

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

NOTICE OF WORKSHOP

TO

ALL INTERESTED PERSONS

UNDOCKETED

IN RE: Proposed amendments to Rule 25-9.001, Application and Scope, Rule 25-9.002, Definitions, Rule 25-9.050, Application and Scope, Rule 25-9.051, Definitions, Rule 25-9.052, General Submittal Instructions, and Rule 25-9.053, Filing and Evaluation of Submittals

ISSUED: May 22, 2015

NOTICE is hereby given that a staff rule development workshop will be held at the following time and place:

June 9, 2015, at 1:30 p.m.
Room 105, Gunter Building
2540 Shumard Oaks Boulevard
Tallahassee, FL 32399-0850

The draft rules and the agenda for the workshop are attached.

One or more Commissioners may be in attendance and participate in the workshop. The person to be contacted regarding this rule development is Pamela H. Page, Office of the General Counsel, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, (850) 413-6214, phpage@psc.state.fl.us.

If you wish to comment but cannot attend the workshop, please submit your written comments by June 2, 2015, to: Pamela H. Page, Office of the General Counsel, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850 (850) 413-6214.

In accordance with the Americans with Disabilities Act, persons requiring a special accommodation to participate at this workshop should contact the Office of Commission Clerk no later than five days prior to the workshop at 2540 Shumard Oak Boulevard., Tallahassee, Florida 32399-0850, via 1-800-955-8770 (Voice) or 1-800-955-8771 (TDD), Florida Relay Service.

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By DIRECTION of the Florida Public Service Commission this 22nd day of May, 2015.



CARLOTTA S. STAUFFER

Commission Clerk

Florida Public Service Commission

2540 Shumard Oak Boulevard

Tallahassee, Florida 32399

(850) 413-6770

www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

PHP

1 **25-9.001 Application and Scope.**

2 ~~(1) The provisions of Rules 25-9.002 through 25-9.045, F.A.C., Parts I, II and III of these~~
3 ~~rules shall only apply to public utilities as defined in Rule subsection 25-9.002(2), F.A.C.,~~
4 ~~and the provisions of Rules 25-9.051 through 25-9.071, F.A.C., Parts IV and V of these rules~~
5 ~~shall only apply to municipalities and cooperatives as defined in Rule subsection 25-9.051(2),~~
6 ~~F.A.C. The provisions of this chapter shall not apply to Interexchange Companies, Pay~~
7 ~~Telephone Service Companies, Shared Tenant Service Companies, Operator Service Provider~~
8 ~~Companies, Alternative Access Vendor Service Providers, Competitive Local Exchange~~
9 ~~Companies, or Local Exchange Companies.~~

10 ~~(2) The following shall prescribe the procedures to be used by public utilities in filing:~~

11 ~~(a) Rules and Regulations.~~

12 ~~(b) Rate Schedules.~~

13 ~~(c) Standard Forms and Riders.~~

14 ~~(d) Contracts and Agreements.~~

15 ~~(e) Tariffs.~~

16 ~~(3) No rules and regulations, or schedules of rates and charges, or modifications or revisions~~
17 ~~of the same, shall be effective until filed with and approved by the Commission as provided by~~
18 ~~law.~~

19 ~~(4) Upon acceptable showing by any utility, the Commission may waive or modify, as to that~~
20 ~~utility, the provisions of any rule herein contained, except when such provisions are fixed by~~
21 ~~statute.~~

22 ~~(5) No deviation from these rules shall be permitted unless authorized in writing by the~~
23 ~~Commission.~~

24 *Rulemaking Authority 350.127(2), 366.05(1), 367.121 FS. Law Implemented 366.04(2)(b),*
25 *366.05(1), 367.091, 367.101 FS. History—New 1-8-75, Repromulgated 10-22-75, Amended 8-*
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1 | 9-79, Formerly 25-9.01, Amended 2-23-86, 1-8-95, 1-25-09, _____.

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1 **25-9.002 Definitions.**

2 For the purposes of Rules 25-9.002 through 25-9.045, F.A.C., ~~these regulations~~ the following
3 definitions shall apply:

4 (1) The word “Commission” refers to the Florida Public Service Commission.

5 (2) ~~Except where a different meaning clearly appears from the context, T~~the word or words
6 “utility” or “public utility” as used in these rules shall mean and include all electric and gas
7 utilities, water systems, and wastewater systems, which are, or may hereafter be, subject to
8 the rate jurisdiction of this Commission.

9 (3) The term “rules” and/or “regulations” refers to the general practices followed by the utility
10 in carrying on its business with its customers and includes the rules, practices, classifications,
11 exceptions and conditions observed by the utility in supplying service.

12 (4) The term “rate” refers to the price or charge for utility service.

13 (5) The term “rate schedule” refers to the rate or charge for the particular classification of
14 service plus the several provisions necessary for billing, including all special terms and
15 conditions under which service shall be furnished at such rate or charge.

16 (6) The term “standard forms” means and includes all standard contract or agreement forms
17 for execution between the utility and its customers.

18 (7) “Contracts and agreements” shall refer to special contracts entered into by the utility for
19 the sale of commodities ~~commodity~~ or services in a manner or subject to provisions not
20 specifically covered by its filed standard rate schedules.

21 (8) The term “tariff” shall refer to the assembled volume containing the “rules,” “regulations,”
22 “rate schedules,” “standard forms,” “contracts,” and other material required by these
23 regulations as filed with the Commission.

24 *Rulemaking Authority 350.127(2), 366.05(1), 367.121 FS. Law Implemented*

25 *366.05(1), 367.081, 367.091, 367.101, ~~367.021~~ FS. History—New 1-8-75, Repromulgated 10-*

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1 22-75, *Formerly 25-9.02, Amended 1-25-09*, _____.

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1 **25-9.050 Application and Scope.**

2 ~~(1) The following rules apply only to municipal electric utilities and rural electric cooperatives~~
3 ~~and prescribe the procedure to be followed by such utilities in submitting documentation of:~~

4 ~~(a) Rate Schedules~~

5 ~~(b) Contracts and Agreements~~

6 ~~(2) Upon acceptable showing by the utility, the Commission may waive or modify, as to that~~
7 ~~utility, the provisions of any rule herein contained, except when such provisions are fixed by~~
8 ~~statute.~~

9 ~~(3) No deviation from these rules shall be permitted unless authorized in writing by the~~
10 ~~Commission.~~

11 *Rulemaking Authority 366.05(1) FS. Law Implemented 366.04(2)(b) FS. History—New 8-9-79,*
12 *Formerly 25-9.50, Repealed _____.*

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1 **25-9.051 Definitions.**

2 For the purposes of Rules 25-9.051 through 25-9.071, F.A.C., ~~these rules~~ the following
3 definitions shall apply:

4 (1) “Commission” refers to the Florida Public Service Commission.

5 (2) “Utility” ~~refers~~ applies to the municipal electric utilities and rural electric cooperatives
6 subject to the jurisdiction of this Commission pursuant to Section 366.04(2), F.S. ~~except~~
7 ~~where a different meaning clearly appears from the context.~~

8 (3) “Rate” refers to the price or charge for utility service.

9 (4) “Rate schedules” refer to the rate for a particular classification of service and the
10 provisions necessary for billing, including all special terms and conditions under which
11 service shall be furnished at such rate or charge.

12 (5) “Contracts and agreements” refer to the special contracts entered into by the utility for the
13 sale of electricity to consumers in a manner or subject to provisions not specifically covered
14 by its submitted rate schedules.

15 (6) “Documentation” ~~refers~~ applies to the assembled volume containing the materials required
16 by Rules 25-9.054 through 25-9.071, F.A.C. ~~rate schedules, contracts and agreements and~~
17 ~~other materials required by these rules.~~

18 (7) “Rate structure” refers to the classification system used in justifying different rates ~~and,~~
19 ~~more specifically, to the rate relationship between various customer classes, as well as the rate~~
20 ~~relationship between members of a customer class.~~

21 (8) “Customer class” refers to any group of customers distinguishable from other customers by
22 load, consumption or other characteristic.

23 *Rulemaking Authority 366.05(1) FS. Law Implemented 366.04(2)(b) FS. History—New 8-9-79,*
24 *Amended 5-3-83 _____, Formerly 25-9.51.*

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1 **25-9.052 General Filing Submittal Instructions.**

2 (1) Each utility shall ~~submit to the Commission~~ file with the Commission documentation as
3 defined in Rule 25-9.051(6), F.A.C. ~~documentation of all territory and customers served by it.~~

4 (2) All supplements, revisions, modifications or changes to the documentation shall be filed
5 with the Commission Clerk ~~submitted to the Commission in quadruplicate and in the form~~
6 ~~prescribed herein~~ at least 30 days prior to ~~final~~ adoption by the utility. All materials filed with
7 the Commission Clerk ~~submitted to the Commission~~ pursuant to subsection (1) of this
8 rule will be reviewed for compliance with Rules 25-9.051 through 25-9.071, F.A.C., and
9 retained in the Commission's files. ~~After review, a letter indicating the Commission receipt of~~
10 ~~or comments on the utility's proposed rate structure will be transmitted to the utility. The~~
11 ~~comment letter may contain a request for data or explanation of the basis for any change in the~~
12 ~~utility's rate structure.~~

13 (3) All documentation filed with the Commission Clerk shall be accompanied by a list of the
14 materials being filed. ~~After reviewing Commission comments and adopting a final rate~~
15 ~~structure, the utility shall submit the adopted rate structure to the Commission, along with any~~
16 ~~response to the Commission's comment letter. The Commission will acknowledge these~~
17 ~~filings.~~

18 (4) When a utility's documentation reflects a proposed change in rate structure, the utility shall
19 provide information to support the change in rate structure. ~~In the event the Commission~~
20 ~~determines that the rate structure of a utility may not be fair, just and reasonable, the~~
21 ~~Commission may initiate appropriate proceedings to prescribe a rate structure that is fair, just~~
22 ~~and reasonable. In so doing the Commission may, among other things, consider the cost of~~
23 ~~providing service to each customer class, as well as the rate history, value of service and~~
24 ~~experience of the utility, the consumption and load characteristics of the various classes of~~
25 ~~customers and the public acceptance of rate structures. The following principles may also be~~

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1 ~~considered: simplicity, freedom from controversy, rate stability, fairness in apportioning costs,~~
2 ~~avoidance of undue discrimination and encouragement of efficiency.~~

3 ~~(5) All documented materials filed with the Commission shall be accompanied by a letter~~
4 ~~listing the sheets being transmitted. The filing shall be acknowledged if the letter is sent in~~
5 ~~duplicate with a request for acknowledgement.~~

6 *Rulemaking Authority 366.05(1) FS. Law Implemented 366.04(2)(b) FS. History—New 8-9-79,*
7 *Amended 5-3-83, _____ . Formerly 25-9.52.*

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1 **25-9.053 Filing and Evaluation of Filings Submittals.**

2 (1) A change to a utility's rate structure must meet one of the following criteria: (a) is cost
3 based; (b) has historical precedent; (c) embodies pricing concepts previously approved by the
4 Commission; or (d) is not unduly discriminatory. Each letter transmitting a utility's proposed
5 documentation in which any change in rate structure is proposed shall be accompanied by
6 supporting information in sufficient detail as to allow the Commission to determine the
7 derivation of all rate structure modifications. The supporting information shall consist of either
8 a utility-specific cost study or an analysis of utility-specific cost and operating data prepared
9 using a methodology previously approved by the Commission for any comparable utility. All
10 additional relevant information deemed necessary by the Commission shall be submitted in
11 addition to the above request.

12 (2) After review of the utility's proposed change in rate structure, staff will send written
13 notification to the utility indicating: (a) administrative approval of the documentation or (b)
14 how the proposed rate structure is inconsistent with the criteria listed in subsection (1) of this
15 rule. Upon receipt of the staff notification, the utility shall file an alternative proposed rate
16 structure addressing staff's concerns or file a statement that the utility disagrees with the staff
17 determination of inconsistency and requesting the Commission to consider the proposed rate
18 structure as filed. If the utility does not submit such supporting information the Commission
19 shall evaluate the proposed change in rate structure on the basis of cost and operating data
20 from one or more comparably situated public electric utilities which the Commission
21 determines to be most similar to the filing utility. Data from the comparable utilities shall be
22 considered in conjunction with all submitted information which is specific to the filing utility.

23 (3) If the Commission finds the proposed rate structure inconsistent with subsection (1), the
24 Commission shall direct the utility to file a rate structure that is consistent with the criteria in
25 subsection (1) of this rule.

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1 *Rulemaking Authority 366.05(1) FS. Law Implemented 366.04(2)(b), FS. History—New 8-9-79,*
2 *Formerly 25-9.53, Amended 1-17-93, _____.*

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FLORIDA PUBLIC SERVICE COMMISSION

AGENDA

STAFF WORKSHOP

UNDOCKETED

Undocketed - Proposed amendments to Rule 25-9.001, Application and Scope, Rule 25-9.002, Definitions, Rule 25-9.050, Application and Scope, Rule 25-9.051, Definitions, Rule 25-9.052, General Submittal Instructions, and Rule 25-9.053, Filing and Evaluation of Submittals

June 9, 2015, at 1:30 p.m.
Gunter Building, Room 105
2540 Shumard Oaks Boulevard
Tallahassee, Florida 32399-0850

1. Staff overview of draft rule
2. Comments and alternative suggestions from interested persons
3. Discussion of suggested changes and timeframes for next steps
4. Adjournment