

FLORIDA PUBLIC SERVICE COMMISSION

DIVISION OF APPEALS

DOCKET NO. 960258-WS

RULE NO: RULE TITLE:

25-30.431 Used and Useful Consideration Margin Reserve

NOTICE OF CHANGE

Notice is hereby given that the following change have been made to the proposed rule in accordance with subparagraph 120.54(3)(d)1., F.S., published in Volume 23, No. 27, July 3, 1997, issue of the Florida Administrative Weekly:

25-30.431 Used and Useful Consideration Margin Reserve

(1) ~~"Margin reserve" is defined as the amount of plant capacity needed to preserve and protect the ability of utility facilities to serve existing and future customers in an economically feasible manner that will preclude a deterioration in quality of service and prevent adverse environmental and health effects.~~

(2) ~~"Margin reserve period" is defined as the time period needed to install the next economically feasible increment of plant capacity.~~

AFA _____ (3) ~~Margin reserve is an acknowledged component of the used~~
APP _____
CAF _____ and ~~useful rate base determination that when requested and~~
CMU _____
CTR _____ justified shall be included in rate cases filed pursuant to section

LEG _____
MAS _____ 367.081, Florida Statutes.
OPC _____

PAI _____ (4) ~~Unless otherwise justified, the margin reserve period for~~
SEC 1
WAW _____
OTH _____

DOCUMENT NUMBER-DATE

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REGISTRATION REPORTING

~~water source and treatment facilities and wastewater treatment and effluent disposal facilities will be 18 months.~~ In determining whether property is needed to serve customers more than five full years after the end of the test period as provided by section 367.081(2)(a)2.c., Florida Statutes (1999) ~~another margin reserve period is justified~~, the Commission shall consider the rate of growth in the number of equivalent residential connections (ERCs); the time needed to meet the guidelines of the Department of Environmental Protection (DEP) for planning, designing, and construction of plant expansion; and the technical and economic options available for sizing increments of plant expansion.

~~(2)(5)(a) Property needed to serve customers after the end of the test year~~ Margin reserve for water source and treatment facilities and wastewater treatment and effluent disposal facilities shall be calculated as follows:

$$EG \times \text{PTMP} \times D = \text{PNMR}$$

where:

EG = Equivalent Annual Growth in ERCs determined pursuant to (b) or (c) below, not to exceed 5 percent per year

PTMP = Post Test Year Margin Reserve Period determined pursuant to section 367.081(2)(a)2.b. and c., Florida Statutes (1999) ~~subsection (4)~~

UD = Unit of measurement utilized Demand per ERC
~~(customer demand applied in the used and useful~~

calculations for plant components ~~water and
wastewater facilities~~)

PNMR = Property needed Margin reserve expressed in the
units of measurement utilized gallons per day
(GPD)

(b) The equivalent annual growth in ERCs (EG) is measured in terms of the projected annual growth and shall be calculated in Schedules F-9 and F-10 of Form PSC/WAW 19 for Class A utilities and Form PSC/WAW 20 for Class B utilities, incorporated by reference in Rule 25-30.437.

(c) The utility shall also submit a linear regression analysis using average ERCs for the last 5 years. The utility may submit other information that will affect growth in ERCs.

~~(3)(6)~~ As part of its application filed pursuant to Rule 25-30.437, the utility shall submit its most recent wastewater capacity analysis report, if any, filed with DEP.

~~(7) Contributions in aid of construction (CIAC) shall be imputed when a margin reserve is authorized. The amount of imputed CIAC shall be determined based on 50 percent of the number of ERCs included in the margin reserve period and the projected CIAC that will be collected from those ERCs. However, the imputed CIAC shall not exceed the rate base component associated with margin reserve.~~

Specific Authority: 367.121, F.S.

Law Implemented: 367.081(2)(a)2.b.c., F.S.

History--New _____.