

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Amendment of Rule 25-14.003, ) DOCKET NO. 891278-PU  
 F.A.C., pertaining to Corporate )  
 Income Tax Expense Adjustments. ) ORDER NO. 23055  
 \_\_\_\_\_ )  
 ISSUED: 6-11-90

NOTICE OF RULEMAKING

NOTICE is hereby given that the Commission, pursuant to section 120.54, Florida Statutes, has initiated rulemaking to amend Rule 25-14.003, F.A.C., relating to corporate income tax expense adjustments.

The attached Notice of Rulemaking will appear in the June 15, 1990, edition of the Florida Administrative Weekly. If requested, a hearing will be held at the following time and place:

9:30 a.m., July 18, 1990  
 Room 122, Fletcher Building  
 101 East Gaines Street  
 Tallahassee, Florida

Written requests for hearing and written comments or suggestions on the rule must be received by the Director, Division of Records and Reporting, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, FL 32399, no later than July 6, 1990.

By Direction of the Florida Public Service Commission,  
 this 11th day of JUNE, 1990.

\_\_\_\_\_  
 STEVE TRIBBLE, Director  
 Division of Records & Reporting

( S E A L )

CBM

4205G

by: Kay Flynn  
 Chief, Bureau of Records

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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FLORIDA PUBLIC SERVICE COMMISSION

Division of Appeals

DOCKET NO. 891273-PU

RULE TITLE:

RULE NO.:

Corporate Income Tax Expense Adjustments

25-14.003

PURPOSE AND EFFECT: The intent of the proposed rule revision is to, in essence, repeal the existing cumbersome mechanism for corporate income tax expense adjustments; and to replace that mechanism with the existing ongoing earnings review mechanism.

SUMMARY: The rule revision would mandate that the Commission monitor the impact of any corporate income tax expense changes upon the regulated companies' overall earnings through the Commission's ongoing earnings review program. The Commission could address such a change in earnings through a limited proceeding or through a full rate case.

RULEMAKING AUTHORITY: 350.127(2), 364.01, 366.05, 366.06(3), 367.121, F.S.

LAW IMPLEMENTED: 364.01, 364.035, 364.05, 366.05, 366.06, 366.076, 367.121, 367.081, 367.0822, F.S.

SUMMARY OF THE ESTIMATE OF ECONOMIC IMPACT OF THIS RULE: The change applies existing Commission practice regarding ongoing earnings reviews to corporate income tax expense adjustments. Following rule revision, the Commission may conduct limited proceedings regarding any change in earnings due to tax rate changes or may address such earnings change through full rate

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cases. The proposed rule changes should increase Commission flexibility in dealing with changes in tax law without adding new agency costs or additional paperwork. Staff would continue to monitor utility earnings levels through surveillance reports, modified minimum filing requirements (MMFRs), and annual reports. Staff would bring recommendations to the Commission when a company's actual earned rate of return exceeded its authorized rate of return range. Utilities would benefit from the reduced reporting requirements.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING. IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE DATE AND PLACE SHOWN BELOW:  
TIME AND DATE: 9:30 A.M., July 18, 1990  
PLACE: Room 122, 101 East Gaines Street, Tallahassee, Florida.  
THE PERSON TO BE CONTACTED REGARDING THESE RULES AND THE ECONOMIC IMPACT STATEMENT IS: Director of Appeals, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida 32399  
THE FULL TEXT OF THE RULE IS:

Substantial rewording of Rule 25-14.003. See Florida Administrative Code for present text.

25-14.003 Corporate Income Tax Expense Adjustments.

The Commission shall monitor the impact of any corporate income tax expense changes upon the regulated companies' overall

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earnings through the Commission's ongoing earnings review program.  
The Commission may conduct a limited proceeding regarding such a  
change in tax expense or may address income tax adjustments in a  
full rate case.

The repeal of existing language shall not apply to pending  
cases.

The repeal of existing language shall apply to tax savings for  
tax year 1990 and thereafter.

Specific Authority: 350.127(2), 364.01, 366.05, 366.06(3),  
367.121, F.S.

Law Implemented: 364.01, 364.035, 364.05, 366.05, 366.06, 366.076,  
367.121, 367.081, 367.0822, F.S.

History: New 6/22/82, formerly 25-14.03, Amended \_\_\_\_\_.

NAME OF PERSON ORIGINATING PROPOSED RULE: Ann Causseaux

NAME OF SUPERVISOR OR PERSON(S) WHO APPROVED THE PROPOSED RULES:  
Florida Public Service Commission

DATE PROPOSED RULES APPROVED: May 1, 1990

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.