

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Proposed Rules 25-6.0426) DOCKET NO. 930165-PU
and 25-7.042, F.A.C., Recovery) ORDER NO. PSC-95-0787-FOF-PU
of Economic Development Expenses) ISSUED: June 29, 1995
_____)

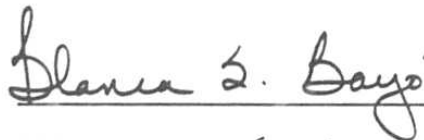
NOTICE OF ADOPTION OF RULES

NOTICE is hereby given that the Florida Public Service Commission, pursuant to Section 120.54, Florida Statutes, has adopted Rules 25-6.0426 and 25-7.042, Florida Administrative Code, relating to recovery of economic development expenses with changes suggested by the staff of the Joint Administrative Procedures Committee.

The rules were filed with the Department of State on June 27, 1995 and will be effective on July 17, 1995. A copy of the rules as filed with the Secretary of State is attached to this Notice.

This docket is closed upon issuance of this notice.

By ORDER of the Florida Public Service Commission, this 29th day of June, 1995.



BLANCA S. BAYÓ, Director
Division of Records & Reporting

(S E A L)

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FPSC-RECORDS/REPORTING

25-6.0426 Recovery of Economic Development Expenses

(1) Pursuant to Section 288.035, Florida Statutes, the Commission shall allow a public utility to recover reasonable economic development expenses subject to the limitations contained in subsections (2) and (3), provided that such expenses are prudently incurred and are consistent with the criteria established by Rules 8E-15.001, 8E-15.002, and 8E-15.003, Florida Administrative Code, adopted by the Department of Commerce.

(2) Prior to each utility's next rate change enumerated in subsection (5), the amounts reported for surveillance reports and earnings review calculations shall be limited to the greater of (a) the amount approved in each utility's last rate case escalated for customer growth since that time, or (b) 90 percent of the expenses incurred for the reporting period so long as such does not exceed the lesser of 0.15 percent of gross annual revenues or \$3 million.

(3) At the time of each utility's next rate case and for subsequent rate proceedings enumerated in subsection (5) the Commission will determine the level of sharing of prudent economic development costs and the future treatment of these expenses for surveillance purposes.

(4) Each utility shall report its total economic development expenses as a separate line item on its income statement schedules filed with the earnings surveillance report required by Rule 25-6.1352, Florida Administrative Code. Each utility shall make a

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line item adjustment on its income statement schedule to remove the appropriate percentage of economic development expenses incurred for the reported period consistent with subsections (2) and (3).

(5) Requests for changes relating to recovery of economic development expenses shall be considered only in the context of a full revenue requirements rate case; in a limited scope proceeding for the individual utility; or in a modified minimum filing requirement proceeding for the individual utility.

Specific Authority: 288.035(3), 350.127(2), F.S.

Law Implemented: 288.035, F.S.

History: New 07/12/95.

25-7.042 Recovery of Economic Development Expenses

(1) Pursuant to Section 288.035, Florida Statutes, the Commission shall allow a public utility to recover reasonable economic development expenses subject to the limitations contained in subsections (2) and (3), provided that such expenses are prudently incurred and are consistent with the criteria established by Rules 8E-15.001, 8E-15.002, and 8E-15.003, Florida Administrative Code, adopted by the Department of Commerce.

(2) Prior to each utility's next rate change enumerated in subsection (5), the amounts reported for surveillance reports and earnings review calculations shall be limited to the greater of (a) the amount approved in each utility's last rate case escalated for customer growth since that time, or (b) 90 percent of the expenses incurred for the reporting period so long as such does not exceed the lesser of 0.15 percent of gross annual revenues or \$3 million.

(3) At the time of each utility's next rate case and for subsequent rate proceedings enumerated in subsection (5) the Commission will determine the level of sharing of prudent economic development costs and the future treatment of these expenses for surveillance purposes.

(4) Each utility shall report its total economic development expenses as a separate line item on its income statement schedules filed with the earnings surveillance report required by Rule 25-7.1352, Florida Administrative Code. Each utility shall make a

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line item adjustment on its income statement schedule to remove the appropriate percentage of economic development expenses incurred for the reported period consistent with subsections (2) and (3).

(5) Requests for changes relating to recovery of economic development expenses shall be considered only in the context of a full revenue requirements rate case; in a limited scope proceeding for the individual utility; or in a modified minimum filing requirement proceeding for the individual utility.

Specific Authority: 288.035(3), 350.127(2), F.S.

Law Implemented: 288.035, F.S.

History: New 07/12/95.