC must ~~shall~~ be consistent with the service
10 availability policy and charges in the proposed tariff provided in paragraph (q), below, the
11 schedule provided in subparagraph (1)(p)6., below, and the CIAC guidelines in Rule 25-
12 30.580, F.A.C. If the utility will be built in phases, this ~~shall~~ applies only to the first phase;

13 3. A schedule showing the projected capital structure including the methods of
14 financing the construction and operation of the utility until the utility reaches 80 percent of the
15 design capacity of the system. If the utility will be built in phases, this ~~shall~~ applies only to
16 the first phase;

17 4. The current annual operating expenses and the projected annual operating expenses
18 at 80 percent of design capacity using the NARUC USOA, which are incorporated by
19 reference in Rule 25-30.115, F.A.C. If the utility will be built in phases, this ~~shall~~ applies
20 only to the first phase;

21 5. A schedule showing how the proposed rates were developed;

22 6. A schedule showing how the proposed service availability policy and charges were
23 developed, including meter installation, main extension, and plant capacity charges, and
24 proposed donated property; and,

25 7. A schedule showing how the customer deposits and miscellaneous service charges

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1 | were developed, including initial connection, normal reconnection, violation reconnection, and
2 | premises visit fees, consistent with Rules 25-30.311 and 25-30.460, F.A.C.; and,

3 | (q) A tariff containing all rates, classifications, charges, rules, and regulations which
4 | ~~must shall~~ be consistent with Chapter 25-9, F.A.C. Form PSC 1010 (12/15), entitled “Water
5 | Tariff,” which is incorporated by reference in this rule and is available at
6 | <http://www.flrules.org/Gateway/reference.asp?No=Ref-06247> and Form PSC 1011 (12/15),
7 | entitled “Wastewater Tariff,” which is incorporated by reference in this rule and is available at
8 | <http://www.flrules.org/Gateway/reference.asp?No=Ref-06248>, are example tariffs that may be
9 | completed by the applicant and included in the application. These forms may also be obtained
10 | from the Commission’s website; www.floridapsc.com.

11 | (2) The base facility and usage rate structure (as defined in subsection 25-30.437(5),
12 | F.A.C.) ~~must shall~~ be utilized for metered service, unless an alternative rate structure is
13 | supported by the applicant and authorized by the Commission.

14 | (3) A return on common equity ~~must shall~~ be established using the current equity
15 | leverage formula established by order of this Commission pursuant to Section 367.081(4),
16 | F.S., unless there is competent substantial evidence supporting the use of a different return on
17 | common equity.

18 | (4) Utilities obtaining original certificates of authorization pursuant to this rule are
19 | authorized to accrue allowance for funds used during construction (AFUDC) for projects
20 | found eligible pursuant to subsection 25-30.116(1), F.A.C.

21 | (a) The applicable AFUDC rate ~~will shall~~ be determined as the utility’s projected
22 | weighted cost of capital as demonstrated in its application for original certificate and initial
23 | rates and charges.

24 | (b) A discounted monthly AFUDC rate calculated in accordance with subsection 25-
25 | 30.116(3), F.A.C., ~~will shall~~ be used to ~~insure~~ ensure that the annual AFUDC charged does not

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1 exceed authorized levels.

2 (c) The date the utility ~~shall~~ begins to charge the AFUDC rate must ~~shall~~ be the date
3 the certificate of authorization is issued to the utility so that such rate can apply to the initial
4 construction of the utility facilities.

5 *Rulemaking Authority 350.127(2), 367.121, 367.1213 FS. Law Implemented 367.031, 367.045,*
6 *367.1213 FS. History—New 1-27-91, Amended 11-30-93, 1-4-16, ~~_____~~.*

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1 **25-30.037 Application for Authority to Transfer.**

2 (1) This rule applies to any application for the transfer of an existing water or
3 wastewater utility, regardless of whether service is currently being provided. The application
4 for transfer may result in the transfer or cancellation of the seller’s existing certificate,
5 amendment of the buyer’s existing certificate or granting of an original certificate to the buyer,
6 or a transfer of majority organizational control of the utility.

7 (a) If a transfer occurs prior to Commission approval, the utility must ~~shall~~ submit an
8 application for authority to transfer no later than 90 days after the sale closing date.

9 (b) When a utility applies for any of the following transfer authorizations by the
10 Commission, it must ~~shall~~ provide its application as prescribed in the appropriate subsection
11 below:

12 1. A transfer of a regulated utility to another regulated utility must ~~shall~~ be pursuant to
13 subsection (2), below;

14 2. A transfer of an exempt entity to a regulated utility must ~~shall~~ be pursuant to
15 subsection (3), below;

16 3. A transfer of a utility in a nonjurisdictional county to a regulated utility that results
17 in a system whose service transverses county boundaries must ~~shall~~ be pursuant to subsection
18 (3), below;

19 4. A change of majority organizational control of a regulated utility must ~~shall~~ be
20 pursuant to subsection (4), below; or

21 5. A transfer of a regulated utility to an exempt entity other than a governmental
22 authority must ~~shall~~ be pursuant to subsection (5), below.

23 (c) Form PSC 1005 (12/15), entitled “Application for Transfer of Certificates or
24 Facilities from a Regulated Utility to Another Regulated Utility,” ~~which is~~ incorporated by
25 reference in this rule and ~~which is~~ available at

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1 <http://www.flrules.org/Gateway/reference.asp?No=Ref-06242>, Form PSC 1006 (12/15),
2 entitled “Application for Transfer of an Exempt Entity to a Regulated Utility or Transfer of a
3 Utility in a Non-jurisdictional County to a Regulated Utility That Results in a System Whose
4 Service Transverses County Boundaries,” ~~which is~~ incorporated by reference in this rule and
5 ~~which is~~ available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-06243>, Form
6 PSC 1007 (12/15), entitled “Application for a Transfer of Majority Organizational Control of
7 a Regulated Utility,” ~~which is~~ incorporated by reference in this rule and ~~which is~~ available at
8 <http://www.flrules.org/Gateway/reference.asp?No=Ref-06244>, and Form PSC 1008 (12/15),
9 entitled “Application for Transfer of Facilities from a Regulated Utility to an Exempt Entity
10 Other Than a Governmental Authority,” ~~which is~~ incorporated by reference in this rule and
11 ~~which is~~ available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-06245>, are
12 example applications that may be completed by the applicant and filed with the Office of
13 Commission Clerk to comply with subsection (2), (3), (4), or (5), below, respectively. These
14 forms may also be obtained from the Commission’s website; www.floridapsc.com.

15 (2) ~~Transfer of a regulated utility to another regulated utility.~~ Each applicant for
16 transfer of certificate of authorization, facilities or any portion thereof from a regulated utility
17 to another regulated utility must ~~shall~~ file with the Commission Clerk the information set forth
18 in paragraphs (a) through (v), below.

- 19 (a) A filing fee pursuant to paragraph 25-30.020(2)(c), F.A.C.;
- 20 (b) Proof of noticing pursuant to Rule 25-30.030, F.A.C.;
- 21 (c) The certificated name, address, telephone number, certificate number(s), authorized
22 representative, and, if available, email address and fax number of the utility/seller;
- 23 (d) The complete name, address, telephone number, Federal Employer Identification
24 Number, authorized representative and, if available, email address and fax number of the
25 buyer(s) and the new name of the utility if the buyer plans to operate under a different name;

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1 (e) The name, address, telephone number, and if available, email address and fax
2 number of the person in possession of the books and records when the application is filed;

3 (f) The nature of the buyer's business organization, i.e., corporation, limited liability
4 company, partnership, limited partnership, sole proprietorship, or association. The buyer must
5 provide documentation from the Florida Department of State, Division of Corporations,
6 showing:

7 1. The utility's/buyer's business name and registration/document number for the
8 business, unless operating as a sole proprietor, and,

9 2. The utility's/buyer's fictitious name and registration number for the fictitious name,
10 if operating under a fictitious name;

11 (g) The name(s), address(es) and percentage of ownership of each entity or person that
12 owns or will own more than a 5 percent interest in the utility;

13 (h) The date and state of incorporation or organization of the buyer;

14 (i) A copy of the contract for sale and all auxiliary or supplemental agreements. If the
15 sale, assignment, or transfer occurs prior to Commission approval, the contract must ~~shall~~
16 include a provision stating that the contract is contingent upon Commission approval;

17 (j) The buyer must provide the following documentation of the terms of the transfer:

18 1. The date the closing occurred or will occur;

19 2. The purchase price and terms of payment;

20 3. A list of and the dollar amount of the assets purchased and liabilities assumed or not
21 assumed, including those of nonregulated operations or entities;

22 4. A description of all consideration between the parties, including promised salaries,
23 retainer fees, stock, stock options, and assumption of obligations;

24 5. Provisions for the disposition, where applicable, of customer deposits and interest
25 thereon, guaranteed revenue contracts, developer agreements, customer advances, debt of the

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1 utility, and leases;

2 6. A statement that the buyer will fulfill the commitments, obligations and
3 representations of the seller with regard to utility matters;

4 7. A statement that the buyer has or will obtain the books and records of the seller,
5 including all supporting documentation for rate base additions since the last time rate base was
6 established for the utility;

7 8. A statement that the utility's books and records will be maintained using the
8 ~~NARUC USOA 1996 National Association of Regulatory Utilities Commissioners (NARUC)~~
9 ~~Uniform System of Accounts (USOA)~~, which are incorporated by reference in Rule 25-
10 30.115, F.A.C.; and,

11 9. A statement that the utility's books and records will be maintained at the utility's
12 office(s) within Florida, or that the utility will comply with the requirements of paragraphs 25-
13 30.110(1)(b) and (c), F.A.C., regarding maintenance of utility records at another location or
14 out-of-state. If the records will be maintained at the utility's office(s), the statement should
15 include the location where the utility intends to maintain the books and records;

16 (k) A statement explaining why the transfer is in the public interest;

17 (l) To demonstrate the financial ability of the buyer to maintain and operate the
18 acquired utility, the buyer must ~~shall~~ provide:

19 1. A detailed financial statement (balance sheet and income statement), audited if
20 available, of the financial condition of the applicant, that shows all assets and liabilities of
21 every kind and character. The financial statements must ~~shall~~ be for the preceding calendar or
22 fiscal year. The financial statement must ~~shall~~ be prepared in accordance with Rule 25-30.115,
23 F.A.C. If available, a statement of the sources and uses of funds must ~~shall~~ also be provided;
24 and,

25 2. A list of all entities, including affiliates, upon which the buyer is relying to provide

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1 funding to the utility and an explanation of the manner and amount of such funding. The list
2 need not include any person or entity holding less than 5 percent ownership interest in the
3 utility. The applicant must ~~shall~~ provide copies of any financial agreements between the listed
4 entities and the utility and proof of the listed entities' ability to provide funding, such as
5 financial statements;

6 (m) To demonstrate the technical ability of the buyer to provide service, the buyer
7 must ~~shall~~ provide:

- 8 1. An explanation of the buyer's experience in the water or wastewater industry; and,
- 9 2. The buyer's plans for ensuring continued operation of the utility, such as retaining
10 the existing plant operator(s) and office personnel, or contracting with outside entities;

11 (n) A legal description of the proposed service area in the format prescribed in Rule
12 25-30.029, F.A.C.;

13 (o) The proposed net book value of the system as of the date of the proposed transfer,
14 and a statement setting out the reasons for the inclusion of an acquisition adjustment, if one is
15 requested. If rate base has been established by this Commission, the buyer must provide the
16 docket, ~~and the order number and.~~ ~~In addition, provide~~ a schedule of all subsequent changes
17 to rate base;

18 (p) A statement from the buyer that it has obtained or will obtain copies of all of the
19 federal income tax returns of the seller from the date the utility was first established or the rate
20 base was last established by the Commission, whichever is later. If the tax returns have not
21 been obtained, the buyer must provide a description of the steps taken to obtain the tax returns;

22 (q) A statement from the buyer that after reasonable investigation, the system being
23 acquired appears to be in satisfactory condition and in compliance with all applicable
24 standards set by the Department of Environmental Protection (DEP) or, if the system is in
25 need of repair or improvement, has any outstanding Notice of Violation of any standard set by

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1 the DEP or any outstanding consent orders with the DEP, the buyer must ~~shall~~ provide a
2 description of the repairs or improvements that have been identified, the governmental
3 authority that required the repairs or improvements, if applicable, the approximate cost to
4 complete the repairs or improvements, and any agreements between the seller and buyer
5 regarding who will be responsible for any identified repairs or improvements;

6 (r) The applicant must ~~shall~~ provide the following documents:

7 1. A copy of the utility's current permits from the DEP and the water management
8 district;

9 2. A copy of the most recent DEP and/or county health department sanitary survey,
10 compliance inspection report, and secondary standards drinking water report;

11 3. A copy of all of the utility's correspondence with the DEP, county health
12 department, and water management district, including consent orders and warning letters, and
13 the utility's responses to the same, for the past five years; and,

14 4. A copy of all customer complaints that the utility has received regarding DEP
15 secondary water quality standards during the past five years;

16 (s) Documentation of the utility's right to access and continued use of the land upon
17 which the utility treatment facilities are located. Documentation of continued use must ~~shall~~ be
18 in the form of a recorded warranty deed, recorded quit claim deed accompanied by title
19 insurance, recorded lease such as a 99-year lease, or recorded easement. To comply with this
20 requirement, ~~the~~ applicant may submit an unrecorded copy of the instrument granting the
21 utility's right to access and continued use of the land upon which the utility treatment facilities
22 are or will be located, provided that the applicant files a recorded copy within the time
23 required in the order granting the transfer;

24 (t) A statement regarding the disposition of outstanding regulatory assessment fees,
25 fines, or refunds owed and which entity will be responsible for paying regulatory assessment

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1 fees and filing the annual report for the year of the transfer and subsequent years;

2 (u) Tariff sheets reflecting any changes resulting from the transfer. Form PSC 1010
3 (12/15), entitled “Water Tariff,” and Form PSC 1011 (12/15), entitled “Wastewater Tariff,”
4 which are incorporated by reference in Rule 25-30.033, F.A.C., are example tariffs that may
5 be completed by the applicant and included in the application. These forms are also available
6 on the Commission’s website at, www.floridapsc.com; and,

7 (v) If the buyer owns other water or wastewater utilities that are regulated by the
8 Commission, provide a schedule reflecting any economies of scale that are anticipated to be
9 achieved within the next three years and the effect on rates for existing customers served by
10 both the utility being purchased and the buyer’s other utilities.

11 (3) For ~~Transfer~~ of an exempt entity to a regulated utility, or transfer of a utility in a
12 nonjurisdictional county to a regulated utility that results in a system whose service
13 transverses county boundaries, each applicant must ~~shall~~ file with the Commission the
14 information set forth in paragraphs (a) through (f), below:

15 (a) A combined filing fee pursuant to paragraphs 25-30.020(2)(b) and (c), F.A.C.;

16 (b) Proof of noticing pursuant to Rule 25-30.030, F.A.C.;

17 (c) The requirements of paragraphs (2)(c); through ~~(d), (e), (f), (g), (h), (i), (j), (k), (l),~~
18 ~~(m), (n), (o), (p), (q), (r), (s), (t), (u), and (v)~~, above;

19 (d) The requirements of paragraphs 25-30.036(2)(h) and (i), F.A.C.;

20 (e) An explanation of when and under what authority the current rates and charges of
21 the exempt entity or utility in a nonjurisdictional county were established, if applicable; and,

22 (f) An explanation of how the seller is either exempt pursuant to Section 367.022, F.S.,
23 or is a utility in a nonjurisdictional county.

24 (4) ~~A transfer of majority organizational control of a regulated utility.~~ Each applicant
25 for a transfer of majority organizational control must ~~shall~~ file with the Commission the

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1 information set forth in paragraphs (a) through (d), below:-

2 (a) A filing fee pursuant to paragraph 25-30.020(2)(c), F.A.C.;

3 (b) Proof of noticing pursuant to Rule 25-30.030, F.A.C.;

4 (c) The requirements of paragraphs (2)(c), (d), (f), (i), (j), (k), (l), (m), (q), (t) and (u),
5 above; and,

6 (d) A description of the ownership transfer, including the date the transfer occurred or
7 will occur and a description of the resulting ownership interests in the utility.

8 ~~(5) A transfer of a regulated utility to an exempt entity other than a governmental~~
9 ~~authority.~~ Each applicant for a transfer of ownership of a regulated utility to an exempt entity
10 other than a governmental authority must shall file with the Commission Clerk the information
11 set forth in paragraphs (a) through (e), below:-

12 (a) A filing fee pursuant to paragraph 25-30.020(2)(c), F.A.C.;

13 (b) Proof of noticing pursuant to Rule 25-30.030, F.A.C.;

14 (c) The requirements of paragraphs (2)(c), (d), (k), (l), (m), and (r), above;

15 (d) Documentation of the following terms of the transfer:

16 1. A copy of the contract for sale and all auxiliary or supplemental agreements. If the
17 sale, assignment, or transfer occurs prior to Commission approval, the contract must shall
18 include a provision stating that the contract is contingent upon Commission approval;

19 2. The closing date;

20 3. A statement regarding the disposition of customer deposits and interest thereon; and,

21 4. A statement regarding the disposition of any outstanding regulatory assessment fees,
22 fines, refunds, or annual reports; and,

23 (e) An explanation of how the buyer is exempt pursuant to Section 367.022, F.S.

24 *Rulemaking Authority 350.127(2), 367.121, 367.1213 FS. Law Implemented 367.071,*

25 *367.1213 FS. History—New 1-27-91, Amended 11-30-93, 1-4-16.:- _____.*

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1 **25-30.110 Records and Reports; Annual Reports.**

2 (1) Records.

3 (a) Each utility must preserve its records in accordance with the National Association
4 of Regulatory Utility Commissioners “Regulations to Govern the Preservation of Records of
5 Electric, Gas and Water Utilities” ~~as issued by the National Association of Regulatory Utility~~
6 ~~Commissioners, as~~ (revised October 2007), which is incorporated by reference into this rule.
7 “Regulations to Govern the Preservation of Records of Electric, Gas and Water Utilities” is
8 ~~copyrighted and~~ may be inspected and examined at no cost at the Florida Public Service
9 Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850 or at the
10 Florida Department of State, R.A. Gray Building, 500 S. Bronough St., Tallahassee, FL 32399.

11 A copy may be purchased ~~obtained~~ from the NARUC Store at www.naruc.org. ~~National~~
12 ~~Association of Regulatory Utility Commissioners, 1101 Vermont Avenue, N.W., Suite 200,~~
13 ~~Washington, D.C. 20005.~~

14 1. Those utilities that choose to convert documents from their original media form
15 must retain the original source documents as required by paragraph (1)(a) of this rule; for a
16 minimum of three years, or for any lesser period of time specified for that type of record in the
17 “Regulations to Govern the Preservation of Records of Electric, Gas and Water Utilities,” after
18 the date the document was created or received by the utility. This paragraph does not require
19 the utility to create paper copies of documents where the utility would not otherwise do so in
20 the ordinary course of its business. Upon a showing by a utility that it employs a storage and
21 retrieval system that consistently produces clear, readable copies that are substantially
22 equivalent to the originals, and clearly reproduces handwritten notations on documents, the
23 utility does not have to meet the requirement to retain documents in their original form.

24 2. The utility must maintain written procedures governing the conversion of source
25 documents to a storage and retrieval system, which procedures ensure the authenticity of

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1 documents and the completeness of records. Records maintained in the storage and retrieval
2 system must be easy to search and easy to read.

3 (b) Unless otherwise authorized by the Commission, each utility must maintain its
4 records at the office or offices of the utility within this state and must keep those records open
5 for inspection during business hours by Commission staff.

6 (c) Any utility that keeps its records outside the state must reimburse the Commission
7 for the reasonable travel expense incurred by each Commission representative during any
8 review of the out-of-state records of the utility or its affiliates. Reasonable travel expenses are
9 those travel expenses that are equivalent to travel expenses paid by the Commission in the
10 ordinary course of its business.

11 1. The utility must remit reimbursement for out-of-state travel expenses within 30 days
12 from the date the Commission mails the invoice.

13 2. The reimbursement requirement in paragraph (1)(c) is not applicable for the
14 following:

15 a. A utility that makes its out-of-state records available at the utility's office located in
16 Florida or at another mutually agreed upon location in Florida within 10 working days from
17 the Commission's initial request. If 10 working days is not reasonable because of the
18 complexity and nature of the issues involved or the volume and type of material requested, the
19 Commission will establish a different time frame for the utility to bring records into the state.
20 For individual data requests made during an audit, the response time frame established in Rule
21 25-30.145, F.A.C., will control; or

22 b. A utility whose records are located within 50 miles of the Florida state line.

23 (2) In General. Each utility must furnish to the Commission the results of any required
24 tests and summaries of any required records. The utility must also furnish the Commission
25 with any information concerning the utility's facilities or operation that the Commission

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1 requests and requires for determining rates or judging the practices of the utility. All such data,
2 unless otherwise specified, must be consistent with and reconcilable with the utility's annual
3 report to the Commission.

4 (3) Annual Reports: Filing Extensions. Each utility must file with the Commission
5 annual reports on the applicable form in subsection (4) of this rule. The obligation to file an
6 annual report for any year will apply to any utility which is subject to this Commission's
7 jurisdiction as of December 31 of that year, whether or not the utility has actually applied for
8 or been issued a certificate.

9 (a) The Commission will, by January 15 of each year, email a blank copy of the
10 appropriate annual report form to each utility company. A utility may request a hard copy of
11 the forms in subsection (4) of this rule from the Commission's Division of Accounting and
12 Finance. The failure of a utility to receive a report form will not excuse the utility from its
13 obligation to timely file the annual report. The annual reports must be filed with the
14 Commission, either by mail or by email, on or before March 31 for the preceding year ending
15 December 31. Annual reports filed by email must be sent to AnnualReport@psc.state.fl.us.
16 Annual reports filed by mail must be sent ~~to the~~ by U.S. Mail to the Florida Public Service
17 Commission, Division of Accounting and Finance, 2540 Shumard Oak Boulevard,
18 Tallahassee, FL 32399-0850. ~~to the Commission's Division of Accounting and Finance in~~
19 ~~Tallahassee.~~

20 (b) Annual reports are considered filed if they are properly addressed and emailed or
21 mailed with sufficient postage and postmarked, by no later than the due date. For annual
22 reports sent by registered mail, the date of the registration is the postmark date. For annual
23 reports sent by certified mail, the date on the receipt is the postmark date. ~~The postmark is~~
24 ~~evidence that an annual report was delivered.~~ However, if a utility's annual report is not
25 ~~actually~~ received by the Commission's Division of Accounting and Finance in Tallahassee,

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1 that utility must resend it upon request, despite any prior presumption of delivery.

2 (c) A utility may file a written request for an extension of time to file its annual report
3 with the Commission’s Division of Accounting and Finance no later than March 31. One
4 extension of 30 days will be automatically granted upon request. A request for a longer
5 extension must be accompanied by a statement of good cause, such as financial hardship,
6 severe illness, or significant weather events such as hurricanes, but good cause does not
7 include reasons such as management oversight or vacation time, and must specify the date by
8 which the report will be filed.

9 (4) Annual Reports; Contents. The appropriate annual report form required from each
10 utility will be determined by using the same three classes of utilities used by the National
11 Association of Regulatory Utility Commissioners ~~for publishing its system of accounts~~: Class
12 A (those having annual water or wastewater operating revenues of \$1,750,000 or more); Class
13 B (those having annual water or wastewater revenues of \$350,000, or more but less than
14 \$1,750,000); and Class C (those having annual water or wastewater revenues of less than
15 \$350,000). The class to which a utility belongs will be determined by using the higher of the
16 average of its annual water or wastewater operating revenues for each of the last three
17 preceding years.

18 (a) Class A and B utilities must file the annual report on Commission Form PSC-1032
19 (5/22), entitled “Class A or B Water and/or Wastewater Utilities (Gross Revenues of \$350,000
20 and more),” which is incorporated by reference into this rule and may be obtained from
21 <http://www.flrules.org/Gateway/reference.asp?No=Ref-15172>.

22 (b) Class C utilities must file the annual report on Commission Form PSC 1033 (5/22),
23 entitled “Class C Water and/or Wastewater Utilities (Gross Revenues of less than \$350,000
24 each),” which is incorporated by reference into this rule and may be obtained from
25 <http://www.flrules.org/Gateway/reference.asp?No=Ref-15174>.

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1 (c) The foregoing forms can be obtained from the Commission's Division of
2 Accounting and Finance.

3 (5) As part of the annual report, each utility must verify the following in writing by the
4 utility's chief executive officer and chief financial officer:

5 (a) Whether the utility is in substantial compliance with the NARUC USOA, Uniform
6 ~~System of Accounts as prescribed by~~ which are incorporated by reference in Rule 25-30.115,
7 F.A.C.;

8 (b) Whether the utility is in substantial compliance with all applicable rules and orders
9 of the Florida Public Service Commission;

10 (c) Whether there have been any written communications from regulatory agencies
11 concerning noncompliance with, or deficiencies in, financial reporting practices that could
12 have a material effect on the financial statements;

13 (d) Whether the financial statements and related schedules fairly present the financial
14 condition and results of operations for the period presented and whether other information and
15 statements presented as to the business affairs of the respondent are true, correct, and complete
16 for the period which they represent.

17 (6) Delinquent Reports.

18 (a) Any utility that fails to file its annual report or extension on or before March 31, or
19 within the time specified by any extension approved in writing by the Commission's Division
20 of Accounting and Finance, will be subject to a penalty. The penalty will be based on the
21 number of calendar days elapsed from March 31, or from an approved extended filing date,
22 until the date of filing. The date of filing will be included in the days elapsed.

23 (b) The penalty for delinquent reports will accrue based on the utility's classification
24 established under subsection (4) of this rule, in the following manner for each day the report is
25 delinquent:

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- 1 1. \$25.00 per day for Class A utilities;
- 2 2. \$13.50 per day for Class B utilities; and;
- 3 3. \$3.00 per day for Class C utilities.

4 (c) If a utility does not timely file its annual report, in addition to the penalty
5 determined by paragraph (6)(b) of this rule, interest on the penalty will also be assessed from
6 the date the annual report was due, up to and including the date the penalty is paid. Such
7 interest is based on the AA non-financial 30-day commercial paper rate published by the
8 Board of Governors of the Federal Reserve System on its website. Interest will be
9 compounded monthly.

10 (7) Incomplete Reports.

11 (a) The Commission's Division of Accounting and Finance will provide written
12 notification to a utility if its report does not contain information required by subsection (4) of
13 this rule. The utility must file the missing information no later than 30 days after the date on
14 the face of the notification. If the utility fails to file the information within that period, the
15 report will be deemed delinquent and the utility will be subject to a penalty as provided under
16 paragraphs (6)(a) and (b) of this rule, except that the penalty will be based on the number of
17 days elapsed from the date the information is due to the date it is actually filed. The date of
18 filing will be included in the elapsed days.

19 (b) A report is incomplete if any of the schedules required by the following forms of
20 this rule are not completed:

- 21 1. Form PSC 1032 (5/22) for Class A and B utilities;
- 22 2. Form PSC 1033 (5/22) for Class C utilities.

23 (c) An incomplete report will remain incomplete until the missing information is filed
24 with the Commission's Division of Accounting and Finance on the appropriate Commission
25 form.

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1 (8) Incorrect Filing. If a utility files an incorrect annual report it will be considered
2 delinquent and subject to a penalty on the same basis as a utility that fails to timely file an
3 annual report. The classification determining the applicable penalty, as prescribed by
4 paragraphs (6)(a) and (b) of this rule, will be determined by the latest annual revenue figures
5 available for the utility. The failure of a utility to receive a report form for the correct class of
6 utility will not excuse the utility from its obligation to timely file the annual report for the
7 correct class of utility.

8 *Rulemaking Authority 350.127(2), 367.121 FS. Law Implemented 367.121, 367.156(1),*
9 *367.161 FS. History—New 9-12-74, Amended 1-18-83, 2-25-85, 10-27-85, Formerly 25-10.25,*
10 *25-10.025, Amended 11-10-86, 12-22-86, 3-11-91, 11-13-95, 5-1-96, 12-14-99, 2-15-23, ____.*

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1 **25-30.115 Uniform System of Accounts for Water and Wastewater Utilities.**
2 Water and wastewater utilities ~~must~~ shall, effective January 1, ~~2027, 1998~~, maintain their
3 accounts and records in conformity with the ~~1996 NARUC National Association of~~
4 Regulatory Utility Commissioners Uniform Systems of Accounts for Water Utilities (adopted
5 October 8, 2024; corrected January 24, 2025) and Uniform System of Accounts for
6 Wastewater Utilities (adopted November 13, 2024; corrected August 27, 2025), (collectively,
7 NARUC USOA), ~~adopted by the National Association of Regulatory Utility Commissioners,~~
8 which ~~are~~ is incorporated by reference in this rule. All inquiries related to the interpretation of
9 these uniform systems of accounts shall be submitted to the Commission’s Division of
10 Accounting and Finance in writing. ~~Note: The National Association of Regulatory Utility~~
11 ~~Commissioners published separate uniform systems of accounts for three classes of water and~~
12 ~~wastewater utilities: Class A (defined as those having annual water or wastewater operating~~
13 ~~revenues of \$1,000,000 or more); Class B (defined as those having annual water or wastewater~~
14 ~~operating revenues of \$200,000 or more but less than \$1,000,000); Class C (defined as those~~
15 ~~having annual water or wastewater revenues of less than \$200,000). Copies of these systems~~
16 of accounts may be inspected and examined at no cost at the Florida Public Service
17 Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399 or at the Florida
18 Department of State, R.A. Gray Building, 500 South. Bronough Street, Tallahassee, FL 32399.
19 Copies of these systems of accounts may be purchased online from the NARUC Store at
20 www.naruc.org.
21 ~~the office of said Association, Publications, National Association of Regulatory Utility~~
22 ~~Commissioners, 1101 Vermont Avenue, N.W., Suite 200, Washington, D.C. 20005, at~~
23 ~~(202)898-2200, or at <http://www.naruc.org/about.cfm?c=staff>.~~
24 *Rulemaking Authority 367.121(1)(b), (f) FS. Law Implemented 367.121(1)(b) FS. History–*
25 *New 2-3-70, Amended 9-12-74, 1-2-79, 8-21-79, 9-25-85, Formerly 25-10.04, 25-10.004,*

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1 capitalized.

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

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

7 (i) Continuing Property Record (CPR) – A perpetual collection of records required by
8 the NARUC USOA, which are incorporated by reference in Rule 25-30.115, F.A.C., ~~Uniform~~
9 ~~System of Accounts~~ showing the detailed original costs, quantities, and locations of plant in
10 service. Generally, a CPR should contain 1) an inventory of property record units which can
11 be readily checked for proof of physical existence, 2) the association of costs with such
12 property record units to ensure accurate accounting for retirements, and 3) the dates of
13 installation and removal of plant to provide data for use in connection with depreciation
14 studies.

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

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

25 (l) Depreciation Expense – The periodic charge to expense to allocate the original cost

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1 of a depreciable group of assets over the life of those assets.

2 (m) Depreciable Group – A homogeneous grouping of assets expected to experience
 3 similar life and salvage patterns. Unless otherwise ordered by the Commission, depreciable
 4 groups are the accounts defined in the NARUC USOA, ~~Uniform System of Accounts~~ adopted
 5 ~~by~~ which is incorporated by reference in Rule 25-30.115, F.A.C.

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

22 (n) Function – defined as follows:

23 (o) Group Depreciation – An accounting procedure under which depreciation charges
 24 are accrued on the basis of the original cost of all property included in each depreciable group.

25 Under the group concept, no attempt is made to keep track of the accumulated provision for
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1 depreciation applicable to individual assets of property, in view of the many items making up
2 a utility system. The group approach recognizes that some assets within the group may live
3 longer or shorter than the average life of the group but the group is expected to live the
4 average service life. Every item in the group is assumed to be fully depreciated at retirement.

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

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

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

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

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

21 (u) Remaining Life Depreciation Rate – The depreciation rate based on the average
22 remaining portion of the service life expected to be experienced by the investment or account
23 in question and on the net unrecovered capital for that investment or account.

24
$$\text{R.L. Rate} = \frac{100\% - \text{Accumulated Reserve \%} - \text{Future Net Salvage \%}}{\text{Average Remaining Life}}$$

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

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

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

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

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

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

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

22 (bb) Unit Depreciation – An accounting procedure under which the original cost,
23 depreciation expense, and accumulated provision for depreciation, and all associated activity
24 are maintained for each individual asset. Service life and salvage parameters are estimated for
25 each individual asset with a depreciation rate designed to recover each asset's original cost

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1 over its related life. If the asset lives longer than its expected life, depreciation expense stops
 2 accruing when the asset is fully recovered. If the asset retires earlier than its expected service
 3 life, the associated unrecovered amount is immediately written-off as a loss.

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

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

8 (a) Water System Guideline Average Service Lives.

		Large	Small	Small	
		Utility	Utility	Utility	
		(Class	(Class	Function	Net
Account	Description	A&B)	C)	Composite ³	Salvage % ⁴
1. Intangible Plant					
351	Organization	40	40		
352	Franchise Cost	40 ⁵	40 ⁵		
2. Source of Supply				28	
304	Structures & Improvements	32 ¹	27 ¹		
	Wood	28	25		
	Masonry	30	27		
	Reinforced Concrete	40	37		
	Steel Building	40	35		
	Tanks or Sheds	25	20		
	Fiberglass	20	18		

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

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

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1	330	Distribution				
2		Reservoirs & Stand				
3		Pipes	37 ¹	33 ¹		
4		Steel Pneumatic Tank	35	30		
5		Concrete Ground				
6		Storage Reservoir	40	37		
7	331	Transmission & Distribution	43 ¹	38 ¹		
8		Mains				
9		Galvanized Steel pipe &	35	33		
10		Fittings				
11		Black Steel Pipe	20	18		
12		Plastic Pipe ²	45	40		
13		Asbestos – Cement	40	35		
14		Cast Iron or Ductile Iron	40	35		
15		Valves & Valve Boxes	25	20		
16		Fire Mains	33	30		
17	333	Services ²	40	35		
18	334	Meters and Meter Installations	20	17		
19	335	Hydrants	45	40		
20	336	Backflow Prevention Devices	15	10		
21	339	Other Plant and Miscellaneous				
22		Equipment	25	20		
23	5. General Plant					
24	304	Structures & Improvements	40 ¹	35 ¹		
25						

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1		Wood Building	35	30		
2		Masonry Building	40	35		
3		Reinforced Concrete Building	40	37		
4		Steel Building	40	35		
5		Tanks or Sheds	25	20		
6	340	Office Furniture & Equipment	15	15		
7		Computers	6	6		
8	341	Transportation Equipment	6	6		10
9	342	Stores Equipment	18	N/A	14	
10					(composite	
11					of 342-348)	
12	343	Tools, Shop & Garage	16	15		
13		Equipment				
14	344	Laboratory Equipment	15	N/A		
15	345	Power Operated Equipment	12	10		5
16	346	Communication Equipment	10	N/A		10
17	347	Miscellaneous Equipment	15	N/A		
18	348	Other Tangible Plant	10	10		

20 (b) Wastewater System Guideline Average Services Lives.

21			Large	Small	Small	
22			Utility	Utility	Utility	
23			(Class	(Class	Function	Net
24	Account	Description	A&B)	C)	Composite ³	Salvage % ⁴
25						

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1	1. Intangible Plant					
2	351	Organization	40	40		
3	352	Franchise Cost	40 ⁵	40 ⁵		
4	2. Collection				35	
5	System					
6	354	Structures &				
7		Improvements Above				
8		Grade	32 ¹	27 ¹		
9		Wood	28	25		
10		Masonry	30	27		
11		Reinforced Concrete	38	35		
12		Steel Below Grade	25	22		
13		Concrete	35	32		
14		Steel	22	20		
15		Lift Stations	25	22		
16	355	Power Generation Equipment	20	17		
17	360	Collection Sewers-Force ²	30 ¹	27 ¹		
18						
19	361	Collection Sewers-Gravity ²	45	40		
20		Manholes	30	27		
21	362	Special Collecting	40	37		
22		Structures				
23	363	Services to Customers ²	38	35		
24	364	Flow Measuring Devices	5	5		
25						

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1	365	Flow Measuring Installations	38	35		
2	389	Other Miscellaneous	18	15		
3		Equipment				
4	3. Pumping Plant				18	
5	354	Structures & Improvements	32 ¹	27 ¹		
6	355	Power Generating Equipment	20	17		
7	370	Receiving Wells	30	25		
8	371	Pumping Equipment	18	15		
9		Pumping Equipment –	18	15		
10		Electric				
11		Pumping Equipment –	7	5		
12		Chemical				
13	389	Other Miscellaneous	18	15		
14		Equipment				
15	4. Treatment and				18	
16	Disposal Plant					
17	354	Structures &				
18		Improvements (see				
19		“Collection System”				
20		for subcategory lives)	32 ¹	27 ¹		
21	355	Power Generating Equipment	20	17		
22	371	Pumping Equipment	18 ¹	15 ¹		
23		Pumping Equipment –	18	15		
24		Electric				
25						

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

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

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1	371	Pumping Equipment	18 ¹	15 ¹		
2		Pumping Equipment –	18 ¹	15		
3		Electric				
4		Pumping Equipment –	7	5		
5		Chemical				
6	375	Reuse Transmission &	43 ¹	38 ¹		
7		Distribution System				
8		Plastic Pipe ²	45	40		
9		Valves & Valve Boxes	25	20		
10		Fire Mains	33	30		
11	389	Other Plant and	18	15		
12		Miscellaneous Equipment				
13	7. General Plant					
14	354	Structures & Improvements	40 ¹	35 ¹		
15		Reinforced Concrete Building	45	40		
16		Masonry Building	40	35		
17		Wood Building	35	30		
18		Steel Building	40	35		
19		Tanks or Sheds	25	20		
20	390	Office Furniture &	15	15		
21		Equipment				
22		Computers	6	6		
23	391	Transportation Equipment	6	6		10
24	392	Stores Equipment	18	N/A	14	
25						

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				(composite	
				of 392-398)	
393	Tools, Shop & Garage Equipment	16	15		
394	Laboratory Equipment	15	N/A		
395	Power Operated Equipment	12	10		5
396	Communication Equipment	10	N/A		10
397	Miscellaneous Equipment	15	N/A		
398	Other Tangible Plant	10	10		

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

1. ¹ Denotes composite life.

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

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

4. ⁴ Net Salvage zero except as indicated.

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

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

(b) A utility may implement applicable guideline rates without specific approval by the

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1 Commission. Guideline rates, if implemented for any account, must be implemented for all
2 accounts. If a utility implements applicable guideline rates outside of a rate proceeding, the
3 utility must ~~shall~~ provide written notification to the Director of Economics within 30 days of
4 such implementation.

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

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

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

11 (5) Computation of depreciation expense. Regulatory book depreciation expense must
12 ~~shall~~ be computed on a monthly basis in conformity with group depreciation accounting
13 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 must ~~shall~~ submit six copies
22 of 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 must ~~shall~~ be included:

25 1. A comparison of current and proposed depreciation rates and service lives. The

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1 | proposed effective date of the new rates must ~~shall~~ be identified.

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

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

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

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

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

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

23 | (9)(a) Beginning with the year ending December 31, 2003, all Class A and B utilities
24 | must ~~shall~~ maintain separate sub-accounts for: (1) each type of Contributions-in-Aid-of-
25 | Construction (CIAC) charge collected including, but not limited to, plant capacity, meter

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1 installation, main extension or system capacity; (2) contributed plant; (3) contributed lines;
2 and (4) other contributed plant not mentioned previously. Establishing balances for each new
3 sub-account may require an allocation based upon historical balances. Each CIAC sub-account
4 must shall be amortized in the same manner that the related contributed plant is depreciated.
5 Separate sub-accounts for accumulated amortization of CIAC must ~~shall~~ be maintained to
6 correspond to each sub-account for CIAC.

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

12 (c) Any composite rate used must ~~shall~~ be recalculated each year based on the
13 applicable plant balances and depreciation rates.

14 *Rulemaking Authority 350.127(2), 367.121(1) FS. Law Implemented 350.115, 367.081(2),*
15 *367.121(1) FS. History—New 3-22-84, Formerly 25-10.32, 25-10.032, Amended 11-10-86, 5-8-*
16 *88, 11-21-95, 12-4-03, 5-29-08, _____.*

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1 **25-30.0372 Alternative Procedure for Establishing Rate Base Value of Acquired**
2 **Utility System.**

3 (1) Definition. For the purposes of this rule, “Licensed Appraiser,” as referenced in
4 Section 367.0811(4)(a), F.S., means a person who meets all the following criteria:

5 (a) Has certification as an Accredited Senior Appraiser by the American Society of
6 Appraisers (ASA), designation as a Certified Valuation Analyst by the National Association of
7 Certified Valuators and Analysts (NACVA), ~~designation as a Certified Business Appraiser by~~
8 ~~the Institute of Business Appraisers (IBA)~~, or designation as Accredited in Business Valuation
9 by the American Institute of Certified Public Accountants (AICPA), and

10 (b) Is in good standing with the ASA, NACVA, ~~IBA~~, or AICPA.

11 (2) Appraisals.

12 (a) Each appraisal must assess the value of the utility system being acquired according
13 to its intended use.

14 (b) The Executive Director of the Florida Public Service Commission, or their
15 designee, will randomly select ~~choose~~ the three licensed appraisers from the list of licensed
16 appraisers referenced in paragraph (2)(d) of this rule using computationally-generated random
17 numbers. No two of the selected appraisers may be employed by the same entity.

18 (c) The licensed engineer who performs the engineering assessment required by
19 Section 367.0811(4)(b), F.S., may not also serve as a licensed appraiser on the same
20 acquisition transaction.

21 (d) The list of licensed appraisers required by Section 367.0811(4)(a), F.S., can be
22 found at www.floridapsc.com/appraiserlist or obtained from the Office of the Commission
23 Clerk, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee,
24 Florida 32399-0850.

25 (e) A licensed appraiser will be included on the Commission’s list of approved

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from existing law.

1 licensed appraisers by submitting all of the following by email to appraiserlist@psc.state.fl.us
2 or by U.S. Mail to the Office of the Commission Clerk, Florida Public Service Commission,
3 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850:

4 1. The licensed appraiser's name, mailing address, telephone number, and email
5 address;

6 2. The name of any company with which the licensed appraiser is employed or
7 associated; ~~and~~

8 3. Proof of the information required by subsection (1) above; ~~and~~

9 4. The expiration date of the certification or designation required by paragraph (1)(a),
10 above.

11 (f) It is the responsibility of the licensed appraiser to ensure that correct and updated
12 information remains on file with the Commission. The licensed appraiser must submit updated
13 information by email to appraiserlist@psc.state.fl.us, or by U.S. Mail to the Office of the
14 Commission Clerk, Florida Public Service Commission, 2540 Shumard Oak Boulevard,
15 Tallahassee, FL 32399-0850, within 30 days of any change of information. If the Commission
16 determines that a person no longer meets the requirements to be a licensed appraiser on the
17 Commission's list, that person will be removed from the list. Upon request and upon
18 providing proof that the requirements listed in subsection (1) above are met, a person will be
19 added back to the list.

20 (g) The licensed appraiser can be removed from the list by submitting a request for
21 removal ~~in writing~~ by email to appraiserlist@psc.state.fl.us or by U.S. Mail to the Office of
22 the Commission Clerk, Florida Public Service Commission, 2540 Shumard Oak Boulevard,
23 Tallahassee, FL 32399-0850.

24 (3) Petition. Section 367.0811(5), F.S., sets forth the filing requirements a petition to
25 establish the rate base value must contain.

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from existing law.

1 (a) The petition may be filed concurrent with the application to transfer the
2 certificate(s) of authorization, but must be filed no later than 6 months after the issuance of the
3 final order approving the transfer of the certificate(s) of authorization or the closing date of the
4 sale. Commission staff will review the petition and within 30 days of receipt of the petition
5 will notify the acquiring utility whether the petition is complete or identify the information
6 required by Section 367.0811(5), F.S., which is missing from the petition. If an amended
7 petition is filed, Commission staff will review the amended petition and within 30 days of
8 receipt of the amended petition will notify the acquiring utility whether the amended petition
9 is complete or identify the information required by Section 367.0811(5), F.S., which is
10 missing from the amended petition. This process will continue until Commission staff
11 determines the petition satisfies the requirements of Section 367.0811(5), F.S. The date a
12 petition is complete under Section 367.0811(6), F.S., is the date that all documents required by
13 Section 367.0811(6), F.S. have been filed.

14 (b) If the assessment of tangible assets required by Section 367.0811(4)(b), F.S.,
15 identifies deficiencies, the 3-year plan required by Section 367.0811(5)(d), F.S., must include
16 the following, if existing, regarding the system being acquired:

17 1. A copy of the most recent DEP and/or county health department sanitary survey,
18 compliance inspection report, primary and secondary standards drinking water report; and

19 2. A copy of all correspondence with the DEP, county health department, and water
20 management district, including consent orders and warning letters, and the utility's responses
21 to the same, for the past five years.

22 (c) Form PSC 1035 (03/24), entitled "Water and/or Wastewater Cumulative Present
23 Value of the Revenue Requirements for Alternate Rate Base Worksheet" (CPVRR), which is
24 incorporated by reference in this rule and may be obtained at ~~from~~

25 <http://www.flrules.org/Gateway/reference.asp?No=Ref-16589>, must be included in the

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1 petition to show the 5-year projected rate impact required by Section 367.0811(5)(e), F.S. The
2 form can also be found at www.floridapsc.com; or obtained from the Office of the
3 Commission Clerk, Florida Public Service Commission, 2540 Shumard Oak Boulevard,
4 Tallahassee, Florida 32399-0850.

5 (d) The 5-year rate impact required by Section 367.0811(5)(e), F.S., must also include
6 the following for each year for residential and general service customers, and the CPVRR
7 must support the projections for the following:

- 8 1. Base facility charge,
- 9 2. Gallonage charge, and
- 10 3. Billing determinants.

11 (e) The information filed under Section 367.0811(5)(e), F.S., must include the
12 acquiring utility's proposed journal entries anticipated to result from the acquisition, including
13 tax entries and account numbers in conformance with the ~~1996~~ NARUC USOA Uniform
14 ~~System of Accounts~~, which are is incorporated by reference in Rule 25-30.115, F.A.C.

15 (f) For purposes of determining whether the petition must include a rate stabilization
16 plan under Section 367.0811(5)(h), F.S., "significant individual increase in rates" means a rate
17 increase during any twelve consecutive months of the 5-year projected rate impact period that
18 is in excess of 15 percent over the current rates of the utility system being acquired.

19 (4) General filing instruction. Prepared direct testimony and exhibits for each witness
20 testifying on behalf of the acquiring utility must be filed at the time the petition is filed.

21 (5) Notice. At the time the petition is filed with the Commission, the acquiring utility
22 must provide a draft notice for review by Commission staff. Commission staff will review the
23 draft notice within 7 days. Once staff has approved the notice, the acquiring utility must
24 provide notice by U.S. Mail regular mail to the Office of Public Counsel and by either U.S.
25 Mail regular mail or personal service to each customer and owner of property located within

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1 the service area for both the acquiring utility and the utility being acquired, to the extent the
2 utilities' customers are within the Commission's jurisdiction. The notice required by this rule
3 may be combined with the notice of Application for Authority to Transfer issued pursuant to
4 Rule 25-30.030, F.A.C., or for existing customers, the notice may be included in their next
5 bill. The notice must contain:

6 (a) Title: Notice of Utility's Petition to Establish Rate Base Value Using Alternative
7 Procedure;

8 (b) A statement that the utility has filed a petition with the Commission to establish
9 rate base value of acquired utility system using the alternative procedure set forth in Section
10 367.0811, F.S.;

11 (c) The date the petition was filed with the Commission;

12 (d) The docket number associated with the petition;

13 (e) A statement of the 5-year projected rate impact or the anticipated effect of the
14 requested rate base on rates for the next five years;

15 (f) A statement that the utility's petition is available on the Commission's website;

16 (g) The acquiring utility's address, telephone number, and business hours; and

17 (h) A statement that any customer substantially affected by the petition may file a
18 motion to intervene in accordance with Rule 28-106.205, F.A.C.

19 *Rulemaking Authority 367.0811(11), FS. Law Implemented 367.0811, FS. History—New 5-15-*
20 *24, Amended*.

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1 **25-30.433 Rate Case Proceedings.**

2 In a rate case proceeding, the following provisions ~~shall~~ apply:-

3 (1) The Commission in every rate case will ~~shall~~ make a determination of the quality
4 of service provided by the utility by evaluating the quality of utility's product (water) and the
5 utility's attempt to address customer satisfaction (water and wastewater). In making this
6 determination, the Commission will ~~shall~~ consider:

7 (a) The most recent chemical analyses for each water system as described in paragraph
8 25-30.437(3)(c), F.A.C.;

9 (b) Any Department of Environmental Protection (DEP) and county health department
10 citations, violations and provisions of consent orders that relate to quality of service;

11 (c) Any DEP and county health department officials' testimony concerning quality of
12 service;

13 (d) Any testimony, complaints and comments of the utility's customers and others with
14 knowledge of the utility's quality of service; and

15 (e) Any utility testimony and responses to the information provided in paragraphs
16 (1)(a)-(d), above.

17 (2) In order to ensure safe, efficient, and sufficient service to utility customers, the
18 Commission will ~~shall~~ consider whether the infrastructure and operational conditions of the
19 plant and facilities are in compliance with Rule 25-30.225, F.A.C. In making this
20 determination, the Commission will ~~shall~~ consider:

21 (a) Any testimony of DEP and county health department officials;

22 (b) Inspections, including sanitary surveys for water systems and compliance
23 evaluation inspections for wastewater systems; and citations, violations and consent orders
24 issued to the utility;

25 (c) Any testimony, complaints and comments of the utility's customers and others with

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1 | knowledge of the infrastructure and operational conditions of the utility's plant and facilities;
2 | and,

3 | (d) Any utility testimony and responses to the information provided in paragraphs
4 | (2)(a)-(c), above.

5 | (3) Working capital for Class A utilities must ~~shall~~ be calculated using the balance
6 | sheet approach. Working capital for Class B and C utilities must ~~shall~~ be calculated using the
7 | formula method (one-eighth of operation and maintenance expenses).

8 | (4) Used and useful debit deferred taxes must ~~shall~~ be offset against used and useful
9 | credit deferred taxes in the capital structure. Any resulting net debit deferred taxes must ~~shall~~
10 | be included as a separate line item in the rate base calculation. Any resulting net credit
11 | deferred taxes must ~~shall~~ be included in the capital structure calculation. No other deferred
12 | debits must ~~shall~~ be considered in rate base when the formula method of working capital is
13 | used.

14 | (5) The averaging method used by the Commission to calculate rate base and cost of
15 | capital must ~~shall~~ be a 13-month average for Class A utilities and the simple beginning and
16 | end-of-year average for Class B and C utilities.

17 | (6) Non-used and useful adjustments must ~~shall~~ be applied to the applicable
18 | depreciation expense. Property tax expense on non-used and useful plant must ~~shall~~ not be
19 | allowed.

20 | (7) Charitable contributions must ~~shall~~ not be recovered through rates.

21 | (8) Income tax expense must ~~shall~~ not be allowed for subchapter S corporations,
22 | partnerships or sole proprietorships.

23 | (9) Non-recurring expenses must ~~shall~~ be amortized over a 5-year period unless a
24 | shorter or longer period of time can be justified.

25 | (10) The amortization period for forced abandonment or the prudent retirement, in

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1 accordance with the NARUC USOA, which are incorporated by reference in Rule 25-30.115,
2 F.A.C., ~~National Association of Regulatory Utility Commissioners Uniform System of~~
3 ~~Accounts~~, of plant assets prior to the end of their depreciable life, must ~~shall~~ be calculated by
4 taking the ratio of the net loss (original cost less accumulated depreciation and contributions-
5 in-aid-of-construction (CIAC) plus accumulated amortization of CIAC plus any costs incurred
6 to remove the asset less any salvage value) to the sum of the annual depreciation expense, net
7 of amortization of CIAC, plus an amount equal to the rate of return that would have been
8 allowed on the net invested plant that would have been included in rate base before the
9 abandonment or retirement. This formula must ~~shall~~ be used unless the specific circumstances
10 surrounding the abandonment or retirement demonstrate a more appropriate amortization
11 period.

12 (11) A utility is required to have the right of access and continued use of the land upon
13 which the utility treatment facilities are located. Documentation of continued use must ~~shall~~ be
14 in the form of a recorded warranty deed, recorded quit claim deed accompanied by title
15 insurance, recorded lease such as a 99-year lease, or recorded easement.

16 (12) In establishing an authorized rate of return on common equity, a utility, in lieu of
17 presenting evidence, may use the current leverage formula adopted by Commission order. The
18 equity return established must ~~shall~~ be based on the equity leverage order in effect at the time
19 the Commission decides the case.

20 (13) Nonutility investment should be removed directly from equity when reconciling
21 the capital structure to rate base unless the utility can show, through competent evidence, that
22 to do otherwise would result in a more equitable determination of the cost of capital for
23 regulatory purposes.

24 (14) Interest expense to be included in the calculation of income tax expense must
25 ~~shall~~ be the amount derived by multiplying the amount of the debt components of the

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1 reconciled capital structure times the average weighted cost of the respective debt
2 components. Interest expense must ~~shall~~ include an amount for the parent debt adjustment in
3 those cases covered by Rule 25-14.004, F.A.C. Interest must ~~shall~~ also be imputed on deferred
4 investment tax credits in those cases covered by 26 CFR Part 1, s. 1.46-6(b)(2)(i), (3) and
5 (4)(ii) issued April 7, 2008 ~~May 22, 1986~~ and effective for property constructed or acquired on
6 or after August 15, 1971.
7 *Rulemaking Authority 350.127(2), 367.0812(5), 367.0814, 367.121, 367.1213 FS. Law*
8 *Implemented 367.081, 367.0812(1), 367.0814, 367.0822, 367.1213 FS. History—New 11-30-*
9 *93, Amended 12-14-93, 7-11-18,_____.*

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1 **25-30.444 Utility Reserve Fund.**

2 (1) PROJECT ELIGIBILITY. The following considerations must ~~shall~~ be applied in
3 determining whether a future infrastructure repair or replacement project of existing
4 distribution and collection infrastructure that is nearing the end of its useful life or is
5 detrimental to water quality or reliability of service is eligible for advance funding through a
6 utility reserve fund and whether a utility reserve fund is the most appropriate methodology to
7 address the requested project.

8 (a) The following projects are ~~shall be~~ eligible for a utility reserve fund:

9 1. Projects to repair or replace existing utility infrastructure that is nearing the end of
10 its useful life or is detrimental to water quality or reliability of service that is recorded in the
11 National Association of Regulatory Utility Commissioners (NARUC) Uniform System of
12 Accounts (NARUC USOA) water utility plant account numbers 304, 305, 306, 307, 308, 309,
13 310, 311, 320, 330, 331, 333, 334, 335, 336, and 339, and wastewater utility plant account
14 numbers 354, 355, 360, 361, 362, 363, 364, 365, 366, 367, 370, 371, 374, 375, 380, 381, 382,
15 and 389;

16 2. Future expenditures related to land or land rights recorded in NARUC USOA water
17 utility plant account number 303 or wastewater utility plant account number 353 if the
18 expenditure is necessary to the successful completion of an eligible repair or replacement
19 project;

20 3. Upgrades or enhancements of existing facilities if it can be demonstrated that the
21 upgrade or enhancement is necessary to comply with federal, state, or local regulatory
22 requirements, or provides a more cost-effective or more reliable alternative than an identical
23 replacement, and that the upgrade or enhancement is not designed solely to address future
24 customer growth;

25 4. Repair projects that may be expensed rather than capitalized, as prescribed by

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1 subparagraph 25-30.140(1)(g)3., F.A.C., if it can be demonstrated that the repair expense is
2 not already reflected in the utility's current rates as an annual or amortized annual expense, or
3 that the annual repair and maintenance expense allowance reflected in the utility's current
4 rates is insufficient to cover the projected costs of the proposed repair project, or

5 5. If a project includes both the repair or replacement of existing infrastructure and the
6 expansion or improvement of facilities to meet future customer growth, the portion of the
7 project that is related to the repair and replacement of existing infrastructure is eligible if those
8 costs can be identified and segregated from the portion of the project related to the expansion
9 or improvements designed to meet future customer growth.

10 (b) The following projects are ~~shall~~ not be eligible for a utility reserve fund:

11 1. Projects to repair or replace general plant that is not directly associated with the
12 physical operation of the utility's water or wastewater systems that are recorded in NARUC
13 USOA water utility plant account numbers 340, 341, 342, 343, 344, 345, 346, 347, and 348,
14 and wastewater utility plant account numbers 390, 391, 392, 393, 394, 395, 396, 397, and
15 398;

16 2. Expenditures related to NARUC USOA water utility plant accounts 301 and 302,
17 and wastewater utility plant accounts 351 and 352, which cover organization and franchise
18 related expenditures;

19 3. Expenditures related to land or land rights recorded in NARUC USOA water utility
20 plant account number 303 or wastewater utility plant account number 353 if the expenditure is
21 necessary solely to meet future customer growth; or

22 4. Capital improvement projects to expand existing facilities or construct new facilities
23 solely to meet future customer growth.

24 (c) When evaluating whether the utility's request to create a utility reserve fund is the
25 most appropriate methodology to address the utility's eligible future infrastructure repair and

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1 replacement projects, the following additional factors will be considered:

2 1. Whether the anticipated completion date of the project allows sufficient time to
3 accumulate the funds necessary to fund the project;

4 2. Whether the anticipated completion date is within 24 months of the end of the
5 historic test year used in a jointly filed rate application, if applicable, thereby making the
6 project eligible for consideration as a pro forma project in the rate proceeding pursuant to
7 Section 367.081(2)(a)2., F.S.;

8 3. Whether the contributions-in-aid-of-construction that will result from the utility
9 reserve fund will cause the utility to exceed the service availability policy guidelines provided
10 in Rule 25-30.580, F.A.C.;

11 4. Whether any of the eligible projects included in the utility reserve fund will result in
12 the complete elimination of either the water or wastewater treatment process;

13 5. Whether it has been more than seven years since the utility's last rate case, if the
14 request is filed as a stand-alone application or in conjunction with a limited proceeding;

15 6. Whether the total increase resulting from implementation of the utility reserve fund
16 surcharge will exceed the utility's annual revenues for the most recent 12-month period or test
17 year by more than 30 percent.

18 (2) UTILITY RESERVE FUND FILING REQUIREMENTS. Each applicant that
19 requests approval to create a utility reserve fund must ~~shall~~ provide the following information
20 to the Commission. The request may be filed as a stand-alone application or in conjunction
21 with an application for rate increase filed pursuant to Section 367.081(2)(a), 367.0814, or
22 367.0822, F.S. If the request is filed in conjunction with an application for rate increase that
23 also requires the applicant's general information, paragraphs (2)(a), (b), and (c); may be
24 omitted from the utility reserve fund portion of the joint application. A utility that qualifies for
25 staff assistance as provided by subsection 25-30.455(1), F.A.C., may also request assistance

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1 with the utility reserve fund process.

2 (a) The utility's name as it appears on the utility's certificate, address, telephone
3 number, and, if available, email address and fax number.

4 (b) The name(s), address(es), and telephone number(s) of the person(s) that should be
5 contacted regarding this application.

6 (c) The address within the service area where the application is available for customer
7 inspection during the time the rate application is pending.

8 (d) A statement of the reason(s) why the utility is requesting approval of a utility
9 reserve fund.

10 (e) A capital improvement plan that includes: a general description of the age and
11 condition of the utility's facilities; a description of all infrastructure repair or replacement
12 projects that the utility anticipates will be necessary within the next five years, at a minimum,
13 even if some projects will not be included in the utility reserve fund; and the following
14 information for each infrastructure repair or replacement project that the utility requests be
15 included in the utility reserve fund:

16 1. A description of each plant asset that will be repaired or replaced, including the
17 NARUC USOA account number for each asset;

18 2. The date each asset was originally placed into service or an estimate of the age of
19 the plant asset(s) as reflected in the utility's depreciation records if the original service date is
20 unknown;

21 3. A detailed description of the reason(s) each repair or replacement project is
22 necessary to maintain or improve the quality or reliability of the water or wastewater service,
23 including whether any asset will be replaced prior to the end of its average service life as
24 provided by Rule 25-30.140, F.A.C.;

25 4. If the repair or replacement project is required by a governmental or regulatory

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1 agency, include a copy of the rule, regulation, order, or other regulatory directive that requires
2 the repair or replacement;

3 5. The projected cost to repair or replace each asset, and documentation that supports
4 the utility's calculation of the projected cost. The utility must~~shall~~ make all reasonable efforts
5 to obtain at least three comparative cost estimates for each requested project. Acceptable
6 forms of projected cost documentation are: an estimate by a professional engineer or other
7 person knowledgeable in design and construction of water and wastewater plants; a bid from a
8 vendor or service provider that includes a description of all work to be completed and an
9 itemized list of all costs associated with the project; vendor information regarding the
10 purchase price of plant components that will be purchased directly by the utility and labor
11 estimates for work that will be performed on the project by a utility employee or contractual
12 service provider, along with a statement that confirms that the employee's or contractual
13 service provider's work on the project is not included in their normal duties; or other
14 information that shows a detailed and verifiable estimate of the projected cost. If the utility is
15 unable to obtain three cost estimates for each project, the utility must~~shall~~ provide a statement
16 explaining what steps the utility took to obtain the estimates, why the utility was unable to
17 obtain three estimates, and any responses received from any contractors solicited;

18 6. Detailed specifications for each asset that can be used to verify the projected repair
19 or replacement cost, such as type, size, quantity, or quality of the materials used to complete
20 the repair or replacement of the asset. If the type, size, quantity, or quality of the components
21 used to make the repair or replacement will be materially different than the plant asset(s) being
22 repaired or replaced, describe the specific differences and why the change is either necessary
23 or provides a better resolution for the repair or replacement;

24 7. If the repair or replacement will change the design of the system, include a statement
25 explaining how the design of the system will change and why the change is either necessary or

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1 will provide a better resolution for the repair or replacement;

2 8. A description of any alternatives to the proposed infrastructure repair or replacement
3 project that the utility considered, such as new technologies or interconnection with another
4 utility system, and why the proposed project was determined to be the most cost-effective
5 option or will provide a better resolution for the repair or replacement;

6 9. If the infrastructure that is being replaced was subject to a non-used and useful
7 adjustment in the utility's last rate proceeding, include a statement explaining whether the
8 utility considered reducing the size of the replacement infrastructure to better match the
9 utility's capacity needs and the results of that analysis;

10 10. A description of any expense increases or decreases that the utility anticipates will
11 occur following completion of the infrastructure repair or replacement project; and;

12 11. The projected timeline and anticipated completion date for the repair or
13 replacement project, including a detailed description of any target dates and significant
14 milestones if the project will be completed in multiple phases. If the repair or replacement
15 project is required by a governmental or regulatory agency, include any specific deadlines that
16 have been imposed by that agency, and describe any penalties that will be incurred by the
17 utility if the deadlines are not met.

18 (f) A description of any other funding sources that may be used for the project,
19 including a breakdown of the estimated project costs that will be funded with the utility
20 reserve fund, utility investment, and each available external funding source, such as a bank
21 loan, government loan, or government grant, as applicable.

22 (g) A schedule showing the calculation of the annualized revenues for the most recent
23 12-month period using the rates in effect at the time the utility files its application for approval
24 to create a utility reserve fund, broken down by customer class and meter size. This schedule
25 may be omitted from the utility reserve fund portion of the application if filed in conjunction

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1 with an application for a rate proceeding that also requires an annualized revenue calculation.

2 (h) A schedule showing the calculation of the proposed utility reserve fund surcharge
3 based on the number of bills by customer class and meter size for the most recent 12-month
4 period, or test year if filed in conjunction with an application for a rate proceeding.

5 (i) Revised tariff sheets incorporating the utility reserve fund surcharge into the tariff.
6 The utility must ~~shall~~ show the utility reserve fund surcharge as a separate charge in its tariff
7 and on its customer bills.

8 (j) A statement indicating whether the applicant will secure the utility reserve fund
9 through an interest-bearing escrow account or an irrevocable letter of credit. If the utility's
10 request to create a utility reserve account is approved by the Commission, the utility will be
11 required to provide documentation showing that the escrow account has been established or
12 the irrevocable letter of credit has been obtained prior to implementation of the utility reserve
13 fund surcharge.

14 (k) A description of the procedures that the utility will implement to segregate the
15 monies collected from the utility reserve fund surcharge on the utility's books and records.
16 Separate accounting records must be maintained to record all transactions associated with the
17 collection, deposit, and use of monies designated for the utility reserve fund. A separate bank
18 account may be used to segregate the utility reserve fund monies that are secured through an
19 irrevocable letter of credit but is not required.

20 (l) A statement signed by an officer of the utility that the utility will comply with the
21 noticing requirements in Rule 25-30.4445, F.A.C., if the request is filed as a stand-alone
22 application, Rule 25-22.0407, F.A.C., if the request is filed in conjunction with an application
23 for a rate increase filed pursuant to Section 367.081(2)(a) or 367.0814, F.S., or Rule 25-
24 30.446, F.A.C., if the request is filed in conjunction with a limited proceeding filed pursuant to
25 Section 367.0822, F.S.

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1 (m) An Asset Management Plan prepared by the Florida Rural Water Association may
2 be provided in lieu of a capital improvement plan in paragraph (2)(e).

3 (3) Reporting Requirements. Any utility that receives approval from or is required by
4 the Commission to create a utility reserve fund must keep an accurate and detailed account of
5 all monies and report to the Commission all monies it receives from the utility reserve fund
6 surcharge. The reporting requirement must ~~shall~~ begin when the utility's reserve fund
7 surcharge tariff becomes effective. The utility must file periodic reports as follows:

8 (a) The utility must ~~shall~~ file a report with the Commission Clerk's office no later than
9 the 20th of every month indicating the monthly and total amount of money deposited into, and
10 monthly and total amount of disbursements made from the utility reserve fund as of the end of
11 the preceding month. If the utility bills its customers less frequently than once a month, this
12 reporting requirement may be modified to match the utility's normal billing frequency. A copy
13 of a bank statement that separately identifies the utility reserve fund deposits and
14 disbursements may serve as the monthly report.

15 (b) At least once every six months, the utility must ~~shall~~ also report the status of all
16 eligible projects included in the utility reserve fund for which work was performed during the
17 last six months, including the actual start date, the estimated or actual completion date, the
18 costs incurred during the last six months, and the total cost for any projects completed during
19 the last six months.

20 (c) The reports must ~~shall~~ continue as long as the utility reserve fund is in effect and
21 until all funds have been disbursed either to pay for completed eligible projects or as refunds
22 to customers.

23 (d) A request for disbursement from the utility reserve fund escrow account or
24 authorization to use funds secured by an irrevocable letter of credit may be filed in
25 conjunction with the utility's monthly or quarterly reports.

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1 (e) The utility must ~~shall~~ also separately identify the utility reserve fund in its annual
2 report filed with the Commission each year pursuant to Rule 25-30.110, F.A.C.

3 (f) The utility must ~~shall~~ file an updated capital improvement plan with the
4 Commission at least once every three years for as long as the utility reserve fund remains
5 active.

6 (4) DISBURSEMENT OF FUNDS. A utility requesting disbursement of funds from an
7 escrow account or authorization to use funds secured by an irrevocable letter of credit must
8 ~~shall~~ file the following information and supporting documentation:

9 (a) A statement explaining why the disbursement is needed, including a description of
10 the completed project, or if a partial disbursement of funds is necessary prior to completion of
11 the full project, a description of the completed phase of the project, purchase of materials,
12 payments to contractors or vendors, or construction draws, as applicable;

13 (b) The date the project or phase of the project was completed and the replacement
14 asset(s) was placed in service, as applicable;

15 (c) Documentation supporting the amount of the requested disbursement. Acceptable
16 forms of documentation are: invoices, receipts, contractor application and request for payment
17 forms, loan documents, documents showing proof of payment, and other information that
18 shows detailed and verifiable project costs and payments;

19 (d) Documentation showing that the completed work was inspected or approved by the
20 governmental or regulatory authority that required the repair or replacement project, if
21 applicable; and,

22 (e) Other documentation that demonstrates the project was completed, such as
23 photographs of the completed work, may be submitted, but is not required.

24 (f) A utility may request the disbursement of funds from a utility reserve fund to assist
25 with making an emergency repair or replacement of existing distribution and collection

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1 infrastructure that is nearing the end of its useful life or is detrimental to water quality or
2 reliability of service that is critical to the operation of the utility facilities and resulted from
3 events that were out of the utility's control, such as weather related damage, accidents, or
4 defective parts. The utility's request for an emergency disbursement must include the
5 following information:

- 6 1. The information required in paragraphs (4)(a) through (e), above,
- 7 2. A description of any future funding sources that may be available to assist the utility
8 with the emergency repair or replacement costs, such as government assistance for weather
9 damage, insurance benefits, or manufacturer warranties for defective parts,
- 10 3. A statement explaining how the utility will reimburse the utility reserve fund for the
11 emergency disbursement through future funding sources, such as, government assistance,
12 insurance benefits, manufacturer warranties, bank loans, or utility investment. If no funding
13 sources will be available for reimbursement of the utility reserve fund, the utility must ~~shall~~
14 either provide a statement describing how the utility reserve fund project(s) or timeline may be
15 modified to address the project funding needs without modifying the amount of the utility
16 reserve fund surcharge, or provide the information required in subsection (5), below, to
17 request a modification of the utility reserve fund surcharge.

18 (5) UTILITY RESERVE FUND MODIFICATIONS. A utility that must undertake a
19 project that was not anticipated when the utility reserve fund was created or that must make
20 significant modifications to a previously approved project may request a modification of the
21 utility reserve fund at any time following creation of the fund or in the utility's next rate
22 proceeding by filing the following information:

- 23 (a) A statement describing why the new project or modification of a previously
24 approved project is necessary, and whether the utility is requesting a change in the utility
25 reserve fund surcharge or only acknowledgement of the project modifications. If the new

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1 project or project modification is required by a governmental or regulatory agency, include a
2 copy of the rule, regulation, order, or other regulatory directive that requires the new project or
3 project modification; and,

4 (b) The information required in paragraph (2)(e) or (m), and paragraphs (f), (g), (h),
5 and (i), if the utility is requesting a change in the utility reserve fund surcharge. Also, if the
6 utility reserve fund is secured through an irrevocable letter of credit, the utility must ~~shall~~
7 provide an updated irrevocable letter of credit prior to implementation of the utility reserve
8 fund surcharge increase.

9 (6) FINAL DISPOSITION OF UTILITY RESERVE FUND.

10 (a) The utility reserve fund surcharge must ~~shall~~ be discontinued after all approved
11 eligible projects(s) have been completed, sufficient funds have been collected in the utility
12 reserve fund to cover the cost of the approved eligible project(s), and the final disbursement
13 has been made from the utility reserve fund. During the utility's next rate proceeding, the
14 utility's rate base, capital structure, operating expenses, and rates must ~~shall~~ be adjusted as
15 needed to reflect the completed projects. The amount of the new plant assets that are funded
16 through a utility reserve fund must ~~shall~~ be offset with an equal addition to contributions-in-
17 aid-of-construction.

18 (b) Any monies that remain in the utility reserve fund following the last disbursement
19 for the completed eligible project(s) must ~~shall~~ be refunded to the customers with interest in
20 accordance with Rule 25-30.360, F.A.C.

21 (c) All monies collected and held in the utility reserve fund should remain with the
22 utility regardless of any changes in utility ownership. If a utility's ownership changes through
23 a transfer or abandonment, the Commission will ~~shall~~ determine whether the utility reserve
24 fund should be continued as follows:

25 1. In the event that the utility's ownership changes through a transfer as provided in

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1 Rule 25-30.037, F.A.C., the transfer agreement must ~~shall~~ include provisions that state: that
2 the utility reserve fund will ~~shall~~ remain with the utility following the close of the sale; that the
3 seller must ~~shall~~ provide copies of all documents related to the utility reserve fund to the
4 buyer, including the approved capital improvement plan, financial records, and status reports;
5 whether the buyer requests to continue the utility reserve fund following the transfer; and
6 whether the buyer will assume responsibility for the escrow account or obtain an irrevocable
7 letter of credit to secure the utility reserve fund. If the buyer does not request to continue the
8 utility reserve fund or does not provide sufficient documentation to guarantee the continued
9 security of the utility reserve fund and compliance with the provisions set forth in this rule, all
10 monies held in the utility reserve fund must ~~shall~~ be refunded to the customers with interest in
11 accordance with Rule 25-30.360, F.A.C., and the utility reserve fund surcharge and utility
12 reserve fund must ~~shall~~ be discontinued. However, if the transfer of ownership is requested
13 pursuant to subsection 25-30.037(5), F.A.C., and will result in the transfer of ownership to an
14 exempt entity other than a governmental utility, the buyer will ~~shall~~ not be required to obtain
15 an escrow account or an irrevocable letter of credit.

16 2. In the event that the utility is abandoned as provided in Rule 25-30.090, F.A.C., all
17 monies held in the utility reserve fund and all documents related to the utility reserve fund
18 must ~~shall~~ remain with the utility and be turned over to the court-appointed receiver. If the
19 utility remains under Commission jurisdiction following the abandonment, the court-
20 appointed receiver must ~~shall~~ be responsible for managing the utility reserve fund in
21 accordance with this rule and all applicable Commission Orders.

22 (d) If the utility fails to follow through with the eligible project(s) covered by the
23 utility reserve fund or comply with the security, fund maintenance, or reporting requirements
24 set forth in this rule, the Commission will ~~shall~~ initiate a review of the utility reserve fund and
25 surcharge to determine whether the utility reserve fund and surcharge should be discontinued

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1 and whether all monies in the reserve fund should be refunded to the customers with interest
2 in accordance with Rule 25-30.360, F.A.C.
3 *Rulemaking Authority 350.127(2), 367.081(2)(c), 367.121 FS. Law Implemented*
4 *367.081(2)(c) FS. History—New 6-20-17, Amended_____.*
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1 **25-30.445 General Information and Instructions Required of Water and**
2 **Wastewater Utilities in an Application for a Limited Proceeding.**

3 (1) Each applicant for a limited proceeding must provide the following general
4 information to the Commission:

5 (a) The name of the applicant as it appears on the applicant’s certificate and the
6 address of the applicant’s principal place of business;:-

7 (b) The type of business organization under which the applicant’s operations are
8 conducted; if the applicant is a corporation, the date of incorporation; the names and addresses
9 of all persons who own 5 percent or more of the applicant’s stock; or the names and addresses
10 of the owners of the business;:-

11 (c) The number(s) of the Commission order(s), if any, in which the Commission most
12 recently considered the applicant’s rates for the system(s) involved;:-

13 (d) The address within the service area where the application is available for customer
14 inspection during the time the rate application is pending;:- and

15 (e) A statement signed by an officer of the utility that the utility will comply with the
16 noticing requirements in Rule 25-30.446, F.A.C.

17 (2) In a limited proceeding application:

18 (a) Each schedule must be cross-referenced to identify related schedules;:-

19 (b) Except for handwritten official company records, all data in the petition and
20 application must be typed;:- and

21 (c) The original and three copies must be filed with the Office of Commission Clerk.
22 The copies must be clearly labeled “COPY.” If the application is e-filed, the utility must
23 provide the required number of paper copies, clearly labeled “COPY,” to the Office of
24 Commission Clerk within seven calendar days after electronic filing.

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

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1 application.

2 (4) The following minimum filing requirements must be filed with the utility's
3 application for limited proceeding for a Class A or B water or wastewater utility:

4 (a) A detailed statement of the reason(s) why the limited proceeding has been
5 requested.

6 (b) If the limited proceeding is being requested to recover costs required by a
7 governmental or regulatory agency, provide the following:

8 1. A copy of any rule, regulation, order or other regulatory directive that has required
9 or will require the applicant to make the improvement or the investment for which the
10 applicant seeks recovery.

11 2. An estimate by a professional engineer, or other person, knowledgeable in design
12 and construction of water and wastewater plants, to establish the projected cost of the
13 applicant's investment and the period of time required for completion of construction.

14 (c) A schedule that provides the specific rate base components for which the utility
15 seeks recovery. Supporting detail must be provided for each item requested, including:

16 1. The actual or projected cost(s);

17 2. The date the item will be or is projected to be placed in service;

18 3. Any corresponding adjustments that are required as a result of adding or removing
19 the requested component(s) from rate base, which may include retirement entries; and,

20 4. Any other relevant supporting information.

21 (d) If the utility's application includes a request for recovery of plant in service,
22 accumulated depreciation and depreciation expense, supporting detail must be provided by
23 primary account as defined by the NARUC USOA Uniform System of Accounts, which are
24 incorporated by reference in ~~accordance with~~ Rule 25-30.1150, F.A.C.

25 (e) A calculation of the weighted average cost of capital must be provided for the most

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1 recent 12-month period, using the mid-point of the range of the last authorized rate of return
2 on equity, the current embedded cost of fixed-rate capital, the actual cost of short-term debt,
3 the actual cost of variable-cost debt, and the actual cost of other sources of capital which were
4 used in the last individual rate proceeding of the utility. If the utility does not have an
5 authorized rate of return on equity, the utility must use the current leverage formula pursuant
6 to Section 367.081(4)(f), F.S.

7 (f) If the utility is requesting recovery of operating expenses, the following information
8 must be provided:

- 9 1. A detailed description of the expense(s) requested;
- 10 2. The total cost by primary account pursuant to the NARUC Uniform System of
11 Accounts;
- 12 3. Supporting documentation or calculations; and,
- 13 4. Any allocations that are made between systems, affiliates or related parties. If
14 allocations are made, submit full detail that shows the total amount allocated, a description of
15 the basis of the allocation methodology, the allocation percentage applied to each allocated
16 cost, and the workpapers supporting the calculation of the allocation percentages.

17 (g) Calculations for all items that will create cost savings or revenue impacts from the
18 implementation of the requested cost recovery items.

19 (h) If the utility includes any other items where calculations are required, supporting
20 documentation must be filed that reflects the calculations or assumptions made.

21 (i) A calculation of the revenue increase including regulatory assessment fees and
22 income taxes, if appropriate.

23 (j) Annualized revenues for the most recent 12-month period using the rates in effect at
24 the time the utility files its application for limited proceeding and a schedule reflecting this
25 calculation by customer class and meter size.

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1 (k) A schedule of current and proposed rates for all classes of customers.

2 (l) Schedules for the most recent 12-month period showing that, without any increased
3 rates, the utility will earn below its authorized rate of return in accordance with Section
4 367.082, F.S. The schedules must consist of a rate base, net operating income and cost of
5 capital schedule with adjustments to reflect those consistent with the utility's last rate
6 proceeding.

7 (m) If the limited proceeding is being requested to change the current rate structure,
8 provide a copy of all workpapers and calculations used to calculate requested rates and
9 allocations between each customer class. The test year must be the most recent 12-month
10 period. In addition, the following schedules from Form PSC 1028 (12/20), entitled "Class A
11 Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum Filing
12 Requirements," ~~which is~~ incorporated by reference in Rule 25-30.437, F.A.C., must be
13 provided:-

14 1. Schedule E-2, entitled "Revenue Schedule at Present and Proposed Rates."

15 2. Schedule E-14, entitled "Billing Analysis Schedules." Only an original and one copy
16 is required.

17 (n) Revised tariff sheets should not be filed with the application.

18 (o) A water utility's application for limited proceeding must also include:

19 1. A copy of all customer complaints that the utility has received regarding DEP
20 secondary water quality standards during the past five years; and,

21 2. A copy of the utility's most recent secondary water quality standards test results.

22 (5) In addition to the requirements stated in subsections (1) through (3), the following
23 minimum filing requirements must be filed with the utility's application for limited
24 proceeding for a Class C water or wastewater utility:

25 (a) A detailed statement of the reason(s) why the limited proceeding has been

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1 requested.

2 (b) If the limited proceeding is being requested to recover costs required by a
3 governmental or regulatory agency, provide a copy of any rule, regulation, order or other
4 regulatory directive that has required or will require the applicant to make the improvement or
5 the investment for which the applicant seeks recovery.

6 (c) A schedule that provides the specific rate base components for which the utility
7 seeks recovery, if known. Supporting detail must be provided for each item requested,
8 including:

9 1. The actual or projected cost(s);

10 2. The date the item will be or is projected to be placed in service;

11 3. Any corresponding adjustments, if known, that are required as a result of adding or
12 removing the requested component(s) from rate base, which may include retirement entries;
13 and;

14 4. Any other relevant supporting information, if known.

15 (d) If the utility is requesting recovery of operating expenses, provide an itemized
16 description of the expense(s), including the cost and any available supporting documentation
17 or calculations.

18 (e) Provide a description of any known items that will create cost savings or revenue
19 impacts from the implementation of the requested cost recovery items.

20 (f) A calculation of the revenue increase including regulatory assessment fees and
21 income taxes, if applicable.

22 (g) Annualized revenues for the most recent 12-month period using the rates in effect
23 at the time the utility files its application for limited proceeding and a schedule reflecting this
24 calculation by customer class and meter size.

25 (h) A Class C water utility's application for limited proceeding must also include:

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- 1 1. A copy of all customer complaints that the utility has received regarding DEP
2 secondary water quality standards during the past five years; and,
3 2. A copy of the utility’s most recent secondary water quality standards test results.
4 (6) A limited proceeding will not be allowed if:
5 (a) The utility’s filing includes more than six separate projects for which recovery is
6 sought. Corresponding adjustments for a given project are not subject to the above limitation;
7 (b) The requested rate increase exceeds 30 percent;
8 (c) The utility has not had a rate case within seven years of the date the petition for
9 limited proceeding is filed with the Commission; or
10 (d) The limited proceeding is filed as the result of the complete elimination of either
11 the water or wastewater treatment process.
12 (7) The utility must provide a statement in its filing to the Commission that addresses
13 whether the utility’s rate base has declined or whether any expense recovery sought by the
14 utility is offset by customer growth since its most recent rate proceeding or will be offset by
15 future customer growth expected to occur within one year of the date new rates are
16 implemented.

17 *Rulemaking Authority 350.127(2), 367.121(1)(a) FS. Law Implemented 367.081, 367.0812,*
18 *367.0822, 367.121(1)(a), 367.145(2) FS. History—New 3-1-04, Amended 5-30-17, 5-16-22,*
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