

STATE OF FLORIDA



COMMISSIONERS:  
ART GRAHAM, CHAIRMAN  
JULIE I. BROWN  
DONALD J. POLMANN  
GARY F. CLARK  
ANDREW GILES FAY

OFFICE OF THE GENERAL COUNSEL  
KEITH C. HETRICK  
GENERAL COUNSEL  
(850) 413-6199

# Public Service Commission

June 14, 2019

Kenneth J. Plante, Coordinator  
Joint Administrative Procedures Committee  
Room 680, Pepper Building  
111 W. Madison Street  
Tallahassee, FL 32399-1400

HAND DELIVERY

**Re: Docket No. 20180143; Rule 25-6.0426, F.A.C., Recovery of Economic Development Expenses .**

Dear Mr. Plante:

Enclosed are the following materials concerning the above referenced proposed rule:

1. A copy of the proposed rule.
2. There are no materials incorporated by reference.
3. A copy of the F.A.R. notice.
4. A statement of facts and circumstances justifying the proposed rule.
5. A federal standards statement.
6. Statement of Estimated Regulatory Costs for the rule.

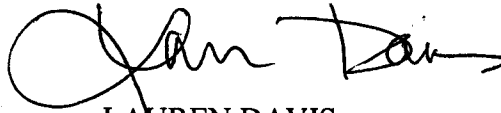
RECEIVED-FPSC  
2019 JUN 14 PM 1:06  
COMMISSION CLERK

RECEIVED  
2019 JUN 14 AM 11:33  
JOINT ADMINISTRATIVE PROCEDURES COMMITTEE

Mr. Kenneth J. Plante  
June 14, 2019  
Page 2

If there are any questions with respect to this rule, please do not hesitate to call me at 413-6856.

Sincerely,

A handwritten signature in black ink, appearing to read "Lauren Davis", with a large, stylized initial "L" and a long horizontal flourish extending to the right.

LAUREN DAVIS  
Senior Attorney

Enclosures

cc: Office of Commission Clerk

1     **25-6.0426 Recovery of Economic Development Expenses.**

2     (1) Pursuant to Section 288.035, F.S., the Commission shall allow a public utility to  
3 recover reasonable economic development expenses subject to the limitations contained in  
4 subsections (3) and (4), provided that such expenses are prudently incurred and are consistent  
5 with the criteria established in subsection (7).

6     (2) Definitions.

7     (a) "Economic Development" means those activities designed to improve the quality of  
8 life for all Floridians by building an economy characterized by higher personal income, better  
9 employment opportunities, and improved business access to domestic and international  
10 markets.

11     (b) "Economic development organization" means a state, local, or regional public or  
12 private entity within Florida that engages in economic development activities, such as city and  
13 county economic development organizations, chambers of commerce, Enterprise Florida, the  
14 Florida Economic Development Council, and World Trade Councils.

15     (c) "Trade show" means an exhibition at which companies, organizations, communities, or  
16 states advertise or display their products or services, in which economic development  
17 organizations attend or participate to identify potential industrial prospects, to provide  
18 information about the locational advantages of Florida and its communities, or to promote the  
19 goods and services of Florida companies.

20     (d) "Prospecting mission" means a series of meetings with potential industrial prospects at  
21 their business locations with the objectives of convincing the prospect that Florida is a good  
22 place to do business and offers unique opportunities for that particular business, and  
23 encouraging the prospect to commit to a visit to Florida if a locational search is pending or in  
24 progress.

25     (e) "Strategic plan" means a long-range guide for the economic development of a

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

1 community or state that focuses on broad priority issues, is growth-oriented, is concerned with  
2 fundamental change, and is designed to develop and capitalize on new opportunities.

3 (f) "Recruitment" means active efforts to encourage specific companies to expand or begin  
4 operations within Florida.

5 (3) Prior to each utility's next rate change enumerated in subsection (6), the amounts  
6 reported for surveillance reports and earnings review calculations shall be limited to the  
7 greater of:

8 (a) The amount and level of sharing approved in each utility's last rate case escalated for  
9 customer growth since that time, or

10 (b) 95 percent of the total economic development expenses incurred for the reporting  
11 period so long as the total economic development expenses do such does not exceed the  
12 greater lesser of 0.225 0.15 percent of jurisdictional gross annual revenues or \$103 million.

13 The level of sharing for such economic development expenses that exceed \$10 million shall be  
14 93 percent.

15 (4) At the time of each utility's next rate case and for subsequent rate proceedings  
16 enumerated in subsection (6) the Commission will determine the level of sharing of prudent  
17 economic development costs and the future treatment of these expenses for surveillance  
18 purposes.

19 (5) Each utility shall report its total economic development expenses as a separate line  
20 item on its income statement schedules filed with the earnings surveillance report required by  
21 Rule 25-6.1352, F.A.C. Each utility shall make a line item adjustment on its income statement  
22 schedule to remove the appropriate percentage of economic development expenses incurred  
23 for the reported period consistent with subsections (3) and (4).

24 (6) Requests for changes relating to recovery of economic development expenses shall be  
25 considered only in the context of a full revenue requirements rate case or in a limited scope

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

1 proceeding for the individual utility.

2 (7) All financial support for economic development activities given by public utilities to  
3 state and local governments and organizations shall be pursuant to a prior written agreement.

4 Recoverable economic development expenses shall be limited to the following:

5 (a) Expenditures for operational assistance, including:

6 1. Planning, attending, and participating in trade shows;

7 2. Planning, conducting, and participating in prospecting missions designed to encourage  
8 the location in Florida of domestic and foreign companies;

9 3. Providing financial support to economic development organizations to assist with their  
10 economic development operations;

11 4. Providing financial support to economic development programs or initiatives identified  
12 or developed by Enterprise Florida, Inc.;

13 5. Participating in joint economic development efforts, including public-private  
14 partnerships, consortia, and multi-county regional initiatives;

15 6. Participating in downtown revitalization and rural community developmental programs.

16 7. Supporting state and local efforts to promote small and minority-owned business  
17 development efforts; and

18 8. Supporting state and local efforts to promote business retention and expansion activities.

19 (b) Expenditures for assisting state and local governments in the design of strategic plans  
20 for economic development activities, including:

21 1. Making financial contributions to state and local governments to assist strategic  
22 planning efforts; and

23 2. Providing technical assistance, data, computer programming, and financial support to  
24 state and local governments in the design and maintenance of information systems used in  
25 strategic planning activities.

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

- 1 (c) Expenditures of marketing and research services, including;
- 2 1. Assisting state and local governments and economic development organizations in
- 3 marketing specific sites for business and industry development or recruitment;
- 4 2. Assisting state and local governments and economic development organizations in
- 5 responding to inquiries from business and industry concerning the development of specific
- 6 sites within the utility's service area;
- 7 3. Providing technical assistance, data, computer programming, and financial support to
- 8 state and local governments in the design and maintenance of geographic information systems,
- 9 computer networks, and other systems used in marketing and research activities;
- 10 4. Providing financial support to economic development organizations to assist with their
- 11 research and marketing activities;
- 12 5. Sponsoring publications, conducting direct mail campaigns, and providing advertising
- 13 support for state and local economic development efforts;
- 14 6. Participating in cooperative marketing efforts with economic development
- 15 organizations;
- 16 7. Helping state and local businesses identify suppliers, markets, and sources of financial
- 17 assistance;
- 18 8. Helping economic development organizations identify specific industries and
- 19 companies for targeting and recruitment;
- 20 9. Working with economic development organizations to identify businesses in need of
- 21 help for expansion, going out of business, or at risk of leaving the area;
- 22 10. Providing site and facility selection assistance, including lists of commercial or
- 23 industrial sites, computer databases, toll-free telephone numbers, maps, photographs, videos,
- 24 and other activities in cooperation with economic development organizations; and
- 25 11. Supporting state and local efforts to promote exports of goods and services, and other

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

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

international business activities.

*Rulemaking Authority 288.035(3), 350.127(2) FS. Law Implemented 288.035 FS. History—  
New 7-17-95, Amended 6-2-98, 9-25-00, \_\_\_\_\_*

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

Notice of Proposed Rule

PUBLIC SERVICE COMMISSION

SELECT A TYPE: amendment

RULE NO: RULE TITLE:

25-6.0426 Recovery of Economic Development Expenses

PURPOSE AND EFFECT: To amend the rule to increase the amount of reportable economic development expenses for surveillance reports and earnings reviews, to establish the level of sharing for amounts that exceed \$10 million, and to clarify the rule.

Docket No. 20180143-EI

SUMMARY: Paragraph (3)(b) of the rule has been amended to increase the amount of reportable total economic development expenses allowable under the rule for surveillance reports and earnings review to 95 percent of the total economic development expenses incurred for the reporting period so long as the total economic development expenses do not exceed the greater of 0.225 percent of jurisdictional gross annual revenues or \$10 million. Paragraph (3)(b) has also been amended to establish a 93 percent level of sharing for such economic development expenses that exceed \$10 million. Subsection (3) has further been amended to clarify the rule.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION: The agency has determined that this amendment will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has been prepared by the agency. The SERC examined the factors required by Section 120.541(2), FS, and concluded that the rule amendments will not have an adverse impact on economic growth, business competitiveness, or small business and that there would not likely be an increase in transactional costs to the individual and entities, including government entities, required to comply with the rule.

The agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: based upon the information contained in the SERC.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

RULEMAKING AUTHORITY: 288.035(3), 350.127(2), FS.

LAW IMPLEMENTED: 288.035, FS.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAR.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Lauren Davis, Office of General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, (850)413-6199, [ladavis@psc.state.fl.us](mailto:ladavis@psc.state.fl.us).

THE FULL TEXT OF THE PROPOSED RULE IS: [TYPE AND STRIKE VERSION]

25-6.0426 Recovery of Economic Development Expenses.

(1) Pursuant to Section 288.035, F.S., the Commission shall allow a public utility to recover reasonable economic development expenses subject to the limitations contained in subsections (3) and (4), provided that such expenses are prudently incurred and are consistent with the criteria established in subsection (7).

(2) No change.

(3) Prior to each utility's next rate change enumerated in subsection (6), the amounts reported for surveillance reports and earnings review calculations shall be limited to the greater of:

(a) The amount and level of sharing approved in each utility's last rate case escalated for customer growth since that time, or

(b) 95 percent of the total economic development expenses incurred for the reporting period so long as



the total economic development expenses do such does not exceed the greater lesser of 0.225 0.15 percent of jurisdictional gross annual revenues or \$103 million. The level of sharing for such economic development expenses that exceed \$10 million shall be 93 percent.

(4) through (7) No change.

*Rulemaking Authority 288.035(3), 350.127(2) FS. Law Implemented 288.035 FS. History—New 7-17-95, Amended 6-2-98, 9-25-00,\_\_\_\_\_.*

NAME OF PERSON ORIGINATING PROPOSED RULE: Samantha Cibula

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Florida Public Service Commission

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: June 11, 2019

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: Volume 44, Number 175, September 7, 2018

STATEMENT OF FACTS AND CIRCUMSTANCES  
JUSTIFYING RULE

Rule 25-6.0426, F.A.C., addresses the recovery of economic development expenses for public electric utilities. The current version of the rule was last amended in 1995 and does not account for inflation or company growth. The amended rule not only accounts for inflation since 1995, but also enhances electric utilities' ability to promote economic progress and industry expansion. The rule amendments are also necessary to clarify ambiguous language in the rule.

STATEMENT ON FEDERAL STANDARDS

There are no federal standards for this rule.

State of Florida



# Public Service Commission

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

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

---

**DATE:** April 16, 2019

**TO:** Lauren Davis, Senior Attorney, Office of the General Counsel

**FROM:** Sevini K. Guffey, Public Utility Analyst II, Division of Economics *S.K.G.*

**RE:** Docket No. 20180143-EI: Petition to initiate rulemaking to revise and amend portions of Rule 25-6.0426, F.A.C., Recovery of Economic Development Expenses, by Florida Power & Light Company, Gulf Power Company, and Tampa Electric Company.  
**Statement of Estimated Regulatory Costs (SERC) for Proposed Amendments to Rule 25-6.0426, F.A.C.**

---

Current Rule 25-6.0426, F.A.C., Recovery of Economic Development Expenses, applicable to investor-owned electric utilities, limits each utility's recoverable economic development expenses between rate cases to the greater of: (a) the amount approved in each utility's last rate case escalated for customer growth, or (b) 95 percent of the expenses incurred for the reporting period not to exceed the lesser of 0.15 percent of gross annual revenues or \$3 million.

On July 30, 2018, Florida Power & Light Company, Gulf Power Company, and Tampa Electric Company (collectively, petitioners) filed a joint petition to initiate rulemaking to amend Rule 25-6.0426, F.A.C. The petitioners requested that Rule 25-6.0426(3)(b), F.A.C., be revised to change the annual cap to the greater of 0.15 percent of gross annual revenues, rather than the lesser of 0.15 percent of gross annual revenues, or \$3 million. The petitioners also requested that the current limitation to 0.15 percent of gross annual revenues should increase to 0.175 percent in 2020, 0.2 percent in 2021, 0.225 percent in 2022, and 0.25 percent in 2023 and beyond.

A noticed workshop to solicit input on the requested rule revisions and alternatives presented by staff was conducted by Commission staff on January 16, 2019. Prior to the workshop, staff provided the utilities questions to be addressed at the workshop. Additionally, the utilities and the Office of Public Counsel submitted post-workshop written comments on February 15 and on February 18, 2019. Information provided in the petition, responses to data requests, comments that either were received during the workshop or were filed subsequently were incorporated into staff's recommended rule revisions. Specifically, Commission staff recommends that the Commission propose the following revisions to subsection (3) of Rule 25-6.0426, F.A.C.:

(a) The amount and level of sharing approved in each utility's last rate case escalated for customer growth since that time, or

(b) 95 percent of the total economic development expenses incurred for the reporting period so long as ~~such does~~ the total economic development expenses do not exceed the ~~lesser-greater~~ of 0.15 percent of jurisdictional gross annual revenues or ~~\$3-million~~ \$5 million.

Staff's amendments to subsection (3) of Rule 25-6.0426, F.A.C., are being recommended to allow for an increase in economic development spending. On March 7, 2019, staff issued a SERC data request to the petitioners and other investor-owned electric utilities for which responses were received on March 14, 2019.

The attached SERC addresses the considerations required pursuant to Section 120.541, Florida Statutes (F.S.). None of the impact/cost criteria established in paragraph 120.541(2)(a), F.S., will be exceeded as a result of the recommended revision. Specifically, the SERC concludes that the rule will not likely directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate in Florida within one year after implementation. Further, the SERC concludes that the rule will not likely have an adverse impact on economic growth, private sector job creation or employment, private sector investment, business competitiveness, productivity, or innovation in excess of \$1 million in the aggregate within five years of implementation. Thus, the rule does not require legislative ratification pursuant to Section 120.541(3), F.S. In addition, the SERC states that the rule will not have an adverse impact on small business and will have no impact on small cities or counties. No regulatory alternatives were submitted to staff's proposed rule revisions pursuant to paragraph 120.541(1)(a), F.S.

cc: SERC File

FLORIDA PUBLIC SERVICE COMMISSION  
STATEMENT OF ESTIMATED REGULATORY COSTS  
Rule 25-6.0426, F.A.C.

1. Will the proposed rule have an adverse impact on small business? [120.541(1)(b), F.S.] (See Section E., below, for definition of small business.)

Yes

No

If the answer to Question 1 is "yes", see comments in Section E.

2. Is the proposed rule likely to directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate in this state within 1 year after implementation of the rule? [120.541(1)(b), F.S.]

Yes

No

If the answer to either question above is "yes", a Statement of Estimated Regulatory Costs (SERC) must be prepared. The SERC shall include an economic analysis showing:

A. Whether the rule directly or indirectly:

(1) Is likely to have an adverse impact on any of the following in excess of \$1 million in the aggregate within 5 years after implementation of the rule? [120.541(2)(a)1, F.S.]

Economic growth

Yes  No

Private-sector job creation or employment

Yes  No

Private-sector investment

Yes  No

(2) Is likely to have an adverse impact on any of the following in excess of \$1 million in the aggregate within 5 years after implementation of the rule? [120.541(2)(a)2, F.S.]

Business competitiveness (including the ability of persons doing business in the state to compete with persons doing business in other states or domestic markets)

Yes  No

Productivity

Yes  No

Innovation

Yes  No

(3) Is likely to increase regulatory costs, including any transactional costs, in excess of \$1 million in the aggregate within 5 years after the implementation of the rule? [120.541(2)(a)3, F.S.]

Yes

No

The recommended rule revisions are not likely to increase regulatory cost; they only provide the utilities with an opportunity to increase their allowable economic development expenses reported for surveillance reports pursuant to subsection (3)(b) of Rule 25-6.0426, F.A.C.

Staff submitted a SERC data request to the utilities the rule revisions apply to. Based upon the information provided in the response to the data request, staff believes that none of the impact/cost criteria established in Section 120.541(2)(a), F.S., will be exceeded as a result of the recommended revisions.

B. A good faith estimate of: [120.541(2)(b), F.S.]

(1) The number of individuals and entities likely to be required to comply with the rule.

This rule is applicable to the five investor-owned electric utilities. The recommended rule revisions do not impose any new requirements on the electric utilities; they only provide the utilities with an opportunity to increase their allowable economic development expenses reported for surveillance reports pursuant to subsection (3)(b) of Rule 25-6.0426, F.A.C.

(2) A general description of the types of individuals likely to be affected by the rule.

The potentially affected entities include five investor-owned utilities in Florida and their retail customers, which includes residential, commercial, and industrial customers. The responses to staff's SERC data request indicate that Florida's economy as a whole could benefit from the proposed rule revisions.

Specifically, FPL stated that its Office of Economic Development has worked with 160 companies pledging to create over 28,000 jobs. From 2012-2017, FPL contends that its economic development efforts have resulted in more than \$84 billion in positive economic impact in Florida with capital investment in the 35 counties served by FPL. This has resulted in \$44 billion impact on Florida's Gross Regional Production; (1) employment impact of 220,000 full-time jobs (direct, indirect and induced), and an additional 281,724 construction jobs, (2) over \$25 billion labor income, and (3) approximately \$2.8 billion in additional state and local taxes.

Gulf Power, in its responses to staff's SERC data request, stated that the company anticipates the draft rule amendments will enable the company to develop programs to enhance workforce readiness, increase national and international awareness and branding, and certify new commercial and industrial sites. These programs would

enhance Florida's ability to attract and retain new and existing businesses with the goal of increasing economic growth, private sector job creation, and investment, while placing downward pressure on rates for all customers.

TECO also stated that the draft rule would benefit Florida's economic growth, private sector job creation and investment.

C. A good faith estimate of: [120.541(2)(c), F.S.]

(1) The cost to the Commission to implement and enforce the rule.

- None. To be done with the current workload and existing staff.
- Minimal. Provide a brief explanation.
- Other. Provide an explanation for estimate and methodology used.

(2) The cost to any other state and local government entity to implement and enforce the rule.

- None. The rule will only affect the Commission.
- Minimal. Provide a brief explanation.
- Other. Provide an explanation for estimate and methodology used.

(3) Any anticipated effect on state or local revenues.

- None.
- Minimal. Provide a brief explanation.
- Other. Provide an explanation for estimate and methodology used.

In response to staff's SERC data request, FPL stated that its economic activities have resulted in approximately \$2.8 billion in additional state and local taxes. FPL further stated that the utility anticipates an increased level of funding for the promotion of economic development would allow FPL to continue to contribute to the development of a greater tax base in the future.

Gulf Power, in its responses to staff's SERC data request, stated the company believes as the economy grows through economic development activities, state and local tax revenues should also increase. As new and expanding customer

base grows, franchise fee revenues remitted to local governments would also increase. TECO stated that the draft rule would benefit Florida's economic growth, private sector job creation, and investment.

D. A good faith estimate of the transactional costs likely to be incurred by individuals and entities (including local government entities) required to comply with the requirements of the rule. "Transactional costs" include filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used, procedures required to be employed in complying with the rule, additional operating costs incurred, the cost of monitoring or reporting, and any other costs necessary to comply with the rule.

[120.541(2)(d), F.S.]

- None. The rule will only affect the Commission.
- Minimal.
- Other. Provide an explanation for estimate and methodology used.

The recommended rule revisions are not likely to increase transactional costs; they only provide the utilities with an opportunity to increase their allowable economic development expenses reported for surveillance reports pursuant to subsection (3)(b) of Rule 25-6.0426, F.A.C.

E. An analysis of the impact on small businesses, and small counties and small cities:  
[120.541(2)(e), F.S.]

(1) "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.

- No adverse impact on small business.
- Minimal. Provide a brief explanation.
- Other. Provide an explanation for estimate and methodology used.

In response to staff's SERC data request, FPL stated that supporting small businesses is a focus of FPL's economic development program. FPL, via its website offers Small Business Tool which is designed specifically for small businesses providing market intelligence for every business in Florida. Additionally, the tool provides assistance in (1) writing a business plan, (2)



identifying new customers, (3) identifying new locations for expansion, and (4) targeted advertising efforts to maximize market penetration. FPL also partners with Florida's Small business Development Network known as SCORE, University of Central Florida's GrowFL, and Prospera, an economic development non-profit organization for minority entrepreneurs.

In response to staff's SERC data request, Gulf Power stated that it is of the opinion that small businesses and other customers will benefit by the rule amendments. Although the proposed rule amendments would result in modest utility bill increases, over time, Gulf believes that benefits associated with such expenditures, both for new and existing businesses will far outweigh the costs.

(2) A "Small City" is defined by Section 120.52, F.S., as any municipality that has an unincarcerated population of 10,000 or less according to the most recent decennial census. A "small county" is defined by Section 120.52, F.S., as any county that has an unincarcerated population of 75,000 or less according to the most recent decennial census.

- No impact on small cities or small counties.
- Minimal. Provide a brief explanation.
- Other. Provide an explanation for estimate and methodology used.

The impact on "small cities" and "small counties" as defined by Section 120.52, F.S., is difficult to estimate. However, any additional economic development activities may benefit small cities and small counties.

F. Any additional information that the Commission determines may be useful.  
[120.541(2)(f), F.S.]

- None.

In response to staff's SERC data request, FPL stated that the modifications to Rule 25-6.0426, F.A.C., will encourage utilities to promote new economic development investment, will expand Florida's economic base, allow utilities to conduct additional outreach, and continue to build a sustainable pipeline for potential new projects. FPL also contends that modifications to the rule are anticipated to yield increased economic development benefits to the state.

Staff submitted a data request to the utilities regarding potential bill impacts of the proposed rule revisions. While the utilities provided calculations of estimated bill impacts, it is important to note that the utilities stated that adding new load will mitigate future bill increases by spreading fixed costs over a larger customer

base and, therefore, will be beneficial to all customers by placing downward pressure on utility rates determined in a rate case. Furthermore, the five investor-owned utilities are currently under rate case settlements and any increased economic development spending would not impact base rates for the duration of the settlements.

The estimated monthly bill impacts calculated by the utilities, as shown in Table 1 below, assume the utilities' economic development expenses are at the cap and do not consider any offsetting larger customer base. Finally, staff notes that the proposed rule revisions address economic development expenses reported for surveillance reports pursuant to subsection (3)(b) of Rule 25-6.0426, F.A.C. Subsections (4) and (6) of Rule 25-6.0426, F.A.C., provide for the Commission to determine the level of sharing, future treatment of economic development expenses, and potential changes related to the recovery of economic development expenses in the context of a rate case.

Table 1  
Estimated Monthly Bill Impacts

Electric IOU	Residential 1,000 kWh	Small Commercial 1,500 kWh
FPL	\$0.12	\$0.18
DEF	\$0.20	\$0.28
Gulf	\$0.24	\$0.36
TECO	\$0.13	\$0.19
FPUC	No impact	No impact

Source: Responses to Staff's First SERC Data Request

G. A description of any regulatory alternatives submitted and a statement adopting the alternative or a statement of the reasons for rejecting the alternative in favor of the proposed rule. [120.541(2)(g), F.S.]

- No regulatory alternatives were submitted.
- A regulatory alternative was received from FPSC staff and is attached to the SERC memorandum.
  - Adopted in its entirety.
  - Rejected. Describe what alternative was rejected and provide a statement of the reason for rejecting that alternative.

Note: No regulatory alternatives were submitted to staff's proposed rule revisions pursuant to paragraph 120.541(1)(a), F.S.