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Public Service Commission

January 28, 2002

Mr. Carroll Webb
Joint Administrative Procedures Committee
Room 120 Holland Building
Tallahassee, FL 32399-1300

RE: Docket No. 011495-WS - Proposed Adoption of rule 25-30.4705, F.A.C., Calculation of Rate Reduction After Rate Case Expense is Amortized

Dear Mr. Webb:

The Commission has approved the adoption the new Rule 25-30.4705 without changes.

We plan to file the rule for adoption on February 4, 2002.

Sincerely,

Samantha M. Cibula
Senior Attorney

DOCUMENT NUMBER-DATE
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FPSC-COMM/MISSION CLERK

AUS _____ ADT4705.SMC
CAF _____ Enclosure
CMP _____ ec: Division of the Commission Clerk
COM _____ and Administrative Services
CTR _____
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OPC _____
MMS _____
SEC _____
OTH _____

1 25-30.4705 Calculation of Rate Reduction After Rate Case Expense is
2 Amortized

3 To calculate the rate reduction to be made four years after a
4 rate case as required by section 367.0816, F.S., the following
5 methodology shall be used. The annual amount of rate case expense,
6 which is equal to one-fourth of the total allowed rate case
7 expense, shall be divided by the regulatory assessment fee gross up
8 factor. The resulting number shall then be divided by the revenue
9 requirement to determine the percentage of the rate reduction. The
10 percentage is then multiplied against the new rates to determine
11 the amount of the future rate reduction. Revised tariff sheets
12 implementing the reduction shall be filed no later than one month
13 before the end of the fourth year.

14 Specific Authority: 350.127(2), 367.121, F.S.

15 Law Implemented: 367.0816, 367.121, F.S.

16 History: New / /

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