

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 19, 2013
TO: All Gas Utilities, Gas Municipals, and Gas Districts in Florida
FROM: William B. McNulty, Economic Analyst, Division of Economic Regulation *WBM*
RE: Data Request Regarding Draft Rule 25-7.0391, F.A.C., and Draft Amendment of Rule 25-22.0406, F.A.C.

In compliance with Section 120.541, Florida Statutes, the Florida Public Service Commission staff is in the process of preparing a Statement of Estimated Regulatory Cost (SERC) for rule development pertaining to Draft Rule 25-7.0391, F.A.C., Petition for a Limited Proceeding, and Draft Amendment of Rule 25-22.0406, F.A.C., Notice and Public Information on General Rate Increase Requests by Electric, Gas, and Telephone Companies. The draft rule changes are attached, shown in "strike and replace" format.

In that regard, staff is collecting information related to expected impacts of the draft rule changes on gas utilities, gas municipals, and gas districts in Florida. Please respond to the data requests (2 pages, Items 1-3) attached to this letter by Friday, May 3, 2013. Responses should be sent to bmcnulty@psc.state.fl.us or faxed to 850-413-6849. Please direct any questions to Bill McNulty, Division of Economics, at (850)413-6848. Your assistance in this matter is greatly appreciated.

Attachments (2)

cc: Kathryn Cowdery, Office of the General Counsel
Pamela Page, Office of the General Counsel
Marshall Willis, Division of Accounting and Finance
Tom Ballinger, Division of Engineering
Jim Dean, Division of Economics

DOCUMENT NUMBER-DATE

02077 APR 19 2013

FPSC-COMMISSION CLERK

FPSC Staff Data Requests To Gas Utilities, Gas Municipals, and Gas Districts
RE: Draft Rule 25-7.0391, F.A.C., and Amendment to Rule 25-22.0406, F.A.C.
Date Requests Issued: April 19, 2013
Date Responses Due: May 3, 2013
Send Responses To: bmcnulty@psc.state.fl.us or fax to 850-413-6849

Company Name: _____
Contact Person: _____
Contact Phone: _____

1. Estimated Expense and Investment Impacts:
 - A. For each of the draft rules, what is the Company’s estimated net annual incremental expense (i.e. annual incremental expense net of any annual incremental savings) and additional investment due to the draft rule changes, if the draft rule changes are approved? See Table 1.
 - B. Please provide a brief explanation of any estimated increase or decrease in business expense greater than \$500 per year and any increase in investment greater than \$1,000 for each of the draft rule changes if the draft rules changes are approved. See Table 1.

<u>Table 1. Estimated Expense and Investment Impacts of Draft Rule Changes</u>					
A	B	C	D	E	F
<u>Draft Rule</u>	<u>Annual Incremental Expense (if any)</u>	<u>Annual Incremental Savings (if any)</u>	<u>Net Incremental Expense (B-C)</u>	<u>Additional Investment (if any)</u>	<u>Explanation (if applicable – see B. above; attach extra page as necessary)</u>
Subparagraphs 25-7.0391(1)-(5)					
Subparagraphs 25-22.0406(2)(a)-(c)					
Subparagraph 25-22.0406(2)(d)					
Subparagraphs 25-22.0406(2)(e)-(f)					
Subparagraph 25-22.0406(3)					
Subparagraphs 25-22.0406(4)-(8)					

FPSC Staff Data Requests To Gas Utilities, Gas Municipals, and Gas Districts
RE: Draft Rule 25-7.0391, F.A.C., and Amendment to Rule 25-22.0406, F.A.C.

Company Name: _____

2. A. What does the Company believe would be the likely impact of Draft Rule 25-7.0391, F.A.C., on small businesses (see note) operating in its service territory for the five year period following the adoption of the rule? _____

B. What does the Company believe would be the likely impact of Draft Rule 25-22.0406, F.A.C., on small businesses operating in its service territory for the five year period following the adoption of the rule? ? _____

(Note: According to Paragraph 288.703(6), F.S. - "Small business" means 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 applicable to sole proprietorships, the \$5 million net worth requirement shall include both personal and business investments.)

3. A. What does the Company believe would be the likely impact of Draft Rule 25-7.0391, F.A.C., on small counties and cities (see note) operating in its service territory for the five year period following the adoption of the rule? _____

B. What does the Company believe would be the likely impact of Draft Rule 25-22.0406, F.A.C., on small counties and cities operating in its service territory for the five year period following the adoption of the rule? _____

(Note: According to Paragraph 120.52 (18), F.S.: - "Small city" means any municipality that has an unincarcerated population of 10,000 or less according to the most recent decennial census. Also, according to Paragraph 120.52(19), F.S. - "Small county" means any county that has an unincarcerated population of 75,000 or less according to the most recent decennial census.)

1 **Rule 25-7.0391 Petition For A Limited Proceeding**

2 A petition for a limited proceeding shall include, but not be limited to:

3 (1) a list of all issues the petitioner believes should be decided;

4 (2) a detailed statement of the reason(s) why the limited proceeding has been requested and
5 why a limited proceeding is the appropriate type of proceeding for consideration of the
6 requested relief;

7 (3) a schedule showing the specific rate base components for which the utility seeks recovery,
8 on both a system and jurisdictional basis, if the utility is requesting recovery of rate base
9 components;

10 (4) a detailed description of the expense(s) requested on both a system and jurisdictional basis,
11 if the utility is requesting recovery of operating expenses; and

12 (5) a schedule showing how the utility proposes to allocate any change in revenues to rate
13 classes, and the proposed rates, if the petition requests a change in retail rates.

14 Rulemaking Authority: 350.127(2), 366.05, 366.06(1), FS. Law Implemented: 366.05(1),
15 366.06(1), 366.076(1), FS. History – New _____.

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1 **25-22.0406 Notice and Public Information on General Rate Increase Requests and**
2 **Petitions for Limited Proceedings by Electric, and Gas and Telephone Companies**
3 **Utilities.**

4 (1) The provisions of this rule shall be applicable to all requests for general rate
5 increases and to all limited proceedings filed by electric and gas utilities pursuant to Rules 25-
6 6.0431 and 25-7.0391, by electric, gas and telephone companies subject to the Commission's
7 jurisdiction.

8 (2) The following noticing procedures shall apply to requests for a general rate
9 increase:

10 (a) Upon filing a petition for a general rate increase, the utility shall mail a copy of
11 the petition to the chief executive officer of the governing body of each municipality and
12 county within the service area affected.

13 (b) The utility shall establish a clearly identifiable link on the utility's website to the
14 address on the Commission's website that provides electronic access to all documents filed in
15 the rate case.

16 (c) Location of Minimum Filing Requirements

17 1.(3)(a) Within 15 days after it has been notified by the Commission that the Minimum
18 Filing Requirements (MFRs) have been met, the utility shall place a copy of the MFRs at its
19 official headquarters and at a location approved by the Commission staff ~~its business office~~ in
20 each municipality in which service hearings were held in the last general rate case of the
21 utility.

22 2. Within 15 days after the time schedule has been posted on the Commission's
23 website ~~mailed to the utility~~, copies of the MFRs shall be placed in a location approved by
24 Commission staff ~~the utility business office~~ in each additional city in which service hearings
25 are to be held in the current rate case. ~~Upon customer request a copy of the MFRs shall be~~

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1 placed in a utility business office not located in a city where a service hearing is to be held.
2 The copies of the MFRs shall be available for public inspection during the utility's regular
3 business hours.

4 3.(b) In addition to the locations listed above, if the Commission staff determines that
5 the locations listed above will not provide adequate access, the Commission staff will require
6 that copies of the MFRs be placed at other specified locations.

7 4. Copies of the MFRs shall be available for public inspection during the regular
8 business hours of the location hosting the MFRs and through a link on the utility's website.

9 (d) Rate Case Synopsis

10 1.(4)(a) Within 15 days after the time schedule for the case has been posted to the
11 Commission's website, mailed to the utility, the utility shall prepare and submit to the
12 Commission staff for approval and distribute a synopsis of the rate request. The synopsis shall
13 be approved by the Commission or its staff prior to distribution and shall include:

14 a.1 A summary of the section of the MFRs showing a comparison of the present and
15 proposed rates for major services;

16 b.2 A statement of the anticipated major issues involved in the rate case;

17 c.3 A copy of the executive summary filed with the MFRs;

18 d.4 A description of the ratemaking process and the time schedule established for the
19 rate case; and

20 e.5 The locations at which complete MFRs are available.

21 2. (b) Within 7 days following approval of the synopsis, c Copies of the synopsis shall
22 be distributed to the same locations as required for the MFRs, to the main county library
23 within or most convenient to the service area, and to the chief executive officer of each county
24 and municipality within the service area affected.

25 (e)(5) Within 15 30 days after the rate case time schedule has been posted on the

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1 Commission's website, mailed to the utility, the utility shall prepare and submit a customer
2 notice to Commission staff for approval. The customer notice shall include: ~~begin sending a~~
3 ~~notice approved by the Commission or its staff to its customers containing:~~

4 1.(a) A statement that the utility has applied for a rate increase and the general reasons
5 for the request;

6 2.(b) The locations at which copies of the MFRs and synopsis are available, including
7 the link on the utility's website;

8 3.(c) The time schedule established for the case, and the dates, times and locations of
9 any hearings that have been scheduled; and

10 4.(d) A comparison of current rates and service charges and the proposed new rates
11 and service charges;- ~~Such notice shall be completed at least 10 days prior to the first~~
12 ~~scheduled service hearing.~~

13 5. The docket number assigned to the petition by the Commission's Office of
14 Commission Clerk;

15 6. A statement that written comments regarding the proposed changes in rates and
16 charges should be addressed to the Office of Commission Clerk, 2540 Shumard Oak
17 Boulevard, Tallahassee, Florida, 32399-0850, and that such correspondence should include the
18 docket number; and

19 7. A statement that comments regarding service may be made to the Commission's
20 Office of Consumer Assistance and Outreach at this toll free number: (800) 342-3552.

21 (f) The utility shall begin sending the notice to customers within 30 days after it has
22 been approved by Commission Staff.

23 (3) The following noticing procedures shall apply to a petition for a limited proceeding
24 filed pursuant to Rules 25-6.0431 and 25-7.0391:

25 (a) The utility shall establish a clearly identifiable link on the utility's website to the

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1 address on the Commission's website that provides electronic access to all documents filed in
2 the limited proceeding.

3 (b) Within 15 days after the time schedule for the limited proceeding has been posted
4 to the Commission's website, the utility shall prepare and submit a customer notice to the
5 Commission staff for approval. The customer notice shall contain:

6 1. A statement that the utility has requested a change in rates, a statement of the
7 amount requested, and the general reason for the request;

8 2. A statement of where and when the petition and supporting documentation are
9 available for public inspection, including the link on the utility's website;

10 3. A comparison of the current and proposed rates;

11 4. The utility's address, telephone number, and website address;

12 5. The docket number assigned to the petition by the Commission's Office of
13 Commission Clerk;

14 6. A statement that written comments regarding the proposed changes in rates and
15 charges should be addressed to the Office of Commission Clerk, 2540 Shumard Oak
16 Boulevard, Tallahassee, Florida, 32399-0850, and that such correspondence should include the
17 docket number; and

18 7. A statement that comments regarding service may be made to the Commission's
19 Office of Consumer Assistance and Outreach at this toll free number: (800) 342-3552.

20 (c) The utility shall begin sending the notice to customers within 30 days after it has
21 been approved by staff.

22 (4) All customer notices prepared pursuant to this rule shall be sent to the customer's
23 address of record at the time the notice is issued, in the manner in which the customer
24 typically receives the monthly bill, whether electronically or via U.S. mail.

25 (5) All customer notices regarding the locations and time of any service hearings or

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1 customer meetings shall be sent to the customer no less than 10 days, or more than 45 days,
2 prior to the first service hearing or customer meeting.

3 (6) At least 7 days and not more than 20 days prior to any each service hearing or
4 customer meeting, the utility shall have published in a newspaper of general circulation in the
5 area in which the hearing or customer meeting is to be held, a display advertisement stating
6 the date, time, location and purpose of the hearing or customer meeting. The advertisement
7 shall be approved by the Commission ~~or its~~ staff prior to publication.

8 (7) When the Commission issues proposed agency action and a hearing is subsequently
9 held, the utility shall give written notice of the hearing to its customers at least 15 ~~14~~ days in
10 advance of the hearing. This notice shall be approved by the Commission ~~or its~~ staff prior to
11 distribution.

12 (8) After the Commission's issuance of an order granting or denying a rate change, the
13 utility shall give notice to its customers of the order and the revised rates. The notice shall be
14 approved in advance by the Commission ~~or its~~ staff and transmitted to the customers with the
15 first bill containing the new rates.

16 Rulemaking Specific Authority: 350.127(2), 366.05, 366.06(1) FS. Law Implemented: ~~120.569,~~
17 ~~120.57, 364.01(4), 364.035(1), 364.04(3), (4), 364.05(1), (2), 364.19, 366.03, 366.041(1),~~
18 366.05(1), 366.06(1), 366.076(1) FS.

19 History—New 9-27-83, Formerly 25-22.406, Amended 5-27-93, 5-3-99, _____.

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